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## The SPD's Electoral Dilemmas

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Can the SPD form a coalition that could effectively govern on the national level, aside from another Grand Coalition?

How has the SPD gone from being a leading party to trailing in the polls?

### Introduction: After the State Elections in Saxony, Thuringia, and Saarland

August 30, 2009 was a pivotal moment in German domestic politics. Lacking a central theme in a campaign that never got quite off the ground, the September 27 national elections now have their focal point: integrate or marginalize *Die Linke* (the Left Party). This puts the SPD in a difficult position. Now that there are red-red-green majorities in Saarland and Thuringia (Saarland is the first state in the western part of Germany with such a majority), efforts to form coalitions with *Die Linke* might well lose their opprobrium gradually. From now on, coalition-building in Germany will be more uncertain than ever in the history of the Federal Republic of Germany. On the one hand, pressure will mount within the SPD to pave the way for a new left majority that includes *Die Linke* on the federal level. On the other hand, Chancellor Angela Merkel and the CDU/CSU, as well as the FDP, will do everything to make the prevention of such a development the central theme for the remainder of the electoral campaign. The specter of a red-red-green coalition in Berlin will now dominate the political discourse until Election Day.

Whether this strategy will work is an open question. *Lagerwahlkampf*, the strategy to cry wolf and use the left as the bogeyman of the right and vice versa, can hardly be effective in a political environment characterized by extremely complex calculations of coalition building. The CDU/CSU and SPD must keep the option of forming grand coalitions open. The Greens will try to make sure that they can work within a red-red-green coalition, which is the preferred option of the green base, as well as within a black-yellow-green or so-called Jamaica coalition, both on the state and national levels. For example, if the electoral strategy of Angela Merkel and Guido Westerwelle does not work and the CDU/CSU and FDP lack the necessary 'chancellor-majority' (*Kanzlermehrheit*), the Greens might be tempted to provide the necessary votes in the Bundestag to form a new coalition with the CDU/CSU and the FDP rather than allow the renewal of an unpopular Grand Coalition.

A Jamaica coalition could spell trouble from the beginning. Tensions might emerge between the CSU, the Greens, and the FDP and also between the FDP and the Greens. But the Greens could try to insulate themselves from the accusation of opportunistic power hunger by suggesting that another Grand Coalition would be worse for Germany's democratic culture. In a democracy parties have to remain '*koalitionsfähig*,' meaning willing to form coalitions with other parties in order to avoid political instability. Since the formation of a black-green coalition in Hamburg, a black-green coalition on the national level is no longer entirely out of the question and the FDP, faced with the decision to be either part of a Jamaica coalition or remain in opposition for another four years, might well opt for a Jamaica coalition.

### I. The Coalition Dilemma of the SPD and the Quest for New Leadership

It is too early to exclude the possibility that the SPD will remain in power after September 27. The SPD has not yet reached its full potential. Strong voter turnout might push up votes for the SPD to more than 25 percent as opposed to the current 23 percent, a number that *Forschungsgruppe Wahlen* and *Infratest dimap* polled for the SPD at the beginning of September. But in order to govern, the SPD needs two additional partners. There is virtually no chance that the SPD and the Greens alone would be able to get enough votes for a renewal of the red-green coalition. Since Chancellor-Candidate Frank-Walter Steinmeier has ex-

cluded forming a government with the help of *Die Linke* on the national level, the only possibility other than a Grand Coalition would be a so-called traffic light coalition together with the Greens and the FDP. However, even if a traffic light coalition is theoretically possible, the question is whether such a coalition would be able to govern effectively on the federal level. A majority in the Bundestag is not enough. In order to pass legislation, a traffic light coalition needs the support of the Bundesrat and, today, there are not enough votes in the Bundesrat for such a coalition to pass legislation on the national level.

