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## The View from Europe

Analyses of the Crisis of Social Democracy  
after the 2009 German Federal Elections

■ **Can Social Democracy Survive?**

By *Carl Tham*, former Swedish Minister of Education and former Swedish Ambassador to Germany, Sweden.

■ **Modernise or Retrench? Dilemmas for Social Democracy in the Year of Electoral Disaster**

By *Ferenc Gyurcsány*, former Prime Minister of Hungary, Director of the Mihaly-Táncsics Foundation, Hungary.

■ **The SPD and the Debacle of the 2009 German Federal Elections: An Opportunity for Renewal**

By *William Paterson*, former Director of the Institute for German Studies at the University of Birmingham, Professor for German and European Politics at the University of Aston and *James Sloam*, Senior Lecturer in Politics and Co-Director of the Centre for European Politics at Royal Holloway, University of London, Britain.

■ **German Social Democracy after the 2009 Parliamentary Elections: A View from France**

By *Jacques-Pierre Gougeon*, Professor at the Institute for European Studies of the University of Paris (Paris VIII)/Besançon, France.

■ **No Power, No Morale? A Dutch Commentary on the SPD Blues**

By *René Cuperus*, Director of International Relations, Wiardi Beckmann Foundation, The Netherlands.

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## Foreword

By Jan Niklas Engels and Gero Maaß

The outcome of the German federal elections on 27 September 2009 consolidated the five-party system in Germany. Whereas the two mainstream governing parties, the CDU and the SPD, suffered major losses, the FDP, the Left Party and the Greens all achieved results of over ten percent. The greatest loser of the elections was the SPD, which succeeded in polling only 9,988,843 of the second votes (23 percent), representing a loss over the 2005 election of 6,205,822 votes or 11.2 percentage points. This means that since coming to office in 1998 the SPD has lost 2,500 votes a day.

From a European perspective neither the fragmentation of the party system nor the continuing decline in votes for the social democratic party are unique phenomena. On the contrary, coalition governments consisting of several parties tend to be the rule rather than the exception in countries with proportional representation, and it is not unusual for minor parties to hold seats in parliament. However, whereas less than ten years ago social democrat-led governments were in power in a clear majority of EU member-states, today, only eight of the leaders of the now 27 member-states are social democrats.

In the wake of the meltdown of financial capitalism and the resulting crisis of confidence, many people expected the political coordinates in Europe to shift to the left. Yet in the European elections – the first big test of the political mood in Europe following the outbreak of the crisis – there was actually a move to the right.

The uncertainty resulting from these developments means that if social democracy is once again to become a leading political force in Europe it has a multitude of tasks to address:

- It must forge a clear social democratic narrative that reflects the values and identities of the party's social base, while both its goals and the means to achieve them must be informed by the core principles of social justice and social cohesion
- The party needs a credible and convincing political leadership supported by a lively and democratic party organisation – a leadership that is able to learn from previous terms in office and to renew itself while in office

- It must make use of the political latitude over its rivals derived from political culture and the electoral system
- Its track record must demonstrate skilfully implemented, concrete achievements that it can communicate well to the electorate (or while in opposition it must be able to demonstrate the governing party's inability to do this)
- It must be able to mobilise strategic partners – above all the trade unions – to promote the social democratic cause
- In the era of globalisation it must be able to embed national concerns in a European and international strategy.

It is not sufficient, however, just to be well positioned in a few areas. The Swedish social democrats after all lost the last election despite their socially and economically successful record, and in a country where the welfare state enjoys a broad social consensus. More decisive for political success is a party's overall position – in other words, its narrative, its leadership, its political latitude, its track record, its partnerships and its European and global strategy must fit together to form a complete picture. Currently, however, very few of Europe's social democratic parties can claim to have such a position.

In response to the generally decreasing ability of mainstream parties to retain voter loyalty and the particularly drastic decline in votes for European social democracy, the *International Policy Analysis Unit* of the *Friedrich-Ebert-Stiftung* has put together a set of European contributions to the debate over the outcome of the German federal elections and its implications for German social democracy.

We asked political analysts from France, Britain, the Netherlands, Sweden and Hungary who have particular insights into social democracy in Germany and in their own country to analyse the election result and the situation of the SPD following the elections. We also asked them to outline the possible consequences of the election for European social democracy and for social democratic politics in Europe. These five exciting analyses, each reflecting the author's own national experience of politics, examine different aspects of the election outcome and use these as a basis to make recommendations for the future development of social democracy.

*Carl Tham*, former Swedish Minister of Education and former Swedish Ambassador to Germany, looks at the SPD's election »debacle« in a European context and against the background of recent social change. Citing the experience of Sweden and Norway, Tham criticises a political approach oriented towards the middle classes and calls for a change of strategy to encompass all sectors of society – a strategy capable of convincing middle-earners that a welfare state that provides for its citizens, a strong social and cultural infrastructure and greater income equality are in their interests as well.

*Ferenc Gyurcsány*, former Prime Minister of Hungary and Director of the Mihaly-Táncsics Foundation, also attributes the outcome of the elections to far-reaching social changes that are practically impossible to halt. His recipe for success is for the SPD to evolve a vision of the future in tune with the times and to find a charismatic leader. Ferenc Gyurcsány believes a shift to the left would for ideological and tactical reasons have little chance of success. He recommends instead that the SPD take up a strategically important position at the centre of the political spectrum with a view to advancing the cause of progressive politics in coalition governments.

The two British political scientists *William Paterson* and *James Sloam* begin by analysing the »rise and fall of the SPD«. They then broaden their analysis to examine the general decline of the major parties and the fall in support for European social democracy, drawing parallels with the New Labour project in Britain. In their opinion the demise of the social democrats is actually the result of »failing successfully« – of neglecting to address issues important to their voters while in government. Paterson and Sloam argue that the »missing ingredient« of both the Third Way and the *Neue Mitte* was »the communitarian aspect of progressive politics«. In order to overcome its weakness in the battle for political ideas they believe that social democracy requires »a new generation of charismatic leaders, a post-crisis narrative and new, more porous and more responsive structures«.

*Jacques-Pierre Gougeon*, Professor at the Institute for European Studies of the University of Paris (Paris VIII) and at the University of Besançon, fears that the social democrats will be preoccupied with themselves for some time to come and hence will have little time for European questions. At the same time he hopes that now that it no longer needs to take account of its coalition partners, the SPD will be able to formulate positions on important issues

like »the regulation of the financial markets, exit strategies after the crisis and financing the welfare state«. Citing the experience of France, Professor Gougeon sees the SPD's political setbacks as a chance for organisational renewal, to sharpen its political profile and to engage in political confidence-building.

