# Friedrich Merz navigates coalition talks to boost German defence budget



Chancellor-in-waiting Friedrich Merz is currently engaged in discussions with his future coalition partners and members of his own party regarding Germany's borrowing rules as he attempts to facilitate a significant increase in the defence budget. This initiative comes in the wake of the recent elections and seeks to secure a multi-billion Euro top-up before new Members of Parliament (MPs) take their positions.

The Financial Times reports that these negotiations will be pivotal in the exploratory coalition talks commencing on Friday. Merz is looking for approval from the centre-left Social Democrats (SPD) to leverage the outgoing Bundestag to pass the required constitutional amendment for augmenting military spending by over €100 billion. This unusual legislative strategy is intended to circumvent the potential blocking votes from the far-right Alternative for Germany (AfD) and the far-left Die Linke, who have collectively achieved over one-third of parliamentary seats in the recent election, making them capable of obstructing such changes once the new parliament convenes in four weeks.

Merz, who leads the conservative CDU/CSU coalition that received the highest number of votes in the election, has positioned the urgent need to boost defence spending as a requisite response to deteriorating transatlantic relations since the presidency of Donald Trump. “It must be an absolute priority to strengthen Europe as quickly as possible to achieve independence from the US,” he stated on election night.

The rapid progression of the coalition talks has been driven by the urgency of the situation. According to insights from those close to Merz, the gravity of the current political and security landscape has created a necessity for expedited discussions with the SPD, his primary prospective partners, following his dismissal of the possibility of collaborating with the AfD.

Criticism has emerged from various political factions. Green Party politician Ricarda Lang described Merz's sudden about-face regarding the borrowing capacity as creating a "mess," noting his previous observations while Chancellor Olaf Scholz dealt with similar issues. Social Democrat finance minister Jörg Kukies warned that enacting constitutional amendments with the prior parliamentary composition would signal a “questionable political signal." Meanwhile, AfD co-leader Alice Weidel denounced the initiative as “electoral fraud,” accusing Merz of disregarding his election commitments immediately after polling ended.

The last instance of an outgoing parliament enacting legislation was in 1998, under Chancellor Helmut Kohl, when an extraordinary session was convened for military action during the Kosovo conflict. However, it is noted that Kohl had secured broad political consensus, a factor that current proposals lack. The simplest method for Merz to achieve his objective would involve amending the existing €100 billion special defence fund established by Scholz post-Russia's invasion of Ukraine in 2022.

Merz’s strategy involves securing support from all major parties within the current parliament, including the liberal Free Democrats, despite their recent electoral loss. Reports indicate that Merz is targeting an increase in funding between €100 billion and €200 billion.

In response to proposals for reforming borrowing regulations, the SPD aims to attain a commitment from Merz to amend the constitutional debt brake, a provision that limits federal borrowing. Economic analysts argue that this rule is increasingly deemed outdated, necessitating updates to allow for greater financial flexibility. Regional states are also advocating for a loosening of these restrictions to enable new borrowing.

Stephan Weil, the SPD premier of Lower Saxony, expressed willingness to employ the outgoing parliament to secure increased defence funding, yet characterised the proposed solution as merely a “patch up.”

Friedrich Merz has not dismissed the potential for broader reforms regarding government borrowing rules. As discussions continue, he has suggested that it is premature to reach a definitive conclusion, highlighting ongoing negotiations within the party framework.

In a separate context, European leaders have notably rallied around Ukraine's President Volodymyr Zelensky, expressing solidarity following a contentious encounter with US President Donald Trump, who had aggressively confronted Zelensky in the Oval Office. Leaders including Germany's Olaf Scholz and France's Emmanuel Macron extended unwavering support, framing Ukraine as the victim in the conflict with Russia. Scholz asserted, “Nobody wants peace more than the Ukrainians do,” while Merz reiterated Germany's commitment to Ukraine amidst the international political tumult.

The evolving political climate in Germany reflects a complex interplay between coalition negotiations, military funding priorities, and broader European geopolitical dynamics.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.capitaleconomics.com/publications/europe-economics-weekly/europe-weekly-germany-defence-fund-ecb-cuts> - This article discusses Friedrich Merz's proposal for a special fund to increase Germany's defence spending from 2% to 3.5% of GDP, which aligns with his ambition to strengthen European defence.
* <https://www.chathamhouse.org/2025/02/after-german-election-win-can-merz-deliver-leadership-home-and-europe> - This piece explores Merz's foreign policy ambitions, including strengthening Germany's partnerships and increasing European defence capabilities, which are central to his leadership goals.
* <https://www.bundestag.de/en/parliament/parliamentary_groups> - This webpage provides information on the political groups in the German Bundestag, including the CDU/CSU, SPD, AfD, and Die Linke, which are relevant to the coalition talks and political dynamics described in the article.
* <https://www.dw.com/en/germany-scholz-ukraine-zeitenwende/a-63714241> - This article discusses the Zeitenwende policy initiated by Chancellor Olaf Scholz, which aimed to increase defence spending in response to the Ukraine conflict, setting a precedent for Merz's current efforts.
* <https://www.reuters.com/world/europe/german-election-merz-looks-form-coalition-2025-02-26/> - Reuters reports on Merz's efforts to form a coalition government and his priorities for defence spending, highlighting the challenges and negotiations involved.
* <https://www.politico.eu/article/germany-election-merz-coalition-talks/> - This article provides insights into the coalition talks led by Merz, including his strategies for securing support for increased defence spending and navigating complex political alliances.