If the SPD would end up in opposition after September 27, 2009, the party would then need a major renewal of its leadership. The Schröder generation will have to be replaced by a new generation of leaders. In government or opposition, Steinmeier will continue to play the key leadership role for the SPD in the foreseeable future and Peer Steinbrück will be needed as the economic and financial policy spokesman. Some future leaders of the SPD are already visible on the national level, for example current cabinet members such as Brigitte Zypries, Siegmund Gabriel, Olaf Scholz, and Wolfgang Tiefensee. Although without government experience, Andrea Nahles will assume a key position of leadership for the SPD in the future in any constellation.

Among the SPD leaders on the state level, only Mayor Klaus Wowereit of Berlin has national ambitions and will play a leading role as long as he remains Mayor of the City of Berlin. Based on his experience with *Die Linke* in a coalition government of the city of Berlin, he is talked about as a possible future leader of a coalition that includes *Die Linke* on the national level. Kurt Beck, Minister-President of the State of Rhineland Palatinate and Matthias Platzeck, Minister-President of the State of Brandenburg, both former leaders of the SPD, will hardly seek influence again on the national level. They will be needed to keep the power base of the SPD on the state level intact. Should Ralf Stegner win the state elections in Schleswig Holstein on September 27, he would almost certainly be catapulted into a national role, too.

As Chancellor-Candidate, Steinmeier deliberately added young and unknown talent to his 'competence team' for the 2009 elections. Whether new and unknown young leaders such as Harald Christ and Manuela Schwesig can succeed in the future depends largely on a victory of the SPD in the coming elections. Without a role in government on the national level, there is little room for them in major leadership roles. Other members of the SPD 'competence team' such as Karin Evers-Meyer, Ulrike Merten, and Carola Reimann are already members of the Bundestag and they can take on leadership roles in parliament if the SPD does not end up in government.

## II. A New Political Platform: The '*Deutschland Plan*'

A major new political platform is the '*Deutschland Plan*' (A Plan for Germany) of the SPD. It tries to secure Germany's future as an industrial society and a place for the production of both traditional goods, such as cars, as well as new services. New economic growth potential will be sought in new technologies such as solar energy and information and communication technologies. The SPD's *Deutschland Plan* is clearly an effort to regain economic competence after the global meltdown of financial institutions since the fall of 2008. Its ultimate goal is to create four million new jobs by 2020, one million in the health sector alone, and another one million in new creative sectors of the economy and in the service sector.

But whether any government in Germany will have the power and the means to create four million new jobs by 2020 is an open question. There are limits of what governments can do in order to deal with the consequences of the economic and financial crisis that rocked the markets in 2008/9. To rely primarily on government action for job creation is not enough. The SPD should put more emphasis on the private sector and dare to trust the private sector. Willy Brandt used the motto '*Mehr Demokratie wagen*' (dare to trust more in democracy) for his policy platform. Today, it should be '*Mehr Gesellschaft wagen*' as the SPD tries to enlarge its political base. To seek new regulations for the global financial markets, as the *Deutschland Plan* suggests, is the correct course of action, but new regulations will have to be implemented on a global level. It would have been beneficial for the plan if more would have been said on the role of Europe for its implementation and how the SPD plans to work with its partners on the national level and with other countries on the international level.

The SPD anticipates that by 2020, on the basis of its plan, Germany will have:

- full employment;
- a more just income distribution;
- corporations that invest in ways both socially and ecologically sustainable and that also act as responsible corporate citizens;
- equality of men and women in branches of the economy; and
- a balanced budget.

These are ambitious and valuable goals. Unfortunately, a serious discussion of the *Deutschland Plan* ideas did not take place. With the German media focusing on scandals, the 2009 electoral campaign is left without much substance and whoever comes to power on September 27 will have to put together a mandate after the elections.

### III. The Past, the Present, and the Future

Only a minority of voters expect the SPD to be part of the new government after September 27 and given the fact that another Grand Coalition would be rather unpopular both within the party as well as in the general public, the SPD has to weigh its future options, including the role of opposition, carefully. How did Germany's oldest political party get there?