*René Cuperus*, Director for International Relations of the Wiardi Beckmann Stiftung sees major parallels between the »catastrophic situation« of the SPD and that of the Dutch PvdA. He believes the chief problem of social democratic mainstream parties lies in the fragmentation of left-wing voters between social-liberal academics and the traditional social democrats allied with the trade unions. He argues that the middle classes are divided into optimists who embrace globalisation, dynamic markets, diversity etc. and those who fear these forces. This divide threatens the whole of society and represents an existential threat for social democracy, which is in danger of being squeezed between populists and the moderate right. René Cuperus concludes his analysis by listing twelve points for how social democracy can find its way out of this dilemma.

Although the five authors have very different perspectives and make a wide range of recommendations, they all agree that social democracy continues to be needed – both in Germany and in Europe – perhaps more urgently than ever before. It is needed not only to formulate policies commensurate with the challenges posed by a globalised world, but also to seek socially just solutions for the whole of society.

## Can Social Democracy Survive?

By Carl Tham

Though expected, the SPD disaster still came as a shock – not only in Germany. The reasons are as always partly national, but the SPD decline is also part of a European story. There has been a general decline in social democracy in Europe resulting from a number of social and cultural changes: the decline of the old industrial society and its working class, the emergence of an individualistic culture and a widespread lack of trust in politicians in general. But it is above all social democracy's adoption of the ideology of globalisation, its lack of a distinctive alternative policy and its unwillingness to articulate social and economic conflicts that have caused voters to lose faith in its ability to develop and uphold its own ideas of what constitutes a good society. While in power social democrats in a number of countries actually became defenders of the rule of the market without any profound criticism of the ensuing social impact. The experience of Sweden illustrates this.

Why did the Swedish social democrats lose the 2006 election despite a booming economy? One main reason was that some traditional social democratic voters felt the party had lost its basic values and its commitment to the many who had gained little from the spectacular economic upswing and who had become unemployed or marginalised. It is obvious that European social democracy must thoroughly rethink and reshape both its policy and its practice if it is to survive as a main political power in Europe. It must above all recover its ideological self-confidence and return to its basic values and historic mission. These are fundamentally the same as before: to protect society from overwhelming economic interests, to restrain those forces in a mixed economy, to promote equality and create the necessary class compromise. Parties must demonstrate to voters that voting makes a difference. They must articulate social malaise much more energetically, draw attention to social conflicts and injustices and take specific measures to combat them. If the German social democrats were to rise from their defeat to pursue such a course it would have a major political impact throughout Europe.

The social democratic disaster in Germany was expected even if there were some hopes that the more powerful image Frank-Walter Steinmeier managed to project towards the end of the election campaign could rescue the party at the last minute.

But this was not to be. The party failed to mobilise its voters and it lost in all directions. There is a long list of reasons for this loss, all deliberated over time and again in the German post-election debate – the Schröder/Hartz legacy, which thoroughly divided the party and created the political basis for the Left Party in the western part of the country; the party's difficulty in defining itself ideologically; the struggle between factions and personalities about the party's attitude to the Left Party; and perhaps most important, the »power dilemma« of being the junior partner in a coalition with the CDU, without any hope of creating a government of its own or with its former coalition partner the Greens. The SPD and its leading personalities had actually done a good job in the coalition government, not least in handling the financial crisis, but voters are rarely grateful. All the SPD could offer its reluctant voters was »more of the same«, that is, another grand coalition. It is easy to understand that this was not a very tempting offer.

The story of the SPD is a story of decline – with its share of the vote falling from 40% in 1998 to 23.5% in 2009. While there are clearly some specifically German features that account for this decline (i.e. the profound economic and political impact of reunification), it is also part of a general decline in European social democracy in a number of countries, from a peak around 2000. The Norwegian red-red-green government survived by the skin of its teeth in the 2009 election; José Luis Rodríguez Zapatero is still in power in Spain; and George Papandreou won a landslide victory (with very Greek specifics) in Greece. But otherwise the picture is sombre or worse and almost everybody takes it for granted that the British Labour Party will lose the next election in 2010.

There are important and long-observed social and cultural changes behind this development: the decline of the old industrial society and the working class, the emergence of a consumer society with an individualistic culture, and a widespread lack of trust in politicians in general, not to mention a media which, to quote [the Spanish sociologist Manuel] Castells, »transforms politics into images, sound bites and symbols«. Add to that the xenophobia and anti-immigration sentiments all over Europe and the emergence of more or less extreme right-wing parties, which appeal not only to traditionally nationalistic and racist forces but also to disgruntled and disappointed labour voters who feel that the modernised, elitist social democratic parties do not represent them any more. Fortunately, the far right

did badly in the German election – a tribute to German voters: the potential protest vote either stayed at home or voted for the Left Party.

All these factors are felt by all parties, but they are especially serious for social democracy, which has lost its coherence and authority to the political mentality that has dominated the world for more than 20 years: the ideology of free markets, deregulation, privatisation and opposition to collective structures that disturb the logic of the market (i.e. the trade unions). This ideology also contains the continually repeated claim that the nation-states have played out their role and that the social potential inherent in the concept of »society« has lost its power and must be replaced by the discipline of the market. The language, behaviour, values and symbols of business have invaded all aspects of life, as has the notion that competition is superior to all other systems and principles of social organisation. Strengthening competitiveness was not just a goal for companies but for all of society; a society's »competitiveness« is now considered to be a sure measure of its level of civilisation.

Increasing competition has become central to European co-operation. No other ideas have as powerful a position in European rhetoric and practice, and they are even embedded in the legal context. Competition should embrace all sectors of society, even activities that have hitherto been public. The role of politics is adjustment and to some extent redistribution. All this has been presented as incontrovertible fact, just as at one time scientific socialism was seen as inevitable.

European social democracy has resisted certain aspects of this ideology – specifically the idea that social welfare is detrimental to economic progress – but it has accepted the basic ideas.

The declaration made at the EU summit in Lisbon in 2000 illustrated very clearly both the current potential and the limits of social democracy. The declaration was optimistic and it stressed the importance of labour market policy and education. It liberated itself from the idea that welfare policy is negative for economic growth. From that point of view it was a social democratic declaration. But at the same time, the implicit assumption was that economic policy was untouchable and impossible to change. The structure and path of economic changes and development were givens, and hence outside the political realm. Competitiveness was the key word. Also, characteristically, the words redistribution and equality were never mentioned; instead the talk was of »social protection«, which is

something different and, in fact, also important for the moderate right.

