


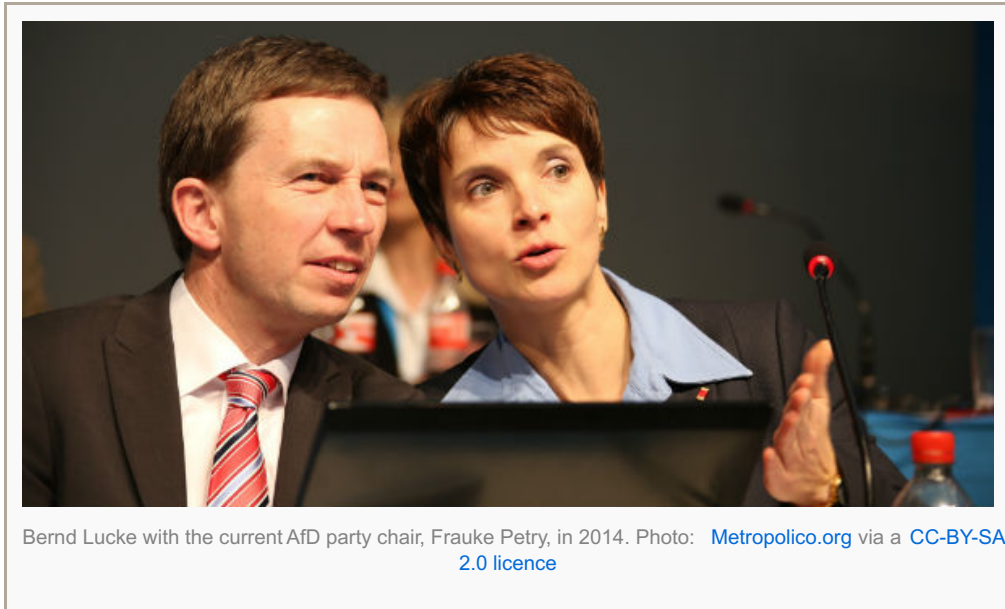
A right-wing populist party founded by economists: the strange case of Germany's AfD

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By Democratic Audit UK

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*Alternative für Deutschland started life as a movement of economists who were opposed to the euro. Four years later and two years after they quit, it is a fully-fledged populist party. **Simon Franzmann** traces how the AfD acquired credibility by vaunting its economic expertise, before switching to more traditionally populist themes.*



Since the Alternative für Deutschland was founded in the spring of 2013, political scientists have debated whether the AfD can be classified as a right-wing populist party. But as it embraces an increasingly extremist right wing, there is no longer any doubt that it now fits that description.

AfD incorporates a rather moderate bourgeois wing, a national-conservative wing that no longer feels represented by Angela Merkel's Christian Democrats and an increasingly nationalist xenophobic wing. Although the party's initial focus was a critique of the euro, it now concentrates on socio-cultural issues such as immigration, law and order and Islamophobia.

