

How the United States' and Germany's Politics Got Upended

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Preface

In nearly all regions of the world, major societal, technological and economic shifts are taking place and challenge established ideas and policy solutions. One of the greatest challenges for economies and societies are structural transformations which manifest themselves in many different dimensions: energy security, new technologies, new models of energy production and consumption, the transformation of basic infrastructures and the re-organisation of societies to adapt to and drive these changes, while new challenges keep arising. Nothing less than the future viability of societies and economies is at stake. Political scientists Emily Adams and Maria Skora, together with AIA Fellow John Austin, have compared the political development toward extremism in the US and Germany, identifying both parallels and differences. This comparative perspective appears to be extremely insightful in terms of better classifying and understanding the challenges of the present, which is a prerequisite for developing solutions.

In fast allen Regionen der Welt finden derzeit tiefgreifende gesellschaftliche, technologische und wirtschaftliche Veränderungen statt, die etablierte Ideen und politische Lösungen in Frage stellen. Eine der größten Herausforderungen für Volkswirtschaften und Gesellschaften stellt der Strukturwandel dar, der sich in vielen verschiedenen Dimensionen manifestieren: Energiesicherheit, neue Technologien, neue Modelle der Energieerzeugung und des Energieverbrauchs, die Umgestaltung grundlegender Infrastrukturen und die Neuorganisation von Gesellschaften, um sich an diese Veränderungen anzupassen und sie voranzutreiben, während gleichzeitig immer neue Herausforderungen entstehen. Es geht um nichts weniger als die Zukunftsfähigkeit von Gesellschaften und Volkswirtschaften. Die Politikwissenschaftlerinnen Emily Adams und Maria Skora haben gemeinsam mit AIA Fellow John Austin die politische Entwicklung zum Extremen in den USA und Deutschland verglichen und dabei sowohl Parallelen als auch Unterschiede herausgearbeitet. Diese vergleichende Perspektive erscheint ungemein erkenntnisreich, um die Herausforderungen der Gegenwart besser einordnen und verstehen zu können, was die Voraussetzung dafür ist, um Lösungsansätze zu entwickeln.

Manuel Becker
Head of Scientific Programme

Abstract: *The most recent national elections in two of the world's leading economic powers and democratic stalwarts—Germany and the US—saw ethnonationalist parties closing in on taking power. The recent rapid rise in support for Germany's radical right AfD party; and the success of Donald Trump's MAGA movement now threaten to bring the institutional pillars and norms of these countries' democratic societies to the ground. This crumbling, if it continues apace, could also serve to pull down the transatlantic international economic and political order so carefully constructed by the new allies after World War II. In both the U.S. and the German case, support for ethnonationalist leaders (Austin 2024) is driven by voters economic insecurity and anxiety about today's social changes. In both countries those who feel economically secure and are pleased with the condition of their community—are not as responsive to these nationalist and nativist messages and movements. However, the many who are buffeted by economic shocks and the winds of social and cultural change are responsive to those who offer outlets for their anxieties and resentments—and promise simple answers to complex problems. To avoid further erosion of support for democratic principles and practices both countries must find leadership that can both promise and effectively deliver more broadly shared economic opportunity, as well as facilitate residents feeling they have a voice and influence in the politics of the day. Effective movement on these fronts can, over time, restore optimism, opportunity, and hope for many of those who are currently disaffected and diminish their support for authoritarian "fixers."*

Abstract: *Bei den jüngsten nationalen Wahlen in zwei der weltweit führenden Wirtschaftsmächte und demokratischen Bastionen – Deutschland und den USA – rückten ethnonationalistische Parteien näher an die Macht. Der jüngste rasante Anstieg der Unterstützung für die radikale rechte Partei AfD in Deutschland und der Erfolg der MAGA-Bewegung von Donald Trump drohen nun, die institutionellen Säulen und Normen der demokratischen Gesellschaften dieser Länder zu Fall zu bringen. Sollte dieser Zerfall unvermindert weitergehen, könnte er auch dazu beitragen, die transatlantische internationale Wirtschafts- und Politikordnung zu zerstören, die von den neuen Verbündeten nach dem Zweiten Weltkrieg so sorgfältig aufgebaut wurde. Sowohl in den USA als auch in Deutschland wird die Unterstützung für ethnonationalistische Politiker (Austin 2024) durch die wirtschaftliche Unsicherheit der Wähler und ihre Angst vor den heutigen sozialen Veränderungen angetrieben. In beiden Ländern reagieren diejenigen, die sich wirtschaftlich sicher fühlen und mit den Verhältnissen in ihrer Gemeinde zufrieden sind, weniger empfänglich auf diese nationalistischen und nativistischen Botschaften und Bewegungen. Die vielen Menschen jedoch, die von wirtschaftlichen Schocks und den Winden des sozialen und kulturellen Wandels gebeutelt sind, reagieren auf diejenigen, die ihnen ein Ventil für ihre Ängste und Ressentiments bieten – und einfache Antworten auf komplexe Probleme versprechen. Um einen weiteren Verlust an Unterstützung für demokratische Prinzipien und Praktiken zu vermeiden, müssen beide Länder eine Führung finden, die sowohl mehr wirtschaftliche Chancen für alle versprechen als auch effektiv umsetzen kann und den Bürgern das Gefühl gibt, dass sie in der Tagespolitik mitreden und Einfluss nehmen können. Wirksame Maßnahmen in diesen Bereichen können im Laufe der Zeit den Optimismus, die Chancen und die Hoffnung vieler Menschen, die derzeit unzufrieden sind, wiederherstellen und ihre Unterstützung für autoritäre „Problemlöser“ verringern.*

1. Declining industrial heartlands, growing political disaffection

After the end of the Cold War, both the United States and Germany have been among the leading economic and democratic political stalwarts of North America, Europe, and the world. Consolidating their democracies after the 1960's movements for civil liberties in the United States and student protests in West Germany, along with the fall of the Iron Curtain in East Germany and reunification, both countries are boasting strong democratic institutions, governed by firm political and social norms. However, all these achievements have been threatened over the recent decade by the rise of strong ethnonationalist (arguably white-supremacist) and isolationist political movements—Trumpism and the “Make America Great Again” (MAGA) movement in the United States, and Alternative for Germany (AfD) in Germany.

