

Lessons from Germany for a Just Transition

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External shocks, coalition infighting, and an opportunistic far right have driven the German government's approval rate to a new low. Contested climate policies offer Greens in Berlin and across Europe some useful lessons: to gain support from the people, the green transition needs to address social concerns, allow for democratic participation, and be implemented locally.

Economic recession, budget cuts, and the rise of the far right are the new reality in Germany – an explosive mix, we know from historical experience. Little over two years into government, the self-proclaimed “coalition of progress” is being put to the test. The approval ratings of the coalition parties – the Social Democrats (SPD), the Greens, and the pro-business Free Democrats (FDP) – are at a new low, even though the coalition has implemented many of its policy pledges.

While it's not uncommon for mid-term approval ratings to be low, the government is going through a particularly tough time. Setting out with the ambition to “dare more progress” by boosting renewables, expanding affordable housing, and raising spending on education, the governing parties have found themselves sidetracked. The multiple interlocking crises of Putin's war in Ukraine, surging energy prices, the rising cost of living, and higher borrowing costs certainly played a role.

On top of that, the ideological differences between the coalition partners have made finding common ground on economic and social reforms difficult. This is particularly true for climate policies, as demonstrated last year by the dispute over the Building Energy Act. The Green party's flagship bill – aimed at phasing out oil and gas heating systems – was vehemently opposed by the FDP as too costly, opening a rift in the coalition. What was intended as a major step towards reaching Germany's emission target in the building sector has now been so watered down that the country looks unlikely to reach its 2030 emissions reduction target.

While the Greens are pushing for pragmatic change within the limits of what's possible, the FDP – reflecting a reform-sceptic electorate – is calling for a return to “fiscal prudence” after Germany suspended the constitutional “debt brake” for the fourth year in a row in 2023. The SPD and its Chancellor Olaf Scholz play the role of mediating the tension, while also pushing their own signature policies such as increasing the minimum wage to 12 euros per hour and expanding social security benefits. Yet, there is an open question regarding Scholz's leadership within the coalition. Especially in terms of international politics, the chancellor's agenda seems directionless in light of global challenges.

Meanwhile, the (far) right has been capitalising on the governmental infighting. Alternative für Deutschland (AfD) is successfully taking advantage of the general discontent and the heightened sense of economic and social insecurity. In the latest state elections in Bavaria and Hessen last October, the AfD achieved its best-ever results in western Germany. Since last summer, the AfD has been steadily ahead of all government coalition parties in national polls. Today it is in the lead in Brandenburg, Thuringia, and Saxony – three East German states due to hold regional elections this year. And it is also making gains at the local level, with the AfD's first county commissioner in Sonneberg, Thuringia, and

first mayors in Raguhn-Jeßnitz, Saxony-Anhalt and Pirna, Saxony. Although these are relatively small cities, the political victories have a high symbolic meaning.

The furore over the Building Energy Act appears to be a taste of what's to come. The more ambitious and far-reaching the climate proposal, the stronger the political and societal resistance – a development that tends to play into the hands of far-right actors. How can progressives counter the far right's challenges without compromising their reform agenda ahead of the European elections in June?

Three lessons from Germany

The recent debates over the social and economic costs of green policies provide useful lessons for progressive actors on implementing a just transition in the face of far-right challenges.

First, social policy is key. The public debate surrounding the proposed heating legislation has demonstrated how swiftly climate policy loses support if it lacks a social design. The far right has successfully capitalised on the legislation's social weak points, fuelling fears of a disproportionate financial burden on low- and middle-income homeowners. Johannes Hillje, political analyst and Policy Fellow at the think tank [Das Progressive Zentrum](#), sees the discourse on the heating law as a [contributing factor](#) to the recent gains of the far right.

Combined with strategic flaws in the design and communication of the draft legislation, the political backlash has inflicted lasting damage on the popularity of the Greens and the “traffic light coalition”, while boosting support for the AfD. Measures on climate change that fail to take into account socio-economic inequalities thus have a polarising effect on society. A socially just implementation of the transition is key to gaining popular support.