In fact the ruling social democrats became defenders of the rule of the market without engaging in any profound criticism of the ensuing social impact. They tried to adjust their welfare systems to the new conditions; they put budgets in order; they praised the economic forces of globalisation; and they committed themselves to the dogma that unemployment is basically an individual problem, depending on the skills and actions or non-actions of the unemployed. In other words, the unemployed must be made employable and pressured to take whatever work is available. The role of economic policy was scaled down to strict fiscal policy in accordance with the Maastricht criteria. The social democrats supported the emergence of the enormous financial markets with all their »innovations« and they felt that they could do nothing against the power of shareholder value or the decline of the trade unions. Indeed leading social democrats secretly welcomed this, since it made adjustment policy easier, or at least was supposed to.

There were reasons and arguments in favour of that policy, but it meant that social democratic politicians appeared as efficient rulers of the system, representing capitalism with a human face but without any ambitions to make structural changes or any commitment to the growing numbers of losers or hardworking poor. They failed to identify and articulate the new class divisions and lost their social empathy and indignation – or at least that was the way it looked. The gap between the election rhetoric in the old tradition – i.e. Schröder in the 2005 election campaign – and the reality of day-to-day politics grew, and so did the disappointment of the voters.

A policy of adapting to the ideology of globalisation, the lack of a distinctive alternative policy and the unwillingness to articulate social and economic conflicts have undoubtedly meant that the dividing line to the conservative parties, which cleverly moved to the centre, became blurred. Many voters have the impression that there is really no difference between the major parties, and that it really does not matter how – or indeed whether – they vote. This feeling became particularly strong in Germany with its grand coalition. Many have lost faith in social democracy and in its ability to uphold and develop its own ideas of what constitutes a good society.

The crash of finance capitalism and its enormous consequences changed the political atmosphere in

the world overnight. But as many commentators have pointed out, at a moment when the leading dogma of the economic neoliberal paradigm and the faith in the markets' miraculous ability to regulate themselves has evaporated and the state is back on the scene, social democracy has not been able to attract voters. It was looked upon as a part of the system, as responsible for the crisis as anyone else. Leading social democrats in government have been very active and taken major action to deal with the immediate crisis as well as making proposals for the regulation and supervision of the financial markets in the future. But so far, at least, very little has been said about the general ideological implications of the crisis.

So in short, the severe setback of the SPD is indeed part of a European story. It goes without saying that it will further weaken social democracy everywhere, and will make the defeat of the British Labour Party next year all the more likely.

Given the size of the SPD electoral defeat it will – it must – take some time to gain a clear understanding of what has happened and what to do. The shock must be digested. It would be presumptuous for an outsider to give advice. It is of course a good idea to look around and see what can be learned from other social democratic parties, but the experience is more or less the same everywhere, albeit with national specifics. The ideological uncertainty is shared. There is no obvious political formula to solve the dilemmas or get away from contradictory views.

There are, however, two experiences from Sweden and Norway worth considering. Why did the Swedish social democrats lose the 2006 election despite a booming economy? Well, as always, there were national specifics, a number of »affairs« and also a question of personalities. But there was also the feeling among many traditional social democratic voters that the party had lost its basic values and its commitment to the many who had got little out of the spectacular economic upswing and to the unemployed and marginalised. The conservative party also cleverly managed to camouflage itself as a welfare party, thus helping it to victory.

The Norwegian story is basically the same. The coalition of social democrats, the Left and the Greens managed to get re-elected, although this is the first time for many years that a government in power has survived. However, the coalition had been successful, pursuing a policy that was not specifically leftist, but more centre-left. Nevertheless, the voters – or enough voters – had the feeling

that the social democrats were sticking to their values and fighting for them – including against the populist anti-immigration party Framskrittspartiet. For this the social democrats were rewarded.

The social democratic parties have – like other parties – been more and more preoccupied with opinion polls and efforts to find out what the mysterious middle class really wants. They then adjust their policies accordingly to what they believe is a kind of »middle class way«. I believe this is a big mistake. First, there is no homogenous middle class; second, the only way forward for social democracy is a cross-class policy that also convinces voters in the middle income brackets that the welfare society with a strong social and cultural infrastructure and an egalitarian approach to income is also in their interest.

It is obvious that European social democracy must thoroughly rethink and reshape its policy and practice if it is to survive as a main political power in Europe. It must above all recover its ideological self-confidence and return to its basic values and historic mission. These are fundamentally the same as before: to protect society from overwhelming economic interests, to restrain those forces in a mixed economy, to promote equality and to create the necessary class compromise. The idea of a mixed economy must be given a new political purpose and energy. The parties must show that voting makes a difference and that the future is not preordained. Social democracy must articulate social malaise much more energetically, draw attention to social conflicts and injustices and take specific political steps to combat them. Voters must be able to see consistency between social democratic actions and its values and rhetoric, and these must be different from the diffuse policies espoused by the ambiguous centre-left. Just as in the past, there will always be compromises. Now, as before, the world system sets limits and no single country can determine its fate alone. Internationalism and European cooperation are important, but they should not stand in opposition to decisive national policies. On the contrary: it is obvious that policies which seek to both take advantage of and at the same time restrain the dynamics of capitalism must be strongly internationalist, but this internationalism must be based on the values of democracy, not those of capital.

Social democracy must clearly see and tell the voters – the experience of the financial crash must surely help! – that national political decision-making is still very important. The idea that »globalisation«



makes national distribution and welfare policies impossible is grounded more on ideology than on economic exigencies.

Social democracy must also openly discuss and deal with the social challenges, tensions and conflicts born of a multi-cultural Europe, which is now a reality. I am not saying this is easy but it must be done – and it must be done by social democracy. Xenophobia, the threat of terrorism and nervous governments are an ominous combination in a Europe where human rights are apparently newly acquired values. As home to the worst totalitarian regimes, to racism and to the colonial powers that plundered and desecrated other countries as well as to police abuses and a powerful authoritarian tradition, the nations of Europe have a terrible legacy. The forces of European reaction are always virulent.

European social democracy must set a new course, decisively and determinedly demonstrating that it takes the threats to democracy and human rights seriously. Great efforts must be made to lift immigrants out of economic marginalisation and cultural isolation. There is a latent menacing confrontation in modern European society, and if it is to be averted there is a need for broad and massive programmes for employment and welfare in the shape of schools, healthcare, culture, well-run public services and a judicial system that people have faith in. This is the great social mission of our time. The truth is – documented in many studies – that reducing the schisms in the community and providing welfare for the entire population, more than anything else, also reduces segregation and isolation for groups that already feel excluded.