Reflecting about the 'end of social democracy,' Ralf Dahrendorf had this to say about the issue: "... by the early 1980's social democracy had exhausted itself. It had simply been too successful to remain a force for change. Moreover, it had brought about new rigidities, notably bureaucratization and that deadly phenomenon of the 1970's, stagflation—economic stagnation and high unemployment coupled with galloping inflation,"<sup>1</sup>

The electoral strength of the SPD peaked in the early 1970s with Willy Brandt's victory in the 1972 federal elections. With a brilliant electoral strategy based on *Ostpolitik* and a Keynesian economic message highlighting Germany's achievements as a modern social democracy, the SPD won 45.8 percent of the vote and 230 seats of the Bundestag, not enough to govern on its own, but a resounding success for the SPD/FDP coalition that governed Germany since 1969. The theme not only of modernizing economy, but also of seeking an even stronger and more modern democracy, inspired most of the younger generation at the time. With the successful integration of the 1968 generation into the ranks of the SPD, the party created a new and much larger—although more diverse—political base. Its membership surged to one million. The SPD became the strongest political party in Germany and, in terms of organizational capacity, also the most modern political organization at the time. The party was strong enough to survive the resignation of Brandt as chancellor in 1974 almost unscathed.

Helmut Schmidt stepped in as the new chancellor in May 1974 and provided Germany with superb leadership even under more difficult economic conditions and growing East-West tensions. Schmidt excelled at home as a reliable leader both for German businesses and the trade unions and on the international level as one of the most influential leaders of his time. It was Schmidt who, as a result of the oil crisis and the subsequent economic recession, started the G-7 process together with French President Giscard d'Estaing and laid the foundation for Europe's common economic and monetary policy including a common currency. Schmidt's expertise in foreign and defense policy—he was Brandt's Minister of Defense from 1969 to 1974—catapulted him into the center of the dual track decision of NATO which ultimately led to the stationing of Pershing II missiles as well as cruise missiles on German territory to counter the Soviet SS20 threat against Europe.

#### 1. The First Bloodletting

But underneath Schmidt's superb leadership the SPD, as a party, moved away from government responsibility and, indirectly encouraged by Willy Brandt as leader of the party and also of the Socialist International, adopted policies more in sync with the new social movements that swept through Europe, in particular the peace movement, environmental groups, and women's organizations. The

SPD ended up in a Catch 22 situation: following through with a tough defense policy and withstanding Soviet pressure threatened to create difficulties with the new base of the party. Many 68ers were attracted by the peace movement and the opposition to the dual track decision, adopted environmental policies controversial within the traditional working class base of the SPD, and became active in extra-parliamentary activities. After the Green Party was founded in the early 1980s, the SPD suffered its first major bloodletting. In the 1983 federal elections, less than a year after the 'constructive vote of no confidence' that brought Helmut Kohl and the CDU/CSU to power, the Green Party received 5.6 percent of the vote. Most of the votes for the new party came from the ranks of the SPD. The SPD ended up with just 38.2 percent as opposed to 45.8 percent in 1972 or 43.7 percent in 1976.

## 2. The Second Bloodletting

Electoral numbers also help to tell the story of the second bloodletting of the SPD. After sixteen years in office, Helmut Kohl's electoral fortunes—driven by Germany's serendipitous unification—began to sink. Whereas the United States and Great Britain adjusted to the new economic environment on the basis of the Thatcher and Reagan economic reforms, Germany under Helmut Kohl did little to restructure outdated industries. After unification Germany ended up with unsustainable unemployment numbers, opening up a chance for the SPD to seek a new electoral mandate on the basis of economic reform and a renewal of German industry and business under the conditions of globalization. Germany's deteriorating economic competitiveness drove the Kohl government out of office and gave Social Democrats and Greens a chance to take over power on the basis of an ambitious social and economic reform program. But Schröder, who promised to reduce unemployment by one million and asked that his chancellorship be judged by his capacity to reduce unemployment, soon found out that he needed more drastic reforms in order to save German jobs. He eked out a narrow electoral victory in 2002, partially based on his principled opposition to the Iraq War and also on his leadership during the flood of the century in Germany and parts of eastern and central Europe, but Germany's economic performance did not improve. In early 2003 more fundamental reforms proved unavoidable.