Second, regional histories matter. A [recent study](#) by Das Progressive Zentrum on structurally disadvantaged regions in Germany found that regional histories play a key role in people's attitudes towards the socio-ecological transition. In places that have historically undergone major structural changes and continue to face infrastructural and demographic challenges, people tend to be more reserved about change in general. Residents of areas such as the highly industrialised Ruhr region or large parts of eastern Germany often feel disregarded in the political discourse and fear that they will lose out in the climate transition.

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These fears primarily result from material insecurities around the financial cost of the transition and its impact on the regional economy. But immaterial factors, such as the erosion of regional identities with the decline of former industrial heartlands, are also crucial. In his [study](#) of the AfD's electoral success in the coal region of Lusatia, German sociologist Klaus Dörre found that many lignite mining workers feel that their work and contribution to society – securing the country's energy supply – is being devalued by the transition to carbon-neutrality. Geographical differences between rural peripheries and urban centres also shape the energy transition. Places that are politically, infrastructurally, or economically disadvantaged often [shoulder a disproportionate burden](#) in the expansion of renewables. Here, people often feel excluded from both the decision-making process and the economic gains, a fact that is

increasingly exploited by far-right opponents of the transformation.

Third, communication is crucial. The far right in Germany is immensely successful at spreading simplistic narratives that stick with voters. In the heated debate around the Building Energy Act, right-wing populists, fossil capital, libertarian factions, and the tabloid media discursively mobilised against the law and its initiator Robert Habeck, Germany's Green vice chancellor and economy minister. Coining and mainstreaming defamatory terms like "Habeck's heating hammer" or "climate terrorists", the far right seeks to delegitimise environmental actors and their policies. Using the populist rhetoric of "green elites" that betray the will of the people and want to deindustrialise the country, undermine national sovereignty, and restrict the freedom of the "little guy", far-right actors paint a dystopian future and appeal to people's emotions and concerns.

In fact, the AfD – the only party in the German parliament that denies the existence of anthropogenic climate change – is particularly successful in climate communication. A publication by the Institute for Strategic Dialogue analysing the climate discourse in the run-up to Germany's 2021 federal elections, found that the AfD's climate-related posts on social media had significantly more engagement than those by other parties. It is crucial that progressive actors reclaim the discourse on ecological transformation by credibly highlighting the social advantages of a climate transition and developing a positive vision for a socially just and ecologically sustainable future. This includes the active use of social media platforms such as TikTok, where the AfD has recently built a large followership and manages to connect with young voters.

The Three Gs

The rising pressure from the far right is a key challenge for progressives not just in Germany, but across Europe and North America. The impact and scope of this challenge comes in various shapes and sizes and may vary greatly across Europe. It could come as an outright attack on democracy, press freedom, individual rights, or social freedoms, or as a growing backlash against net-zero and green economic transition policies. The lessons outlined above may be instructive for progressives ahead of the 2024 EU elections. Focusing on a forward-looking reform agenda for Europe's Green New Deal that strikes a balance between grievances, *Gestaltungsmacht* – the "creative power" of truly participatory decision-making –, and governance could help them fight back.

Grievances

Central to this is the insight from Germany that voters are deeply concerned about the economic situation in times of global unrest, and fear the decline of living standards. According to a September 2023 poll, 60 per cent of Germans believe that the economy will be worse off in the future and a quarter think that their personal economic situation will worsen over the next year. What's more, 63 per cent of people feel that Germany is not a place where social justice prevails, a figure which rises to 93 per cent among AfD voters.

The combination of a bleak economic outlook and the feeling of social injustice requires progressive proposals to take social grievances seriously. The example of the heating legislation highlighted a sensitivity around social issues, particularly in the context of climate reforms. Proposed policies will face societal disapproval unless they are carefully crafted and do not financially disadvantage people. The EU's Social Climate Fund has the right intention but is not tangible for voters. In Germany, the "Klimageld", which seeks to directly compensate less well-off citizens for the associated costs of the transition, should become a priority for the coalition. A difficult and increasingly clear truth for

progressives is that people are generally in favour of climate policy – when it does not come at the expense of the individual.