Social democrats must also tell citizens that the global environmental threat cannot be avoided without basic changes in our way of consumption, production and transportation and that these changes will be very costly – costs which must be shared in an equitable way. Indeed, social democracy must remind citizens of precisely the fact that they are citizens with a responsibility not only for themselves and their families but for the whole of society, today and for the future.

If the German social democrats were to use their defeat to embark on such a course it would have a major political impact all over Europe.

## Modernise or Retrench: Key Dilemmas for Social Democracy in the Year of Electoral Disaster

By Ferenc Gyurcsány

91; 87; 87; 81; 77; 78; 76; 77; 70; 57.

Lottery numbers? No. A code? Of sorts. But don't go calling on cryptologists for explanation. They are the combined (and rounded) election results of the two major German parties in the elections since 1976, when they were at their peak. Superficially, the numbers easily reveal their code: they represent decline – a gradual but massive shrinking of the electoral prowess of the two parties that completely dominated German politics until the 1990s.

### Shrinking Major Party Dominance

Yet if you want to get beyond the mere numbers and their significance in terms of coalition balances and government formation, you have to first look at sociology, not political science. The changes that fuel the transformation of party landscapes are primarily sociological; they are the translation of societal changes into the political sphere. Today's developed post-materialist societies are increasingly fragmented and lack the vast cohesive social strata that made the emergence of people's parties on the left and right possible. With the gradual disappearance of the traditional working class and the growing fragmentation of the bourgeois middle-class, mass parties of any kind lack the social base necessary for sustaining the levels of support they are accustomed to. While the simultaneous increase in independent – or fickle, if you prefer – voting behaviour will on occasion provide mass parties with returns that are quite passable in historical perspective, such resurgence generally proves fleeting.

This provides *one part* of the framework in which to interpret the election result of the German Social Democratic Party (SPD) in September 2009. On the one hand it was undeniably disastrous. The SPD was by far the greatest loser of the elections, haemorrhaging voters right and left, not to mention living rooms en masse. At the same time, in historical comparison a result of some 10% more – which the party itself and analysts all around would have considered a success – would also have been disastrous: with the exception of the 1990 elections, a highly unusual and atypical ballot due to reunifica-

tion, such a result would still have marked an almost fifty-year low. To put the Christian Democrats' undeniable victory in perspective, however, consider this: in 1994, the last time the CDU/CSU-FDP coalition that will now take over won an election, the Christian parties received more than *six times* as many votes as the liberals. This time, with the CDU/CSU »winning« an election with their worst result since 1953, the ratio was slightly over twice as many voters for the »people's party« as for the liberals. Only in comparison with the SPD's abysmal showing were the Christian Democrats able to frame this as a victory.

Before addressing the current malaise of the SPD (and in fact of European social democracy), allow me to briefly elaborate this point. With the growing diversity in voters' interests, both narrowly (i.e. material and welfare interests) but especially broadly (values, ideology, etc.) understood, major parties find it difficult to simultaneously please their various constituencies, who increasingly respond by flocking to smaller parties whose programme evinces a greater congruence with their preferences. The drive to abandon large parties and support smaller »specialised« parties is in large part a sociological process that the major parties can do little to counter: if they tilt the balance of their policies in either direction, they will lose voters on the other side; if they seek to maintain a precarious balance between diverse interests instead, they stand to lose electoral clout on all sides.

Recent German developments on both right and left provide a case in point. The German liberals' stunning success appears to be a strategic victory for the political proponents of the unfettered free market. Yet in truth the FDP is stumbling from victory to victory just as cluelessly as it had heaped defeat upon defeat previously. While it is true that the FDP's pro-market profile sharpened in opposition, it seems that rather than rewarding it, economically liberal voters punished the Christian parties for what they deemed an insufficiently ardent defence of the market, as well as growing Keynesian tendencies in response to the economic crisis. This appears more plausible than the unlikely assumption that in spite of the financial/economic crisis the number of voters favouring laissez-faire actually increased. And in fact it seems that the Christian parties got the message: they appear to have given up on the effort to court liberal voters as they did – with disastrous electoral consequences – in 2005, and focus on those segments of the middle class who want a reasonable defence of the welfare

state (and in fact its expansion in certain key areas such as family care), coupled with sound economic stewardship. Incidentally, this is a goal that is not unlike that of the Social Democrats, for whom this Christian Democratic approach, if successful, constitutes one of the most significant strategic challenges. Peer Steinbrück referred to this as the »social democratisation of the Christian democratic parties«. After losing young, left-liberal voters to the Greens in the 1980s and the 1990s (and continuing to do so), the SPD for its part is undergoing a similar process with regard to the Left Party, which is siphoning off voters from its left wing.

### Counter the Trend

Given that their structural base was smaller to begin with and appears to be declining even faster than the Christian Democrats', how can the SPD – and social democrats in general – counter this trend? Well, the short answer is that they cannot. It is unlikely that the span of the left, from centrist Greens all the way to the fringes of the Left Party will ever find themselves voting for the same party. The longer answer is that social democrats need both: an overhauled vision for the future *and* charismatic leaders who can carry this message across. As the victorious Blair, Schröder, Zapatero and Obama (and their unsuccessful counterparts) have shown time and again, neither will work without the other. Many independent voters prize candidates more than programmes (or rather do not buy the programme without a convincing candidate to sell it), and hence winning personalities provide the key to bridging the divergent demands of the party base and swing voters. When in doubt, a slightly heretical charismatic candidate with an independent streak is slightly better than a reliable party stalwart whose personality fails to exude the promise of the party's message.

One frequently proposed solution to the SPD's conundrum is a decisive left turn. The SPD is continuously caught up in the ideological infightings between the party's left and right wings, and some feel that the interplay of two key factors, the economic crisis and the party's defeat after over a decade of dominance by the intra-party right wing, should now unambiguously push the SPD in the other direction. While this view has not prevailed overall, it is undeniable that the left has a stronger position now than previously. A more balanced distribution of positions may be desirable, but a

complete realignment of the SPD is hardly called for, neither for ideological nor for strategic reasons. Ideologically the left has little to offer that has not been tried from time to time, usually with little success; a vast expansion of the state at the expense of the market is simply not conceivable. Among other problems, it would debilitate competitiveness and jeopardise jobs that serve as the single most important source of welfare in modern societies, ultimately harming those it seeks to help.