These movements have done the once unthinkable: shaking the very foundations of these democratic stalwarts and threatening to bring the institutional pillars and norms of their democratic societies to the ground. This crumbling, if it continues apace, also threatens to pull down the transatlantic international economic and political order so carefully constructed by the new allies after World War II.

This disturbing picture does not overstate the truly global importance and potential impact of both countries' new political dynamics, and the potential vulnerability of their norms and institutions. The impact on the global economic and political system, as well as the fracturing of the transatlantic alliance, is already being felt after the return to the White House of Donald Trump. This time, he is heading an Administration better organized and motivated to do meaningful intrusion into the domestic democratic system and to undermine the liberal world order. While Germany's new “black-red” coalition of Christian Democrats and Social Democrats is committed to keeping the AfD out of power, and German foreign policy on course, the political tremors of a once-unthinkable still hang like storm clouds over the German political landscape. The AfD's growing support, exemplified by its second-place finish in the German federal election of February 23, 2025, is reviving the spectre of Germany's fascist past that the country had worked so hard to move beyond.

Despite being shaken to their political cores by the rise of these nationalist, anti-democratic movements, today Germany and the United States stand in very different places. In the United States, the return of the MAGA president and the significant increase in MAGA-supportive Republicans in Congress are already stressing the country's democratic institutions and threatening a constitutional crisis. In Germany, the AfD is still kept at bay, separated from positions of power by the commitment of mainstream parties to not allow them into government. Yet, even if both countries' political dynamics and balance of power are different, with the situation in the United States more acute, we see similar economic and political dynamics at the societal level that foster the rise of illiberal populist political actors. It is imperative to understand the social and economic dynamics that have given rise to these movements in order to better address the root cause of why certain segments of both countries' electorates have pivoted from moderate to more radical politics. The key to capturing this change is the lived experience among voters in formerly economically

secure and thriving heartland regions. Deindustrialization and the following socioeconomic decline yield responsiveness to the anti-system, neo-authoritarian, and ethnonationalist movements that are proving so destabilizing.

In both the U.S. and the German case, a growing throughline underpinning support for ethnonationalist populist leaders revolves around economic insecurity and anxiety about today's social changes, intermingled with fear of what may come tomorrow. People and places that are economically secure—comfortable to feel optimistic about their own future and the health of their community—are not as responsive to these nationalist and nativist messages and movements. However, the many who are buffeted by economic shocks and the winds of social and cultural change are responsive to those who offer outlets for their anxieties and resentments—and promise simple answers to complex problems.

A text written by John Austin for *The Washington Monthly* assessing U.S. voting patterns in the aftermath of the 2024 U.S. presidential election hints at an important lesson: The message sent by voters is that existing democratic institutions are not working as they might. And when citizens feel the “system” is not working, they are more prone to welcome and are more willing to take a chance on someone who will overthrow it—for them. Similarly, today Germany's Saxony-region Secretary of Ministry for Economic Affairs, Labor, and Transport

Thomas Kralinski, articulated in November 2024 to a visiting delegation of US Midwest leaders- how German voters feel to explain the spiking support for the AfD in his region, which was part of the former East Germany: “Just when the ground resettled under people's feet after the big disorienting change of unification, we were hit by other shocks! First the global financial crisis of 2008, then crisis of Covid, of migration, of inflation, and the war with Ukraine, now the green transformation. People are feeling anxious that maybe their little bit of luck right now could disappear again. They are worried. And they express their fears with their votes.”

2. MAGA's success in the U.S. Midwest

Prior to 2016 and Trump's first election in the United States, there was a building but still muted chorus of concern about growing regional economic disparities (Muro and Kulani 2016). Economic and population growth, particularly in emerging high-technology sectors, were consolidating in a smaller number of coastal superstar cities, while large swaths of once-prosperous industrial heartland America saw continued decline.

Trump's very narrow election victory in 2016, which was decided by three Midwestern industrial states, Michigan, Wisconsin, and Pennsylvania, pulled wide open the curtain obscuring these yawning and growing economic divides (Lowry 2016). Of course, these divides are not just between the “heartland” and the coasts, but also within the key swing states of the Midwest (Austin, 2016). between thriving bigger cities and university towns, and the aging, decaying old-line manufacturing communities that had lost their anchors and seen their young people flee.

This was not just an American phenomenon. Trump's election occurred in the same year as the U.K.'s Brexit vote, in which British residents of shattered industrial towns and mining

communities also signaled their political discontent. These events coincided with the emerging “Geography of EU Discontent” (Poelman & Rodriguez-Pose 2019). across Europe, and made vividly clear that many residents of once proud and mighty manufacturing communities, having lost jobs and people, and seeing their community crumble around them, were responsive to nostalgic messages that evoked a time of economic and cultural security, white nationalism and nativism, isolationism and retreat from international engagements, and that they were happy to express their frustrations through anti-system voting.

Trump’s 2016 election also served to rivet the world’s attention on the U.S. industrial Midwest region and issues of economic disparity as never before—and made the search for economic answers for its people more urgent. The region that was home to the formerly reliable Democratic “blue wall” swing states, always important in U.S. elections, now carried disproportionate geopolitical influence after putting Trump in the White House. The industrial Midwest had been the cradle of America’s great industrial economy (Austin 2006). including the oil, aviation, steel, machine tool, and cereal and processed foods industries, along with the automobile and assembly-line manufacturing process innovations of Henry Ford that powered America’s 20th century. These industries spawned the growth of cities across the upper Midwest and Great Lakes, created millions of good-paying (mostly low-skilled) manufacturing jobs, and drew millions more migrants to the region. But with the advent of new global competitors, technological change and automation obliterated many industries and forced dramatic restructuring in others, calving off hundreds of thousands of good-paying assembly line jobs and shuttering employers in many of the region’s company towns, earning the region the pejorative name “Rust Belt.”