This is even more relevant for people living in regions that have seen a relative economic decline over the past years or decades. In these places – in the east of Germany, the north of England, the north or south of France, or the south of Italy, for example – it is not just the economic and social downward spiral but also a lack of belonging and hope for a better future that makes transformative reforms a hard sell to voters.

What is needed are public investments in social infrastructure, housing, and public services. Without this, there is a risk of voters getting the impression that a climate-neutral lifestyle – symbolised by electric cars and home solar panels – is only available to the “elites”, laying the groundwork for the far right to exploit these social grievances and mobilise the electorate against climate policy.

Gestaltungsmacht

One of the biggest challenges for progressives is countering the far right’s claim that the system is broken and that it is not working for ordinary people. A [study](#) by Das Progressive Zentrum on last winter’s so-called “Monday demonstrations” in East Germany, where we spoke with more than 200 protesters, shows the strength of this view. Those who took to the streets to express their anger with the government’s handling of Putin’s illegal war in Ukraine and its economic fallout said they often feel detached from democratic institutions and decision-making. To them, democratic institutions, parliamentary democracy, and representation appear dysfunctional, resulting in a collective abandonment of democratic principles, xenophobic and racist attitudes towards minorities, and deeply illiberal views.

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From the perspective of the protestors, the “political establishment” in Berlin does not represent the interest of the “real people” – a narrative which provides fertile ground for populist parties. Regarding this deep distrust in democracy, [Philip Manow](#) argues that it is not the democratic system that is in crisis but the systems of representation.

Progressives must not disregard these concerns but rather openly address them by making democratic decision-making more transparent, in order to reconnect with those voters who are not (yet) caught in extremist standpoints and conspiracy theories. The transition to a green economy and society offers an opportunity to rethink and recalibrate democracy at the local and regional levels of government. This is crucial to improving people’s lives and decarbonising the energy, mobility, housing, and agriculture sectors.

New and more elaborated forms of democratic participation enable local citizens, civil society, and workers to co-design the climate transition. Here, *Gestaltungsmacht* in the form of democratic deliberation means binding decision-making within constitutional boundaries.

In Germany, there are a range of projects that trial *Gestaltungsmacht*, ranging from shared ownership of

local wind farms to the “Revierpioniere” in Saxony-Anhalt. Here, citizens can apply for funding to implement their ideas on structural transformation. This is financed through the energy transition fund as part of the state’s strategy to phase out coal extraction. These examples – by no means perfect – do however show how democratic change can be driven by local and regional actors. *Gestaltungsmacht* stands halfway between top-down and bottom-up democratic decision-making, offering the prospects of more inclusive economic and social development and addressing the feeling of abandonment in places insecure about the future and responsive to right-wing narratives.

Governance

While agenda-setting and debates about new laws take place on a national stage, the transition is largely implemented and felt in local municipalities. People’s attitudes towards the transformation thus depend, to a large extent, on how they experience these changes in their immediate surroundings. Do they learn about the construction of a nearby wind farm in the local newspaper or has the mayor informed the residents ahead of time? Are people presented with a fait accompli or were they involved in the decision-making around the location and management of the wind farm? Do they bear only the negative impacts on the local landscape or do they benefit financially as shareholders or through reductions in the electricity rate?

Despite being crucial to the implementation of a just transition, municipalities often lack the resources to negotiate transformation policies with their citizens and put these into practice. A multi-level governance of the transformation is therefore key. When policies are designed at the national or European level, they must regard local municipalities as strategic actors in the transition and support them accordingly by reducing bureaucratic regulations and providing them with financial and personnel resources to implement ecological policies while mediating conflict and local resistance.

The three Gs – Grievances, Gestaltungsmacht, and Governance – do not mean being less ambitious about tackling climate change. Yet, as the experience of Germany’s traffic light coalition shows, a successful strategy against the far right requires meaningful public investment and engagement in order to bring about a just transition to a green economy and social justice.



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