At the same time, even outside the SPD there is little debate now that the state needs to play a stronger role in regulating and supervising the market. The devil is indeed often in the details, but the truth is that the range within which social democratic policy and ideology manoeuvres is rather narrow: it is delimited on the one hand by the impossibility of radically changing the role played by the state in the economy and society, and on other hand by the impossibility of either ignoring market failures or indefinitely cutting back the welfare state, reaching levels where vast sections of the public lack any protection from the whims of the market.

Yet for a moment we might entertain the notion that for strategic reasons the SPD should fiercely engage the Left Party ideologically and thereby seek to draw (back) numerous voters on the left wing of the political spectrum. This seems all the more appealing as it is undeniable that a significant proportion of the almost 12% who cast their lot with the far-left were SPD voters two or three elections ago – these voters alone make up a major part of the decline that the Social Democrats have experienced since their impressive victories in 1998 and 2002. Aggressively courting voters on the left might be the easiest way to push the SPD back to the comfort zone of a 30%-plus share of the vote.

Where would it leave the SPD and the left in general in terms of policy assertion capability? Let's see. On the one hand, the Social Democrats would also lose voters to the Greens and the CDU/CSU, with the latter weakening the overall strength of the left (it is important to keep in mind that even with this year's dismal results, the left remains strong and the left-wing parties' combined results over the past decade have shown that a majority of the German public support the left, broadly understood (1998: 53.3%; 2002: 51.1%; 2005: 51%; 2009: 45.6%). While reducing the overall strength of the left, it would also weaken the SPD's ability to enter into coalitions with other parties and hence also its ability to enforce the policies it holds dear.

For all the other problems the SPD now faces, one of the key advantages of its current situation is that it is the only party in parliament that can easily enter into coalition with any of the other parties in the Bundestag, and in fact routinely does so at the sub-federal level. While the Greens are decisively moving in the direction of becoming a partner of choice for parties on the left and the right, as of now the SPD is still more comfortable in coalitions with both the CDU and the Left Party. This strategic position at the centre of German politics gives the SPD the opportunity to be in government more often and also provides it with great latitude in choosing coalition partners – a choice that also yields more influence to implement progressive policies.

### **A European Social Democratic Dilemma: Bridging Modernisation and Tradition**

The result of the German elections and the SPD's defeat is not only a serious blow for the German left, but also for European social democracy in general. For one thing, if Labour were also to suffer a defeat next year, none of the largest EU countries' governments – Germany, France, Italy and the UK – would include social democrats. With Labour consistently polling low and the French and Italian progressives as yet unable to pick themselves up from their electoral defeats, there is scant hope of changing this dire state of affairs any time soon – and in any case a single victory would do little to alter the overall EU balance, which is abysmal from a progressive perspective (less than a third of EU heads of government represent PES member parties). Coupled with the significant edge conservatives now enjoy in the European Parliament as well, the effect of this conservative predominance will also become apparent in the legislation emanating from the EU. As the Union draws its own lessons from the economic and financial crises, and as European states contribute to the development of crisis-prevention mechanisms in a variety of international institutions and fora, social democrats will have far less input than they would have had a few years ago.

This is most unfortunate timing, as many of the policies formulated now will shape international trade, finance and economic regulations for years, maybe even decades. Commensurate with the political weakening of social democracy, the social democratic imprint on these policies will also be diminished. In light of the fact that social democrats were more resolved to address the root causes of

the crisis than their conservative or liberal counterparts, I fear that this imprint will be sorely missed, especially if and when, for lack of proper regulation, international finance breaks down once again, dragging the real economy and the lives of millions of hard-working citizens down with it. The coming years promise much frustration for European social democracy, but at the very least they also hold out the chance of picking up the pieces and correcting the things that went wrong, both ideologically and strategically. As social democracy in the largest and most influential EU state is crucial to the development of progressive politics everywhere, the SPD's ideological choices and political answers will reverberate far beyond Germany. One key question is how it will resolve the squabble between the party's ideological factions and what response to the daunting challenges of socio-economic modernisation will emanate from this resolution.

Although there are numerous differences, the internecine warfare of the party's left and right wings is a key similarity between the SPD and the Hungarian Socialist Party (MSZP). Over the past years, the MSZP's self-appointed saviours sought to push the party in a more left-wing direction, away from the »neoliberal« policies which in their eyes are the chief source of the Socialist-led government's unpopularity. Rather than conveying the image of lively intra-party democracy and discourse – which to a certain degree is the true nature of these debates – the constant bickering suggests to voters that the parties in question are unable to chart a clear course and are more preoccupied with their own internal debates (and the associated distribution of intra-party and governmental positions) than with the issues facing the nation as a whole.

It is fortunately impossible to preclude such debates, but it is crucial for all sides to come to terms with certain realities, above all the need to recognise the balance between state and market, between modernising the country and protecting its key socio-economic traditions, above all the cornerstones of welfare. It is also clear that, for the social democrats especially, the reconciliation of the latter two insights is a tough problem, as a significant proportion of their existing and desired voters do not yearn for both, but are more concerned about one at the exclusion of the other. How strong the disconnection is between progressive intellectuals (and also young, centrist voters) and traditional social democratic voters was well illustrated in an article penned by the German political scientist

Franz Walter, who in 2004 met with Sigmar Gabriel (who at the time of writing is soon to become chairman of the SPD). Walter, who explained what he found lacking and crucial with regard to the SPD's policies, suddenly found himself dragged along by Gabriel to meetings with the party base, which did not quite turn out as he expected: »[Gabriel and I] had talked a lot about long-term perspective, goals, original ideas and courageous innovations of social democracy. The lack of coherent vision and guiding principles was after all what I, as a party scholar, had criticised the SPD and its chancellor for. Yet whenever the speaker Gabriel spoke of such things, his mostly elderly audience was not at all captivated. Instead, their faces betrayed reserve when Gabriel exclaimed in a thunderous voice how important the emancipation movement is for social democrats, and how on account of the latter they are concerned about education, language training and nurseries.« Left-wing voters tend to be more preoccupied with the bread and butter issues for which social democrats *appear* to have too little enthusiasm left.