But by 2016 and that year’s consequential voting, it was wrong to paint the region as a monolithic Rust Belt. There had, in fact, emerged “Two Midwests” (Austin & Hitch 2020). By 2016, many former manufacturing communities had found their economic footing, diversified their economies, and were not only participating in but in some cases actually leading the move to a talent and knowledge-based, technology-driven economy. Pittsburgh, Columbus, Indianapolis, Minneapolis, and Milwaukee were dynamic and growing metro economies once more. Big university towns like Madison, Wisconsin; Ann Arbor, Michigan; Iowa City, Iowa; and Bloomington, Indiana, had become state talent magnets and innovation centers, with highly educated populations and rising incomes. And these communities, that had turned an economic corner and were winning in a global, knowledge, and tech-driven economy—all voted “blue” or for the Democratic Party in the fall of 2016.

It was a very different story in many small- and medium-sized factory towns that dot the Midwest, which had lost their anchor employers and have not yet recovered. In these once-thriving communities, the young people had fled, and the residents who remained were anxious about their own and their children’s futures and frustrated about their communities’ conditions—animating an anger and anxiety that found outlet at the ballot box. These are the places, including once solidly Democratic working-class, union-heavy strongholds, that flipped from the Democrats to support Trump in 2016.

For example, in Michigan, 13 previously reliable Democratic counties voted for Trump in 2016. These included struggling manufacturing communities like Bay and Saginaw Counties on the I-75 auto plant corridor; Monroe County in the heavily industrialized (and

unionized) “Downriver” area south of Detroit; and Calhoun County, home of the “Cereal Town” of Battle Creek. These communities all featured population, income, and job losses, and a concomitant decline in the numbers and power of unions that once successfully fought for good wages and working conditions, leaving the remaining workers and residents powerless and adrift in today’s economy.

This same pattern held in the other Rust Belt states. In Wisconsin, Pennsylvania, and other Midwest states in 2016, communities that had turned an economic corner toward renewed growth largely resisted Trump’s appeal, while those in relative decline gave him their votes.

This pattern has been sustained in subsequent elections, including the 2018 midterm congressional elections and the 2020 presidential contest, a Biden and Trump rematch, as well as the 2022 congressional midterms. Older industrial communities that remain in decline have seen support rise for Republicans and Trump in every election ever since. Meanwhile, better-off communities, including former industrial cities on the rebound, trended Democratic.

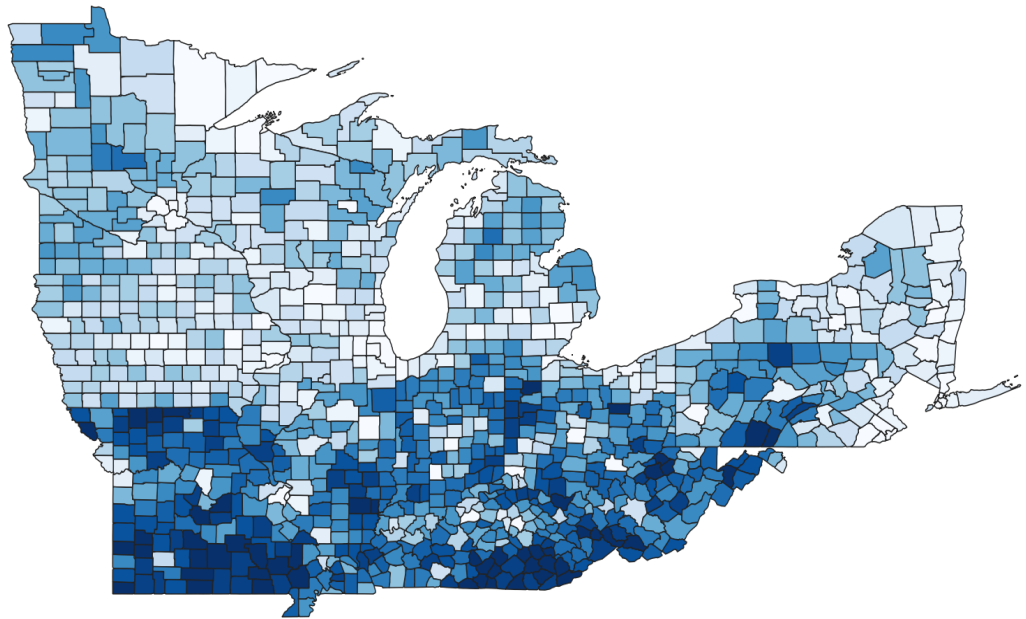


Figure 1 maps the “geography of discontent” across the U.S. industrial Midwest. The darkest shaded counties experienced the weakest economic growth and employment rates from 2016 to 2020, which largely correlates with levels of support for Republican candidates, including Donald Trump. (Source: Authors original research)

It is true that in 2020, President Joe Biden, aided by a strong wave of anti-Trump turnout that was absent in 2016, reclaimed the geopolitically significant “blue wall” states. Biden’s election led to a somewhat inchoate initial national response and focus on place-based industrial policy. The United States began to make the most significant heartland place-focused investments (Bartik 2024) and incentives in U.S. history—in the form of the

