It comes as no surprise that Chancellor Angela Merkel and her Christian Democratic CDU (Christlich Demokratische Union) are the winners of the German federal elections. However, the margin of her victory was unexpected, with the CDU in the preliminary official results attaining 311 seats, only 5 seats short of a majority in parliament. A performance described as a “show of force” by Die Zeit and as a “triumph” by Der Spiegel.

The CDU’s main rival, the social democratic SPD (Sozialdemokratische Partei Deutschlands) finished as a distant second, with 25.7 percent of the votes. A setback for the CDU is that its preferred coalition partner the liberal FDP (Freie Demokratische Partei) failed to pass the election threshold of 5 percent of the votes needed to enter Parliament.

The euro-sceptic AfD (Alternative für Deutschland) - the dark horse of the elections - performed surprisingly well, but failed to obtain the five percent of the votes needed to be represented in parliament.

The negotiations for a coalition partner will take some time; as discussions with the Greens (Die Grüne) and the CDU Bavarian sister-party, the CSU (Christliche Soziale Union) will have to take their course. A CDU/SPD coalition is the most likely option, but in the meantime, the caretaker administration will be in charge.
Germany’s European Union (EU) policies unlikely to change drastically

On the European level, the German elections will for many commentators signify the end of a long wait. A re-elected Merkel would finally have the leeway to take the decisions needed to lead Europe out of the crisis, or so it is argued. A new bailout for Greece and a bank resolution fund might indeed be a step closer. It is however far from certain that Mrs Merkel will now pursue a politics of “more Europe”.

The CSU, for instance, remain Eurosceptic. It seems moreover unlikely that Mrs Merkel would abandon her famous cautious approach and become enthusiastic about big transfers of sovereignty. As the CDU will in any coalition be by far the strongest coalition partner, this will matter. Additionally, the CDU and the SPD share to a large extent the same views on “austerity”, meaning that Eurobonds will almost certainly remain unthinkable for Germany.

Grand coalition could aid Schulz’s bid for Commission presidency

This is not to say that a CDU/SPD coalition would not change the European picture. A coalition with the SPD would imply that Mrs Merkel will have to cooperate with a party that wants to direct Europe politics more to a path of growth.

In Paris, President Hollande would certainly welcome such a policy shift, potentially making Franco-German cooperation easier. The influence of a CDU/SPD coalition on the European elections of 2014 could also be substantial. A CDU/SPD coalition might support Martin Schulz, the current president of the European Parliament, in his ambition to become the President of the European Commission after the 2014 European elections.

Mr Schulz has often criticised Mrs Merkel’s austerity politics and might not be popular with the CDU, but it could be telling that the current German Commissioner, Günther Oettinger, has recommended that Mrs Merkel considers a coalition with the Greens. If Mr Schulz were nominated to become Germany’s candidate to be their new Commissioner, as well as the nomination he already has to be the Social Democrats’ (S&D) Commission President candidate, the European elections of 2014 will certainly stand to gain more of a face.

And it is likely that in such a case, the centre right EPP (European People’s Party) would feel moved to select a high profile candidate to become President of the Commission on its side.