The SPD lost dynamic, young progressive voters to the Greens, the angry leftist voters to the Left Party, and much of the remnants to disappointment and passivity. It appears to have been left with largely elderly and middle-aged voters, many of whom crave traditional social democratic policies rather than ideological innovation. In a time when change is rampant, many voters, especially those with social democratic leanings or commitment, crave stability, security and reassurance from politics. In itself, future talk does not provide for that. At the same time, old-fashioned welfare politics that fails to take account of change and suggests the possibility of immutability, will not capture the interest of the dynamic, young middle class that feels more or less comfortable in a changing world but seeks to imbue it with many of the novel ideas, including environment, education and childcare, women's policies, social integration, cultural interchange, etc. that it perceives as the main challenges of the post-industrial society. Although there are some inherent conflicts between the interests of traditionally minded and modern progressive voters, they are by no means mutually exclusive. Social democracy in Germany and elsewhere must find the policies, and crucially also the communicative instruments, that reconcile them and manage to persuade both constituencies that social democracy is the political force that is both truly committed to

representing their needs and interests and best equipped to assert it politically.

It is clear that social democracy cannot but embrace modernisation and that its vision of the future cannot be entirely caught up in and made up of traditional welfarism, but must offer a lot beyond. As Peer Steinbrück put it – according to *Der Spiegel's* summary of his speech to the party presidium: »The SPD must be a force that occupies the concept of progress. Just as in the prior decades, it must be identified with progress. Naturally I do not refer to progress merely in a simplistic economic sense of the word, but also in terms of technology, culture and society.«

Now is the time to find out how the best to formulate this future vision in a way that will make social democracy once again appealing to wide coalitions of progressively minded voters in an increasingly divided and fragmented society. For any political force that seeks to effect change and protect the interests of voters, opposition is a terrible place to be. It means that for years its power to represent what it believes to be right will be considerably diminished. Nevertheless, opposition may be preferable to being part of a coalition government, which wears the party out without allowing for the possibility of ideological renewal. Combining long-term governance with innovation and renewal is the toughest political challenge of all, and after 11 years it appears that the SPD has been consumed by this struggle. We hope sincerely that the coming years will serve to sharpen the visions and policies of German and European social democracy, which will soon make the SPD Germany's strongest party again.

## The SPD and the Debacle of the 2009 German Federal Elections: An Opportunity for Renewal

By William E. Paterson and James Sloam

The result of the 2009 German federal elections was disastrous for the German Social Democratic Party (SPD). Germany's oldest party slumped to its worst result in the history of the Federal Republic, polling only 23% of the vote (down from 34% in 2005) (SBD 2009a and 2009b). Furthermore, the historically low turnout disguised the real depths of the SPD's result in 2009, as the party lost over six million voters who either stayed at home or switched party (almost 40% of the 16 million Germans who had voted for the party only four years earlier) (SBD 2009a and 2009b). For German party politics – unused to political landslides – this marked an extraordinary turn of events. Trust in the SPD's competence, identification with its values, and belief in its credibility all nosedived. The loss among younger voters was particularly damaging. Whilst SPD-inspired reforms of the welfare state (particularly of unemployment benefits and retirement provisions) blurred the boundaries with the centre-right, strategic uncertainty (illustrated by the SPD's approach to the Left Party, which led to the debacle following the Hesse state elections in 2008) undermined the party's credibility. The resulting political catastrophe inspired a raft of political commentary – from *Der Spiegel* to the British *Financial Times* – speculating about the »end of social democracy« (Dahrendorf 1990).

Although we would not wish to understate the devastating nature of this defeat, we argue that it must be placed in the wider context of long-term developments in German and European politics: the decline of the German catch-all parties (and rise of the three smaller parties) and the changing role in modern politics of political parties in general and social democratic parties in particular. The first section of this article will address the rise and fall of the SPD in the 1990s and 2000s. We then turn to the bigger picture, placing the SPD's defeat within the framework of European social democracy. In that context, we draw parallels with the survival (and likely demise in 2010) of the New Labour project in the UK.

## The Rise and Fall of the SPD

### 1. »Loosely Coupled Anarchy« (Lösche 1993)

The predictions of the demise of social democracy in Germany and elsewhere in Europe are not new (e.g. Przeworski 1985; Dahrendorf 1983), but have often been overstated (Paterson and Sloam 2007). The German SPD from the mid-1980s to the mid-1990s was riven by internal tensions, suffering from organisational, ideological and strategic pluralism (Lösche 1993; Sloam 2004). Organisational pluralism allowed ambitious *Länder* princes like Oskar Lafontaine, Rudolf Scharping and Gerhard Schröder to agitate against each other and official party policy from their regional powerbases. Ideological pluralism came about with the rise of the new post-materialist left, who were often ill at ease with the economic orthodoxy of the federal party in Berlin (and defined themselves through their opposition to nuclear weapons and to the participation of the *Bundeswehr* in »out of area activities«). Ideological pluralism was mirrored by strategic uncertainty – in particular the party oscillated between appeals to the centre-ground (CDU/CSU voters) and the post-materialist left (Green voters).

### 2. *The Rise of the Neue Mitte and the Fall of the SPD*

One solution to the problems of the 1980s and 1990s was the dual leadership of Lafontaine (appealing to the left and core voters) and Schröder (appealing to the centre and floating voters), which together mobilised enough support for the SPD to come to power in 1998. Once Lafontaine had resigned as Finance Minister and party chairman in 1999, the way was open for the SPD to move to the centre in government in the strategic and ideological direction of the *Neue Mitte*. This began in earnest after the party's re-election in 2002 in the form of the *Agenda 2000* reform programme.

Under the Schröder chancellorship, the strategic purpose of the SPD was transformed from a »catch-all party« to a »rally party« in support of the Chancellor (almost a *Kanzlerwahlverein*). This was illustrated by Schröder's attempts to put his own fate ahead of the party in the game of coalition poker pursued shortly after the 2005 election. *Agenda 2010*, the centrepiece of the second Schröder government, nevertheless proved to be a step too far for the party. Reform of the benefits system (symbolised by the so-called *Hartz IV* laws and an in-

crease in the retirement age) resulted in the implosion of SPD membership and a collapse in support for the party in the polls, and enabled the eventual emergence of the Left Party (a force on the left that could challenge the SPD for votes across the country).