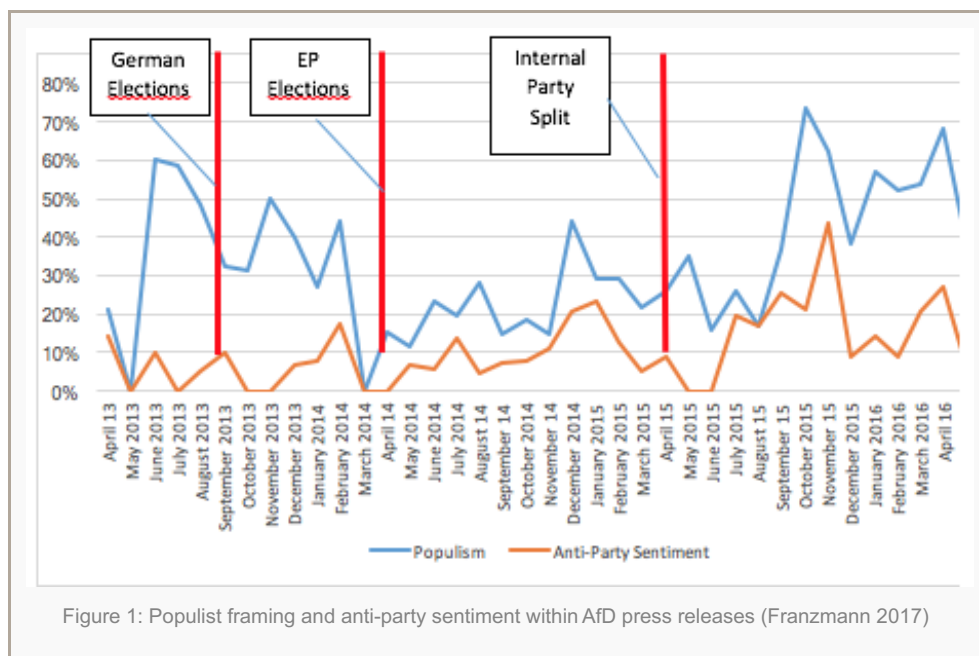
However, during the AfD's early days, it was economists who were decisive in leading the party to success. **The "professors of economics" wing of the party applied populist discourse to their critique of the euro. These academics unintentionally opened the door to the anti-pluralist line of reasoning in German politics.** This can be understood in the light of the special role ordo-liberalism plays in German politics.

German ordo-liberalism developed after World War II in an attempt to find a way to combine liberal market ideas and Christian ideals. It stresses both the role of the free market in defeating communism and the need to regulate markets against 'Manchester liberalism'. In combination with conservatism, it was at the core of the Christian Democratic programme in the early years of the German Federal Republic. From its formation in April 2013 until the internal party split in June 2015, two wings dominated the AfD: the "economist" wing promulgated the economics-based critique of euro currency politics, while the other emphasised the conservative critique of CDU politics since Merkel became Chancellor. The Eurozone crisis opened a window of opportunity to temporarily attract various strands of the disaffected middle class to one party.

During the first two years of the AfD's existence, a board of economists advised the party. These economists were all advocates of a market-friendly interpretation of German ordo-liberalism; they oppose the European Currency System for setting negative incentives for implementing austerity politics. Their original and most prominent spokesperson Bernd Lucke articulated these economic concerns. Lucke initiated the Forum of Economists (*Plenum der Ökonomen*), a platform for German economists sceptical about the current course of the European Monetary Union (EMU). The critique was mainly inspired by German ordo-liberalism and claimed that state insolvency was being surreptitiously introduced.

In an article for the press, Lucke built a bridge between the economists' protestations and the political sphere. He expressed his concern about the weakness of national and European institutions in solving the financial crisis. He saw the CDU losing its last unique selling point of economic competence as a result of euro rescue politics. He argues that the CDU has already lost ownership of all the other (conservative) core issues, such as democratic nationalism, religious attitudes, an anti-communist stance, Atlantic orientation, support for family and the educated middle classes and competence in environmental and energy politics. These latter claims, which moved well beyond the issue of the euro, supported the AfD's claim to be the new conservative party.

Lucke's critique of the euro was formulated from a liberal-conservative perspective, but it also has much in common with the writings of many other economists. So one would have expected that the AfD should have been able to avoid presenting itself as a populist party, and instead promoted its economic expertise. Nevertheless, it was the economists who relied on a populist frame in their statements to the press. Figure 1 shows the use of populist style elements and anti-party sentiment within AfD's press releases over time. There were four decisive periods in the party's development: firstly, from its founding until the German general elections in 2013; secondly, the period up to the European Parliament elections in May 2014; thirdly, the period from the EP elections until the internal split and departure of the economists; and lastly, the period after the economists' wing had left.



Combining their economic stance with populism was a tactical step. It blurred to a certain extent the extreme neo-liberal positions that are not supported by large parts of potential AfD sympathisers. They support the critique of the EU, of established parties and of pluralism. After a time, this populist complement to the main economic ordo-liberal ideology became the AfD's principal ideology, while ordo-liberalism became less important. It was the economists who later quit the party that summoned the ghost of populism. In hindsight, their economic expertise opened the door to populist discourse in German politics.