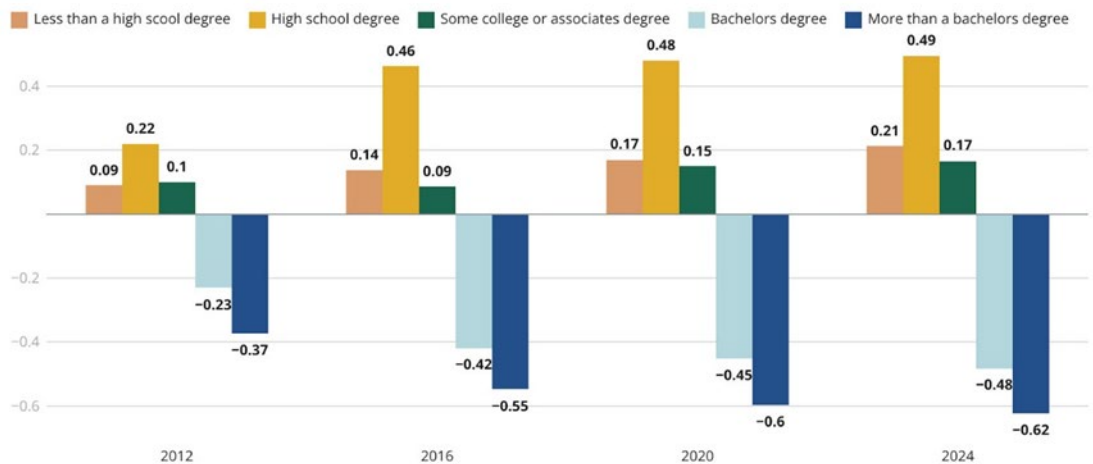
American Rescue Plan Act, the Infrastructure Investment and Jobs Act, the CHIPS and Science Act, and the Inflation Reduction Act, collectively worth some \$3.8 trillion.

As this place-based industrial policy began to take shape, these investments were viewed as an administration enacting a set of politically-charged “anti-MAGA” policies. However, the 2024 election results, and Democrats’ loss again of the “blue wall” states, show that the impact of these investments in the form of new jobs and repointed and more prosperous communities was not yet felt as part of voters’ lived experiences. Instead, their feelings of economic pessimism and ennui since the onset of COVID-19 and the more recent bout of high inflation won out.

2024’s election saw economically struggling working-class voters, who lack the higher education that affords economic security, responding to the Trump campaign’s message that Biden and then-Vice President Kamala Harris had “broken” the economy and caused inflation—and that he would “fix it” for them. The election results clearly reveal the so-called political “diploma divide.” As noted by Sarah Eckhardt, Connor O’Brien, and Ben Glasner in a paper for the Economic Innovation Group (EIG), “The correlation between the share of a county’s population without a bachelor’s degree and the vote going to the Republican presidential candidate has been climbing ever since the 2012 election.” Analysis from EIG, summarized in Figure 2, confirms that political polarization by education groups continued in 2024. In last year’s election, non-college voters shifted toward Trump across all geographies, including in many large urban counties.

Counties in which fewer adults have a college education are more likely to vote for Republican presidential candidates

Correlation coefficients for the share of the vote going to the Republican presidential candidate each year, and share of the county’s population in each education group.



Source: EIG analysis of ACS 5-year data and Election Atlas data.



Figure 2. Correlation between college education and voting behavior. (Source: Economic Innovation Group)

In 2016, across the Midwest, the historically reliable Democratic voting counties that had twice voted for President Barack Obama first moved into the Trump column. In the three

key “blue wall” states that once again were decisive in the 2024 election, the set of better-educated, better-off communities (as well as those with the heaviest African American and Native populations) stayed Democratic, while economically worse-off people and places increased their vote share for Trump.

Michigan’s voting patterns illustrate this dynamic. Table 1 below contrasts the 13 Michigan counties—once Democratic strongholds—that had first flipped from Obama to Trump in 2016, with the Michigan counties that voted for the Democratic Party in 2024. As seen in 2024, the Obama to Trump counties were mostly poorer and all were relatively less educated than their state’s county average; a majority also faced continuing trends of population loss that were even greater than the state-wide average loss. These counties have not only stayed in Trump’s corner, but the share of Trump votes has continued to increase each election cycle since 2016, including in 2024.

Michigan-2016				
Obama to Trump Counties	Pop.Growth (2020-23)	2024 Income vs State County Avg.	2024 Ed Attainment vs State Ed Attainment	2024 Trump Vote Share
Michigan	-0.40%	64,304	31.80%	49.70%
Bay	-1.30%	-3,781	-10.40%	56.70%
Calhoun	-0.70%	-3,919	-9.60%	56.40%
Eaton	-0.30%	13,721	-1.40%	50.80%
Gogebic	-1.10%	-14,632	-9.90%	57.10%
Isabella	-0.40%	-10,545	-1.00%	53.00%
Lake	5.30%	-14,624	-19.30%	65.40%
Macomb	-0.70%	12,095	-4.60%	55.90%
Manistee	2.10%	-3,425	-8.40%	56.00%
Monroe	0.20%	10,968	-8.40%	62.90%
Muskegon	1.00%	-809	-10.40%	50.10%
Saginaw	-1.20%	-5,957	-8.40%	51.00%
Shiawassee	-0.10%	403	-12.30%	60.80%
St. Clair	-0.30%	-5,230	-11.50%	66.60%
Van Buren	0.30%	2,598	-8.90%	56.90%
2024 Democratic Voting Counties				
Genesee	-1.20%	-3,631	-9.00%	47.20%
Ingham	-0.10%	50	9.50%	34.20%
Kalamazoo	0.20%	6,221	9.00%	40.10%
Kent	0.50%	16,086	7.80%	46.70%
Leelanau	3.20%	27,639	18.10%	40.50%
Marquette	1.50%	371	4.00%	44.80%
Oakland	-0.30%	30,992	18.40%	43.80%
Washtenaw	-1.80%	22,852	26.30%	26.60%
Wayne	-2.40%	-4,783	-4.90%	33.70%

Table 1. Voting patterns, population, incomes, and educational attainment in select Michigan counties: 2016 vs. 2024. (Source: Authors’ analysis via U.S. census data)

Meanwhile, the nine counties that favored Harris in the 2024 election—with the exception of Wayne (Detroit) and Genesee (Flint), with their outsized Democrat-favoring, Black voting populations—were home to residents who were better educated and who had higher incomes than the state-wide average. And with one additional exception (Washtenaw County), these pro-Harris counties saw population gain rates better than the state norm.

Another explanatory factor for Trump’s victory was that turnout for Harris and Democrats was down from the huge anti-Trump outpouring of 2020. 2024 also saw Trump’s appeal expand, and not just in communities that were struggling, but also on an individual level. Wherever they lived, if voters were feeling pinched, wracked by inflation, and worried about their future and the future of their families—they took a chance on Trump II. This dynamic largely explains Latino and African American voters’ increased support for Trump.