### 3. »Failing Successfully« in the Grand Coalition

Aided by Schröder's charismatic leadership and brilliant campaigning skills, the SPD was able to achieve a competitive result and enter government in 2005, despite the fact that the party had lost four million votes (approximately 20% of SPD voters) and nearly a quarter of its members in only seven years (SBD 2009b; SPD 2009). However, within the Grand Coalition, the SPD lacked both Schröder's ability to lead the party from the centre and the luxury of being able to fall back on its core support. Successive chairmen of the party – Franz Müntefering (twice), Matthias Platzeck, Kurt Beck, Frank-Walter Steinmeier (as acting chair) – failed because they were not capable of differentiating the SPD from the Grand Coalition dominated by Angela Merkel. The technocratic leadership of Müntefering and Steinmeier was effectively fenced in by a Chancellor who was happy to steal the centre-ground from the junior coalition partner and an opposition Left Party that successfully mopped up SPD voters disaffected by the party's role in the Grand Coalition. While centrist welfare and labour market policies – such as raising the retirement age to 67 (pushed through by Müntefering as Minister for Labour and Social Affairs) – gained no new voters in the centre, more traditional left-wing policies – such as the introduction of a basic minimum wage in a few sectors of the labour market – gained no new voters on the left. *Agenda 2010* and participation as the junior partner in the Grand Coalition has essentially robbed the SPD of its identity as the party of *social justice*. The leaders who had helped to pioneer these reforms and led the SPD in government thus lacked the credibility to mobilise the party's support base.

## Putting the Defeat into Context

### 1. *The Bigger Picture: The Decline of the Volksparteien*

Although the decline of the SPD has been dramatic since 1998, losing approximately half of its voters

and a third of its members (SBD 2009a and 2009b; SPD 2009), the defeat must be put into context. First, the SPD was in power for eleven years. One of the reasons why governments tend to have a shelf-life is that they inevitably lose some of their distinctiveness within the constraints of government. In this sense, opposition can be seen as an opportunity for renewal. Second, the decline of the SPD must be related to the steady decline in the fortunes of both Germany's catch-all parties. In federal elections, the CDU/CSU and SPD combined scored on average over 90% in the 1970s, 85% in the 1980s and 77% in the 1990s, but only 68% in the current decade (SBD 2009b). The CDU/CSU received almost two million fewer votes in 2009 than in 2005 (losing over 10% of its voters) and almost six million votes fewer (nearly 30% of its voters) than in the historic unification election of 1990 (SBD 2009b). So, what we have seen is a gradual evolution away from the two-and-a-half party system that characterised the Bonn Republic towards a more complex five-party system, opening up the possibility even of three party coalitions (as in the case of the new CDU-FDP-Green »Jamaica« coalition in the Saarland). Are we seeing the »normalisation« of German party politics towards a European model of bloc politics (Poguntke 2005)? As yet, we cannot be sure.<sup>1</sup> Certainly the SPD will have to have a more flexible attitude to potential coalition partners (including the Left Party) if it is to stand a chance of returning to power in the near future.

### 2. *The Bigger Picture: European Social Democracy*

It is helpful to take a further step backwards, to look at the bigger picture for European social democracy. Social democracy is certainly in decline if one looks at the political map of Europe today compared with the highpoint of 2000 when centre-left parties were in power in twelve of the fifteen EU states. Yet the comparison is unfair, as it ignores the cyclical nature of party politics. Between 1993 and 1997, social democrats were in opposition in the EU big three (France, Germany and the UK) and after the next UK general election (probably in summer 2010) we are likely to be back in the same

<sup>1</sup> Interestingly, there has been relatively little change in share of the vote between the left (SPD-Green-PDS/Left Party) and right (CDU/CSU-FDP) blocs in recent elections. In the three elections between 1998 and 2005, the SPD-Green-PDS/Left Party vote captured between 51% and 53% of the vote. In 2009, the share of the vote captured by the left fell below 50% for the first time since 1994.

situation. Furthermore, as others have shown (Merkel 1993), the poor performance of centre-left parties in the 1980s and 1990s was never the full story. During this period social democrats were dominant elsewhere in Europe, e.g. Spain and Sweden. Today we should therefore talk of the retreat rather than the defeat (and certainly not *the end*) of European social democracy. The re-election of Jose Zapatero and the Spanish Socialist Party in 2008, the victory of the Greek Socialist Movement (PASOK) and of the Norwegian Labour Party this year all show that national political and economic circumstances are paramount in the success of individual parties.

On the other hand, the defeat of the SPD does show the limits of revisionism for social democratic parties. Here, the story is not dissimilar to that of New Labour in the UK. For social democratic parties to move to the centre and recast social democratic values in new policies, they require a strong charismatic leader (e.g. a Blair or a Schröder) capable of establishing a direct relationship with voters and individual party members (so obviating traditional party organisational structures). That leader then pursues a reformist path in government, but at the cost of alienating the party's core supporters. There is a natural shelf-life for this type of leader – eventually their political capital runs out (as it did for Blair over Iraq and for Schröder over *Agenda 2010*) and their charisma wears thin. The new, less charismatic leaders who replace these reformers (like Brown and Steinmeier) are then unable to bring back core supporters because they either lack credibility/trust (i.e. returning to core values after they have helped pioneer revisionist policies) and/or lack the charisma to unite the party or the country. Meanwhile, centre-right parties move towards more centrist policies (Merkel after the failure of the »Leipzig agenda« in 2005 and David Cameron in the UK) claiming to be »compassionate conservatives«. The correction of the paths of the SPD and the British Labour Party in opposition – towards more traditional social democratic values – is, thus, highly likely.<sup>2</sup> We might even decide to call this the »revisionist cycle«.

In the battle of ideas the New Labour/Third Way/*Neue Mitte* agenda is terminally enfeebled. It had over-invested in globalisation without bringing obvious benefits to its core supporters. At present

the poll figures for Labour make grim reading, so that a victory in the next election appears unlikely. The UK Conservative Party, which had planned a »son of Blair« strategy, were wrong-footed by the financial crisis and have retreated somewhat from »compassionate conservatism« to a leaner state agenda much closer to their traditional goals. If the view continues to gain ground that the Conservatives are using the crisis to push an ideologically driven narrow interest agenda then they could find themselves as unpopular as Mrs Thatcher was until she was rescued by the Falklands. This is only likely to happen after an electoral defeat and the replacement of an exhausted Labour leadership and after the adoption of a slightly more socially protectionist agenda by a new leadership.

Of course, European social democracy does face some genuine structural problems. The prediction of the demise of social democracy by Dahrendorf and others was founded on the fact that society had changed – i.e. the shrinkage of the blue-collar workforce, voter dealignment, and the individualisation of values and lifestyles (Giddens 1991; Inglehart 1997) – and that mass membership workers' parties would not be able to cope. There is certainly some truth in the assertion that the typical social democratic organisational model (bottom-up power structures crystallised in the party conference and supported by a large membership base) has been threatened by these changes. Mair and Van Biezen (2001) dramatically depict the collapse in party membership across Europe in recent decades. In this regard, the hierarchical party structures more often found in parties of the centre-right are perhaps more efficient in an age of individualisation and the 24-hour media.

