

German politics

German Mittelstand in turmoil after breaking taboo on meeting far-right

Family business association loses some members, including drugstore chain Rossmann, after engaging with AfD

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A German business association has unleashed a storm in corporate circles by deciding to engage with the far-right Alternative for Germany (AfD) party.

The Association of Family Businesses, which represents around 6,500 of Germany's small and medium-sized companies known as the Mittelstand, quietly invited the AfD to a networking event in Berlin in October and then declared that it no longer wanted to isolate it.

That broke a long-standing taboo in German politics, business and among unions not to talk with the AfD, which has called for the mass deportations of migrants, a lifting of sanctions on Moscow and for the country's exit from the euro.

The decision has stirred up anger and concern that some in the business world want to open the door to the far right, creating a chink in the so-called “firewall” aimed at depriving them of legitimacy and keeping them from power.

“We have a basic consensus in German society: never again,” said Konstantin von Notz, deputy leader of the Green party in parliament, in reference to his country’s responsibility for the murder of 6mn Jews during the second world war.

“If now the spokesperson for the association [in effect] says, ‘Let’s put our history behind us and talk to the right-wing extremists,’ this raises very serious concerns. It is shattering a taboo.”

But others warned that it reflected the depth of the angst in many parts of the business world over the crisis in the German economy — and the growing impatience with chancellor Friedrich Merz, who took office in May with a promise to make sweeping reforms to revive growth.

“It shows how great the frustration is with this government,” said one veteran member of Merz’s Christian Democrats (CDU), who hails from the party’s centrist wing. “There were such big expectations of Merz, but these reforms aren’t coming.”

It has also underlined the conundrum for companies over how to deal with an increasing number of AfD elected officials as the party has grown in strength, finishing second in February’s parliamentary elections with a record 21 per cent of the vote.



the AfD's economic policy spokesperson, Leif-Erik Holm, attended one of its association's parliamentary evenings in October © IMAGO/BildFunkMV/Reuters

The row that has engulfed the Association of Family Businesses began after it emerged that the AfD's economic policy spokesperson, Leif-Erik Holm, had attended one of its regular parliamentary evenings in October.

Following that revelation, association chair Marie-Christine Ostermann went public with the group's change of stance towards the far-right party, which is now vying for first place in the opinion polls.

Writing on LinkedIn, Ostermann said that the growing popularity of the far-right party showed that the strategy of excluding it had "failed".

She said that she believed that the AfD was "unfit to govern" for many reasons including its economic and social policies, adding that the association "absolutely does not want to see the AfD as a coalition partner in any government".

But she argued that, in order to expose the party's weaknesses, "we have to engage in dialogue with AfD politicians".

The decision has triggered a crisis in the association, which represents companies with a minimum annual turnover of €1mn.

It has also prompted wider soul-searching in a country that has made learning the lessons of the Holocaust a central part of its postwar identity. That includes remembering the complicity of many German businesses that took over Jewish companies, made use of forced labour or supported the Nazi war effort.

Drugstore chain Rossmann, which had €15bn in revenues last year, recently announced that it was ending its membership of the association. So did the Hamburg-based hipster cola brand Fritz Kola. Vorwerk, the maker of the cooking aid Thermomix, said that it would formally withdraw from its long-dormant membership.



The chain store Rossmann is among several businesses to have ended its membership of the association © Ben Kilb/Bloomberg Deutsche Bank, which had let the association host the parliamentary event on its premises, ended the contract so that it could no longer do so in future.

Other business groups — including Germany's largest, the BDI — made clear that they had no plans to start embracing the AfD.

KPMG, which sponsors some expert events held jointly with the association, declined to comment on whether those would continue. Other companies also declined to speak out on the subject, revealing anxiety among businesses over how to handle a party that now has more than a fifth of seats in parliament and is predicted to make gains in regional elections next year.

It could come first in Saxony Anhalt, one of the former communist east German states currently governed by a [CDU-led coalition](#), despite the AfD being officially classified in May as right-wing extremist.

Andreas Busch, professor of political sciences at Göttingen university, said that the AfD's programme of economic nationalism ran against the core interests of export-driven Mittelstand companies, which form the backbone of the EU's largest economy. For that reason, he said, the growing power and influence of the party made it "quite logical that [businesses] now chose to actively debate and contradict the AfD publicly."

A small number of businesspeople have gone further and openly embraced the party. The billionaire owner of the dairy giant Müller this year invited party co-leader Alice Weidel to his [85th birthday](#).

It has received large donations from a clutch of wealthy businessmen, including Winfried Stöcker, the founder of a laboratory diagnostics business, who has given €1.5mn to the party.

The debate over the firewall is particularly acute within Merz's own CDU, where some are increasingly tempted to adopt a different approach as frustration rises over constant compromises with their junior coalition partners, the Social Democrats.

They include historian Andreas Rödter, who resigned as chair of the CDU's influential values committee in 2023 after suggesting the party engage with the AfD, and who now heads the think-tank Republik21.

What Ostermann, who is a member of his think-tank's supervisory board, did was "completely normal," Rödder told the Financial Times. "The electorate of the AfD is too large to ignore."

Trying to ostracise the far-right party is counter-productive and only benefits the AfD and the far-left, Rödder argued, pointing to the CDU's dwindling support.

While the CDU under Merz is unlikely to change its non-engagement position regarding the AfD, Rödder said that a different strategy was increasingly being discussed at local party meetings.

"I get invited to lectures from time to time, by CDU local or district associations and I have the impression that the debate is much more open," he said.

The AfD itself is cock-a-hoop at the debate that had been unleashed. Weidel praised the Association of Family Businesses, arguing "other representatives of industry, finance and the Mittelstand should follow their example".

Additional reporting by Aysun Bora in Berlin and Sebastien Ash in Frankfurt

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