The AfD was at its most populist just after its foundation and after the internal party split. While the latter is no surprise since the party split was the consequence of internal radicalisation, the peak during the first months might

be surprising. This was at the time the AfD was promoting its economic expertise. Usually, one would not expect highly-educated economists to rely on populist rhetoric. According to the Dutch political scientist Cas Mudde, populism can be defined as an anti-pluralist appeal, appealing to the virtuous people against a corrupt elite or against outsiders. The AfD was different. An example illustrates how the AfD's economists deployed populist tactics. In July 2013, the party directly linked the EMU with moral deterioration. The occasion was a phone call between two Irish bankers deriding Germany, and especially German bank depositors. The AfD politicians did not target the Irish banker but rather derided the German government, contending that the bankers' unethical behaviour was the consequence of the bad politics of saving the euro. Lucke argued that it would lead to the arrival of the 'horsemen of the Apocalypse'.

As the EP elections approached a few months later, AfD started abstaining from populism. The reason was an ongoing internal struggle between the economists' and the national-conservative wing. While the latter wanted to become part of one of the Eurosceptic EP groupings, Lucke and the economists' wing sought to become a member of the same grouping as the British Conservatives. They now tried to strengthen their moderate credentials among the public. While they were successful in joining the European Conservatives and Reformists grouping, they subsequently lost during the intra-party struggle against the national-conservative wing.

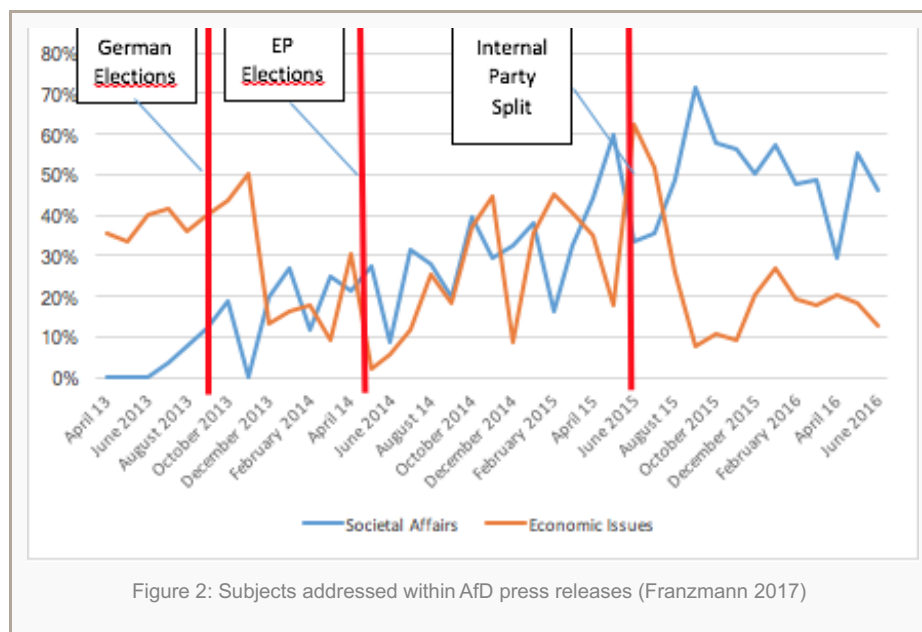


Figure 2: Subjects addressed within AfD press releases (Franzmann 2017)

Figure 2 underlines how drastically the issues changed since the party was founded. At the beginning, economic issues were the main concern in AfD press statements. After the federal election and until the party split in summer 2015, economic and societal issues were emphasised. Since the party split, societal affairs have dominated the AfD's agenda. Economic concerns are of less importance. Nevertheless, **it is impossible to overestimate the role of the economists in establishing the AfD. The credibility they enjoyed among the public generated wide support.**

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This post represents the views of the author and not those of Democratic Audit.

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