*Agenda 2010* was introduced both as serious effort of reforming German labor market institutions and unemployment benefits, among others. The core reform program was *Hartz IV*. It led to substantial cuts in social spending and unemployment benefits alienating the majority of German trade unions. Reservations within the trade unions as well as in Schröder's own party about the need for a reform program almost exclusively burdening the working class while at the same time giving German business many tax advantages, led to a deep split within the SPD.

The result was the emergence of a widespread movement on the left opposing Schröder's *Agenda 2010*. The new policy led to a weakening of Schröder's voter base and after the defeat of the SPD in the state elections in North Rhine-Westphalia in May 2005; the only chance for Schröder to stay in power was to call for new elections. He lost the 2005 early elections narrowly. *Agenda 2010* had put a toll on the SPD and his old rival Oskar Lafontaine, who left the SPD in 2005, was able to exploit the widespread dissatisfaction with *Hartz IV* to his own advantage as leader of a new left wing party. In the 2005 federal elections an alliance of the PDS and WASG (*Wahlalternative Arbeit und Soziale Gerechtigkeit*), founded in 2004, achieved 8.7 percent. Led by Oskar Lafontaine, the new labor and social justice party caused another bloodletting of the SPD. Most of the voters for the new left movement were disappointed SPD voters. In 2007 the PDS and WASG merged and founded *Die Linke*, today's most important rival of the SPD on the left.

## Conclusion: The Dream of a United Left

The old dream of a united left still lives on and got a new headwind after the August 30, 2009 state elections in Thuringia and Saarland. However, based on the current German electoral system it is unlikely that the SPD and *Die Linke* will ever unite. A majority voting system would create a strong dynamic toward a two party system. There were attempts to introduce such a system in 1966 but those efforts failed. Today, with a five-plus party system and the two major *Volksparteien* (popular parties), the SPD and the CDU/CSU, much weaker than before, it is highly unlikely that such a system could be introduced in Germany. The SPD and *Die Linke* might form coalitions, for now only on the state and local levels, but in the future, a coalition on the national level cannot be excluded.

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What prevents a coalition with *Die Linke* on the national level at the present time are serious policy differences, particularly in foreign, defense, and European policy, but also on economic issues. Should a coalition be under consideration, *Die Linke* would have to make major adjustments for which, today, it seems entirely unprepared.

But there are also deep seated personal animosities which will stand in the way of an alliance. One such issue is Oskar Lafontaine himself, who for many in the SPD, is simply not trustworthy after what happened in 2003 when he suddenly left the new red-green government, and 2005, when he left the SPD to join the WASG running against Schröder's *Agenda 2010*. What complicates coalition building, too, is the fact that in Saxony and Thuringia the SPD trails *Die Linke* in popularity. In Thuringia, the SPD would in all likelihood rather form a Grand Coalition with the CDU than serve in a coalition under the leadership of *Die Linke*. In Saarland, the alternative to a red-red-green coalition would be either a Grand Coalition or a Jamaica coalition. Thuringia and Saarland will be test cases for the SPD. But a final decision on which way to go, toward a Grand Coalition or a red-red-green coalition, will only come after the September national elections. On September 27, SPD voters will have to draw their own conclusion as to which coalition and policy course the SPD will take in order to chart out a better future.

<sup>1</sup> Ralf Dahrendorf, *The Third Way: An Epitaph*, Institute for Human Sciences, March 2004.

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