3. Persistent East-West and economic divides key to AfD's rise

Within Europe, Germany has the largest economy and most political influence, and it has been highly committed to equalizing opportunity and economy across geographies. Nevertheless, it has seen spikes in nationalist party voting, in different parts of the country, over recent decades.

Germany's most popular right-wing populist party, the AfD, which was founded in 2013 in response to the Eurozone crisis, saw an initial surge in the former East German states, decades after the country's 1990 reunification. The party's staunch criticism of the liberal democratic order contradicts the very values that animated the Eastern German public to protest, leading to the fall of the Berlin Wall in 1989. It was the success of that Peaceful Revolution that led to free elections and broad support among former GDR residents for German reunification. West Germans' takeover of East Germany's political, economic, and social leadership roles was the culmination of the first—and last—freely elected parliament in East Germany.

But no one prepared East Germans for the rapid and disorienting changes, including the industrial restructuring and dislocation, that followed. During reunification, mass closures and layoffs halved East German industry from 3.5 million to around 1 million jobs in the early 2000s (Enenkel & Rosel 2020). State-run industries were privatized, with ownership going to the West in most cases, and programs to rebuild the East's infrastructure were largely done without creating competitive jobs for the local population. Time and again, Eastern Germans were told and made to feel that they were less productive and were granted lower wages and pensions than their West German counterparts.

The adoption of West German economic, political, legal, and education systems led to an unanticipated and underlying sense of alienation among the former "Ossies." The West German perspective became the institutional norm, and with it, the perception that the West Germans were in charge became prevalent while many former East German residents felt that they had been "left out." Although the residents of the former East Germany had better overall living standards in a reunified Germany than previously, many also felt that both the political decisions and the transformation of their country were made for them rather than with them. Their experiences of losing jobs, watching their former employers being dissolved, and seeing people from the West taking over key positions in politics, the economy, and the media led to dissatisfaction that was never adequately addressed. As Thomas Kralinski, then the state secretary of the Brandenburg region of Germany, said at the 2021 inaugural symposium of the Heartlands Transformation Network, in 2021:

"Letting West Germans run the show up until today is breeding anger and considerable resistance. Even with unemployment falling and prosperity rising, many people feel that this is not really their own success. They sort of feel 'remote controlled', or they don't really feel that they are the authors of their own lives. And as a result, they feel alienated, disaffected, and don't take enough pride in what they have actually achieved. The general lesson is when change is imposed on people from above, it will trigger or can trigger negative and

defensive reactions—maybe not today, maybe not tomorrow, but certainly in the long run, and this is what we’ve seen in eastern Germany.”

The frustration emanating from this paradox—striving for decades to rejoin the West’s relative freedoms and prosperity and now being dismayed about the long-term results of it—is likely hard to heal in retrospect. As noted in *Foreign Policy* (Austin 2020)—kicking off the transatlantic Heartlands Transformation Network and Initiative—in the 2017 German federal elections, the AfD received significant support from some communities in the Ruhr Valley, the formerly left-leaning industrial coal and steel region, which has been going through a bumpy and sometimes painful economic restructuring. The AfD also did well in the deindustrialized and rural regions in the former East Germany, rising from 4.7% in 2013 to 12.6% in four years. As in the United States and elsewhere in Europe, blame for current social and economic challenges was placed on immigrants, making it the central political issue. Fears and resentments of high levels of immigration, aggressively fanned by nationalist leaders, led to a growth in support for the AfD in more traditionally conservative strongholds like Bavaria as well.

In 2021, the support for the AfD dropped to 10.4% but has been on the rise in polls ever since. The AfD is potentially now the strongest party in four of five eastern German states, with up to 35% in Thuringia, overtaking the Christian Democrats of former Chancellor Angela Merkel, the Social Democrats of former Chancellor Olaf Scholz, the Greens, and the Liberals. There remains a strong regional political and economic divide, as the former East Germany is now clearly the AfD’s stronghold, with 35% of the vote in Saxony versus, for example, 18% in North Rhine-Westphalia (Germany’s historic heavy industry region), according to September 2023 polls.

The AfD’s most recent success was not only linked to the failures of the outgoing coalition, but it also reflects a longer, deeper division stemming from regional inequalities and economic discontent.

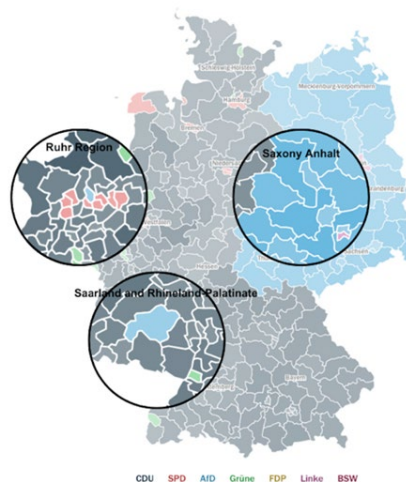


Figure 3. The AfD’s voting strength in Germany’s February 23, 2025, election is shown in dark blue.

Of eastern Germany's 50 voting districts (not including Berlin), the AfD won all but two districts in the February 2025 federal election. This has resulted in the AfD representing more than 20% of the seats in the German Parliament. Much like Trump in the United States, the AfD was able to agitate against migration and appeal to economic nostalgia, which resonated strongly in former industrial and mining communities. For example, the AfD promised voters "self-determined prosperity," economic excellence, the return of pride with a "Made in Germany" agenda, and access to "opportunity" for German workers. In both Germany and the United States, populist party rhetoric struck the chords of hope and economic dislocation with voters. This strategy translated to election success.

Not limiting its success to eastern Germany, the AfD's message also resonated with other hard-hit former industrial communities. The AfD won the party vote in two districts in the Ruhr Valley for the first time: Kaiserslautern and Gelsenkirchen. Much like the American Midwest was the heart of the industrial economy, the Ruhr Valley powered the German economy with its coal and steel industries. The story of these two western districts mirrors that of the east. Industry, which once employed most residents, supported robust local civic societies, and funded pensions, disappeared due to structural economic changes. Yet, unlike eastern Germany's rapid deindustrialization, the western Ruhr Region's economic transformation was aided by a 25-year transition period, where resources, subsidies, and investments relieved residents' economic pain and created a new ecosystem for emerging technology sectors and a diversified regional economy.

However, the effects of the industrial and economic transition have not been evenly felt. Saarland and Rhineland-Palatinate both have seen particular communities experiencing acute pain and job losses from industrial restructuring. Gelsenkirchen, in the Ruhr, lost its main source of income when Germany began transitioning away from coal, and the mines closed in 2008; it has not been able to recover. Kaiserslautern has one of the highest debt per capita rates in the country, which has delayed school investments and road maintenance. In both instances, the absence of industries and the unequal replacement of competitive jobs created a void in these communities, stoking feelings of lost opportunity and helping the AfD make significant gains.

Economic transformation clearly correlates with rising political discontent in Germany. Voter perceptions and the realities of economic dislocation reflect the inequalities of opportunity that influence voting priorities, especially among young voters (Martin 2025). Populist rhetoric capitalizes on making economic nostalgia a shared experience across generations, despite significant economic changes driven by large-scale investments in Germany's transitioning economic regions.

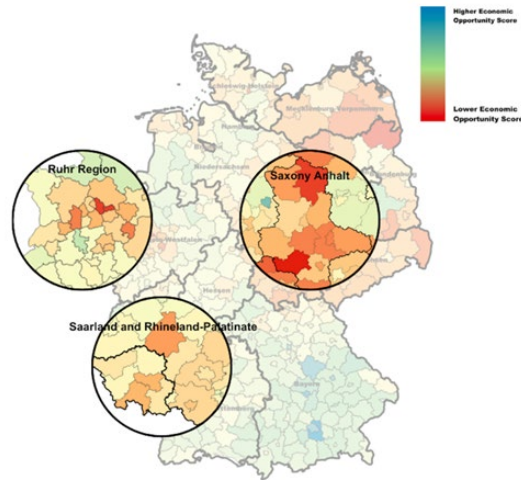


Figure 4. The German Opportunity Index uses eight measurable variables based on publicly available data from the Federal Statistical Office Regional Database (2021-2023) to visualize economic disparities in Germany. While many factors influence economic opportunity, they change over time due to policy interventions, economic forces, and regional trends. The darkest red districts have the lowest opportunity scores, whereas the blue districts have the highest opportunity scores.

While the east-west divide is profound and persistent—nearly all districts in eastern Germany are within the lowest quartile of the opportunity scores of the German Opportunity Index (GOI)—explained in Figure 4—signs of economic stagnation are also evident in western Germany’s former industrial regions, with some communities particularly hard hit by economic restructuring in the Saarland and Rhineland Palatinate, the Ruhr region, along with Germany’s former East. These results are underscored by The Friedrich-Ebert-Stiftung’s October 2024 “Unequal Germany” report (Gohla 2023), which marks the structural challenges in former industrial areas even more clearly. “It is nearly impossible to escape a debt spiral caused by high unemployment, high poverty levels, municipal debt, and the resulting inability to finance necessary local investment,” the report states.

The GOI and other literature suggest that low access to economic opportunity and voter support for the far right are not confined to eastern Germany. Rather, these trends reflect the broad economic vulnerability that is present in Germany’s deindustrialized regions, where structural transformations have produced unresolved economic and social consequences that are overdue for policy interventions.

Akin to the 2024 Trump vote in the United States, the AfD also increased its overall vote shares across most districts in Germany, including in opportunity-rich regions that received high GOI scores like Bavaria and Baden-Württemberg. While regional economic disparities play a central role in voter discontent, other factors such as attitudes toward migration, dissatisfaction with federal policies, and broader concerns about the economy also fuel AfD support. The AfD’s wider success signals not only a growing normalization of the

party's influence but also an extensive erosion of trust in democratic institutions—one that extends into regions previously seen as politically and economically stable.

4. Two countries, one challenge: Overcoming economy-driven political disaffection

Despite structural and systemic differences, industrial heartlands in the United States and Germany have faced similar economic challenges, which unsurprisingly have brought about similar sociopolitical consequences. Disappearing jobs and aggravating living standards lead to socioeconomic disparities, disparities that are more vivid and are being more painfully felt in once-prosperous regions. This mood affects not only those who directly felt the effects of deindustrialization, but it also sparks anxiety and insecurity in those who are better off, as they fear the potential loss of their own station in life. Both in the American Midwest and in eastern Germany, these strong emotions have made voters more susceptible to populist calls. As demonstrated above, they are more prone to choosing illiberal parties that build their message on socioeconomic grievances seasoned with anti-system, neo-authoritarian, and ethnonationalist rhetoric.

With the Trump presidency so far heralding a retreat from U.S. leadership of the transatlantic alliance and defense structure, along with support for Ukraine, much hinges on whether Germany can resolve its political challenges. Germany must pursue solutions that allow it to find its own economic footing again and be able to afford strong European economic and political leadership. Similarly, there is an urgent need to create new forces that either slow or check the United States' retreat from global economic, defense, and political leadership while continuing to advance the economy by building inward investments that, over time, may cool the fires of polarizing resentment-driven politics.

The second Trump administration has made some early moves to pull back from some of the Biden-era investments (particularly in science, research and development, and around clean energy) alongside unilateral federal job cuts. These developments, combined with tariff threats and draconian tariff impositions, are not only creating vast economic uncertainty but making the U.S. economy (and prices) worse, not better. It is challenging to see a path for continued focus on struggling regions and residents and their economic condition under Trump's second administration. Beyond rhetorical statements about caring about Main Street and hoping tariffs will one day lead to onshoring manufacturing, there appears to be no plausible Trump 2.0 agenda for improving living standards for the struggling working-class voters who put him back in office. Still, the popularity of many Biden-era programs with state and local leaders of both parties—for infrastructure, innovation engines, and tech hubs, along with semiconductor manufacturing expansion—may yet preserve some of the inward investments in the heartland.

If the current course of tariffs and disinvestment contributes to new inflation, new drops in the stock market, slow or reverse employment, or even brings about a new global

recession, the Trump administration may pursue additional course corrections. Polls show a decline in the president's approval rating back to historic lows, and a frustration that there is not more focus on the economy and lowering prices—as opposed to the trade wars and an ideological culture war on topics like ending diversity, equity, and inclusion initiatives; defunding elite universities; and dismantling government programs, including many that touch heartland voters, that have dominated Trump's agenda thus far.

Germany's 2025 federal election also marked a turning point. In several German states, like Saxony, Thuringia, Saxony-Anhalt, and Brandenburg, the AfD has already secured a near-permanent presence in state governments, which brings the possibility—or already the reality—of a “Sperrminorität” a blocking minority in parliament with enough power to stall regional budgets, disrupt coalition negotiations, or derail investments in infrastructure, education, and local economies. As a result, regions that need political solutions to spur economic opportunities risk becoming trapped in a cycle of policy stagnation and economic frustration. There's growing concern that this political foothold will harden and spill over into the AfD having a veto position over national policymaking.

As Germany enters a decade of overlapping transformations—economic, military, demographic, digital, and ecological—its capacity to respond to these risks is being squeezed from within. As seen at the federal level, coalition formation has become more fragile. The center-right Christian Democratic Union/Christian Social Union party, now heading the new coalition government, polls with similar favorability as the AfD. The “cordon sanitaire” (or “firewall”) against cooperation with the AfD, while holding today, may yet fracture, as it appears the center-right voter base is shifting. Meanwhile, mainstream center-left parties, like the Social Democratic Party or the Greens, face declining turnout among economically insecure voters, many of whom feel no party is speaking to them at all. The AfD thrives in this vacuum. Its messaging—economic sovereignty, cultural control, anti-elitism—offers a unifying narrative for economic grievances, especially in regions with an industrial past.

Additionally, Germany faces a problem of differential participation in democracy, due to the fact that 30% of the German population has an immigrant background, being either migrants themselves or coming from migrant families. For many, their citizenship status remains muddled, despite living in the country for a significant period, affecting their opportunity to engage in political processes, like elections. This reality predominantly affects urban populations, as cities and industrialized regions traditionally attract migrants searching for employment and opportunities to make a better living. For example, in Berlin with its large share of immigrants, more than one-third of residents could not vote in the federal election, the major reason being that they did not have German citizenship. Germany has not yet found a way to address these structural limits on democratic participation for a very large number of its residents.

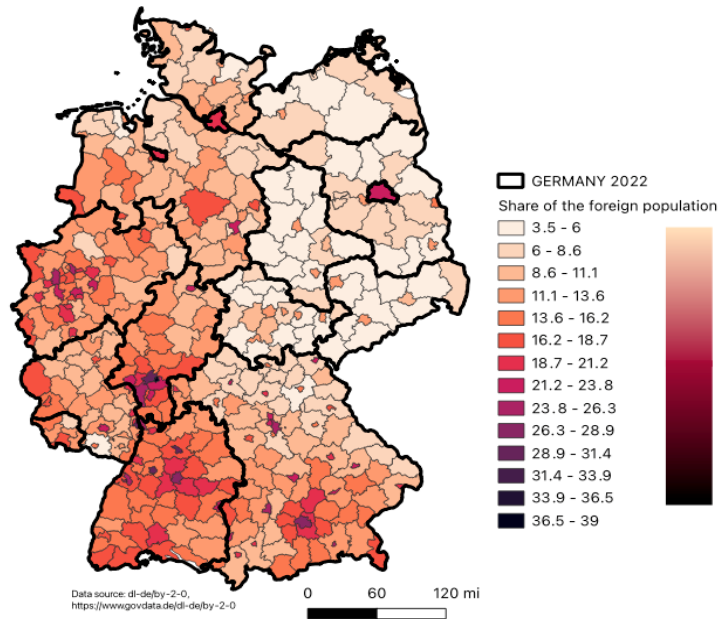


Figure 5. Share of foreign population in Germany in 2022-

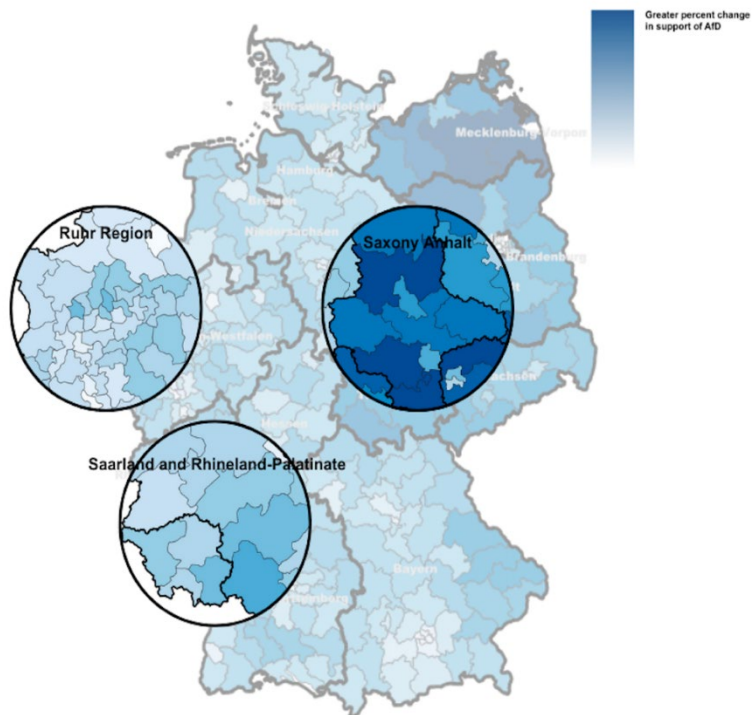


Figure 6. Percent change in the AfD vote, 2021 federal election to 2025. (Source: Tagesspiegel Interaktiv)

Germany has a narrow window for action. Right now, there is a complex set of domestic pressures and international challenges that require immediate action and long-term strategies to address the deepening political and economic divides. In the longer term, these risks can harden into an institutional crisis. A democracy that cannot deliver visible progress and economic opportunity loses credibility. A state unable to act decisively risks entrenching both economic stagnation and democratic backsliding.

5. Conclusion

Failing to address the concerns of wide segments of the population who feel neglected by politics and insecure about their future will most probably result in continued political polarization and radicalization. This has been observed during the recent polycrisis that has gripped the United States and Germany, be it the global pandemic, inflation, migration pressures, the transnational effects of the ongoing military conflicts in Ukraine and the Middle East, and now, an escalating trade war.

The situation in the United States seems direr. After his first term in office, which resulted in Biden's presidency and a return to "normalcy," Trump made a spectacular comeback. Today, he is even more determined to challenge the United States' democratic institutions, with an even more radical agenda to consolidate power in himself. Due to the size of the U.S. economy and its gravity for the global security architecture, the consequences of his actions and the destabilizing effects of the "America First" agenda are reverberating around the globe.

It seems that, in Germany, the worst scenario was averted. The new governing coalition of center-right Christian Democrats and center-left Social Democrats is still guaranteeing institutional stability, at least for now. The commitment of all mainstream parties to ostracize and sanction anti-system, neo-authoritarian, and ethnonationalist ambitions remains strong. Yet, in the long term, if the AfD surges in the next election, it will have more impact not only on national policies, such as migration or climate change, but also on Germany's geopolitical priorities. In eastern Germany, there are signs of fissures with the AfD winning state seats and municipal majorities in state-wide elections in 2024.

Although they pose a threat to democracy in both countries, MAGA and the AfD are not the root cause of democratic decline. These movements exacerbate the problem by encouraging distrust in democratic governance and, as we are seeing now in the United States, making seemingly purposeful attempts to dismantle liberal democracy when in power. Yet, the ground was fertile for the rise of these movements due to past latent social and economic dysfunctions. The main arena of the 2024 presidential campaign in the United States was the post-industrial Midwest, which had suffered a structural decline in the aftermath of both Republican and Democratic economic policies: both President Ronald Reagan's supply-side and deregulatory economics and President Bill Clinton's neoliberal laissez-faire economic policies. In Germany, the AfD is more popular in the former East Germany. Long ignored, the gaps between east and west—former East German residents' limited representation in power structures, economic disparities post-1989, and West Germany's cultural hegemony—led to frustration that is still felt more than 30 years after

reunification. Structural decline is not decisive, yet it plays a significant role in diagnosing the causes of today's democratic erosion in both countries. In the early 1990s, Samuel Huntington and Adam Przeworski made similar, though reverse, claims that prosperity was fundamental to democratization. Democracy brings not only a promise of freedom but also economic opportunity. If the latter fails, not necessarily due to a dysfunctional political system, it blows back at trust in democratic institutions and democracy itself.

Both Germany and the United States would benefit from leadership that can both promise and effectively deliver more broadly shared economic opportunity, as well as facilitate residents feeling they have a voice and influence in the politics of the day. Both countries need a new round of investments and other policies that facilitate economic growth and opportunity building (education, retraining for those dislocated by globalization, science and innovation, infrastructure to compete, etc.), including investment in the people and places that aren't finding economic success on their own. Over time, this could restore optimism, opportunity, and hope for many of those who are currently disaffected, and diminish their support for authoritarian "fixers."

On the plus side, both the United States and Germany are countries with strong federalist systems, with distributed power and decision-making structures, including over resources, to political leadership at the state and local levels. Such systems can allow significant action and investment in important topics like clean energy, climate change amelioration, infrastructure, and education to continue strong at the sub-national level—even if national policy retreats.

However, the economic contexts and challenges vary between the two countries. The United States has to close yawning income inequities, the phenomenon of a shrinking middle class, and wealth consolidating among a new gilded age-like cadre of tech oligarchs and thriving financial and professional elite. In this sense, the alienation and frustrations of a large swath of U.S. voters, whose economic challenges are compounded by inflation, are the fruits of decades of public disinvestment in favor of tax cutting and declines in federal, state, and local economy-enabling investments. Reversing these trends will certainly be challenging in the face of the second Trump administration's agenda, but the United States must find its way back to the economy-enabling fundamentals that made it the most dynamic, largest, and most innovative economy on Earth, with a broadly shared prosperity. These include investments in infrastructure, research and development, science and innovation, public education and higher education, and upskilling for adult workers, along with long-overdue, stronger social welfare supports for working people attending to child and elder care.

Germany faces similar challenges, such as a massive need for neglected infrastructure investments, but it has different economic ills to cure. Germany must jump-start a growth economy by learning how to innovate and commercialize new technologies, as well as welcome more immigrants and high-tech talent to aid an aging domestic workforce. Germany's strong social welfare state and willingness to make significant investments in the people and places that were hardest hit by economic change have cushioned the blows of economic restructuring, avoiding a good measure of the political alienation that bedevils the United States. However, the successful German economic "model" that enabled these investments—based on supporting small and medium enterprises and manufacturing growth and

exports, cheap energy from Russia and elsewhere, and dependence on markets in China—today needs a rework.

If Germany and the United States find political leadership that can better connect with and then effectively deliver an inclusive economic growth and supportive policy agenda, they may both make headway in overcoming the cynicism and alienation rife in both countries. Relative deprivation doesn't appear to many like it should be a justification to vote for autocrats. But that is easy to say for people who are not living daily with worries about their future. Such voter behaviors are symptomatic of a political system that has failed to deliver for heartland residents, who, consequently, feel a lack of representation in decision-making circles and experience the short end of persistent and profound economic inequalities. If combined with systemic and institutional weaknesses, the eroding social and cultural dimensions of democratic resilience might not be sufficient to withstand the appeal of undemocratic autocrats in either country.

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