As we have argued previously (Paterson and Sloam 2007), one of the reasons why many social democratic parties were only »failing successfully« in the late 1990s was because they had neglected underlying »linkage« issues with core supporters (Lawson and Merkl 1988). Centre-left parties need to re-think the »social« dimension of social democracy. The missing ingredient of the Third Way and the *Neue Mitte* was the communitarian aspect of progressive politics – building up democracy from the grass-roots through horizontal relationships between voters and the state that stress rights and obligations.<sup>3</sup> From a party political perspective,

2 Although the return to »core values« may be less likely in the British Labour Party than in the German SPD, given the centripetal force of the UK's »first-past-the-post« electoral system.

3 In the words of President Kennedy: »Ask not what your country can do for you, but what you can do for your country«.



revisionist social democratic parties did not recalibrate party organisational structures to encourage the socialisation of new members and supporters. In the personalised, hierarchical leadership networks established by Schröder and Blair, there was little room for or attention paid to this approach.<sup>4</sup> One small example would be to remove the bar of membership from access to SPD (or Labour Party) online communities.

In terms of party identity, European social democratic parties need to develop new identities in their domestic environments that appeal to the new milieus at the centre of society. They need to offer more than technocratic competence. Whilst it is sometimes enough for the centre-right to appeal to citizens' wallets, the centre-left must appeal to citizens' hearts as well. The big challenge for European social democracy is how to re-define policies when the spending cuts come (as they inevitably will given the surge in deficit spending since the onset of the global financial crisis in 2008). In this context, social democratic parties must sharpen their focus on core areas of *social investment*. If they can do this, it may be a strategic advantage to be in opposition when the axe falls on public services (in Germany as elsewhere).

When the axe does fall, it may also provide a window of opportunity for the social democratic parties to achieve policy goals at the EU level that promote social cohesion, though the weakened position of the Socialists in the European Parliament is a disadvantage.

### Challenges for the SPD

The SPD faces a number of challenges – organisational, ideological and strategic. First, it needs to find the right personnel to keep activists happy, mobilise core supporters and appeal to the centre (the Gabriel-Nahles-Steinmeier axis seems to move in this direction if the protagonists can actually work together); and above all it needs to be able to

communicate its message. One complication here is Steinmeier's reluctance to disavow *Agenda 2010*. The party needs to build up support at state and local levels to provide a springboard to power at federal level. Here, the *Land* election in North Rhine-Westphalia in May 2010 is crucial. In organisational terms, the party needs to open up its structures and encourage outsiders to come in as it tried to do (unsuccessfully) in the 1990s (Blessing 2000) and again in 2001 (Machnig 2001) – e.g. by embracing the idea of primary elections for parliamentary candidates and party leaders. The use of projects to engage non-members is already widespread.

To achieve these goals, the SPD requires a clear narrative. This may involve ideological adjustment. It should not, however, focus on policies of the past like *Hartz IV* and retirement at 67, but concentrate on the development of a forward-looking social democratic identity: in short, a progressive, socially liberal position in favour of a state that ensures equality of opportunity (by focusing on education, for example) and social cohesion (»fair« taxation and social legislation). Furthermore, this position will have increasing resonance once the public-spending cuts come.

How the new narrative is deployed – at the next stage – will depend on strategic choices. At this stage, however, the party should concentrate on re-motivating the two million SPD supporters who voted in 2005 but stayed at home in 2009. All things being equal, this would make the party competitive with the CDU/CSU. Within a multi-party system it would be unwise to think too much about strategic options (although flexibility is required). After all, their competitor parties have challenges of their own – the Christian Democrats in government must manage the »gathering crisis« of public expenditure (and take responsibility for large spending cuts). The Left Party must hold together in the context of ongoing tensions between East and West and the strains of drafting a new programme. The Green Party, a winner in the federal election, has the fewest challenges and is now a much desired coalition partner.

So, in the face of the humiliation in the 2009 federal elections, what should be the central goals for the SPD? The rehabilitation should concentrate on re-organisation and mobilisation – developing and communicating a distinctive policy – rather than moving too much to the left or centre, although a move to the left will be inevitable in the run-up to the *Land* election in North Rhine-Westphalia in May 2010.

<sup>4</sup> The Obama campaign of 2008 in the US showed in an innovative way how political socialisation might be achieved through the use of the new media. To remain a catch-all party, social democratic party organisations need to be opened up. Of course, the opening up of social democratic parties to new political, economic and social groups is not a new phenomenon – we saw it, for example, in Willy Brandt's integration of new political forces into the SPD in the 1960s and 1970s. On the other hand, maybe a party needs a Brandt or an Obama – a »charismatic unifier« – to make this possible.

## Conclusion

With the exception of the first post-war Labour government and the early days of the Blair government the SPD has been the most influential party in European social democracy for over a century. The defeat of the SPD in September thus weakens social democracy for the foreseeable future. Perhaps as important, the poor showing of the SPD in the European elections and the shrinking of the Socialists in the European Parliament seriously constrains the impact of social democracy. It is, however, not the end or even the beginning of the end of social democracy. Rather it is part of a general crisis of political parties in representative democracies. The weakness of the right of centre parties in the battle of ideas is as striking as that of social democracy. What social democracy now needs is a new generation of charismatic leaders, a post-crisis narrative and new, more porous and more responsive structures. These are more likely to develop in opposition than in government.

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## German Social Democracy after the 2009 Parliamentary Elections: A View from France

By Professor Dr. Jacques-Pierre Gougeon

Although France was expecting a defeat for German social democracy in the elections to the Bundestag on 27 September 2009, it was still surprised by the severity of the defeat. Like the French socialists the German social democrats will now be preoccupied with themselves for some time. It is therefore to be feared that the prominent role traditionally played by the German Social Democratic Party (SPD) in European issues will dwindle, which would be very much to the detriment of European social democracy as a whole. European social democracy is also likely to take a further knock following the anticipated steep decline in popularity of the British Labour Party.

### The SPD after the Parliamentary Elections

The main reason for the SPD's worst showing in elections to the Bundestag since 1949 is that the majority of German voters no longer see the SPD as a political alternative to the country's other major party, the Christian Democratic Union (CDU). While a member of the grand coalition the SPD did not succeed in projecting its own political profile: there was scarcely a perceptible difference between the policies of Angela Merkel and those of the SPD. Above all in social and economic policy the SPD was unable to come up with any distinctive ideas of its own. In the short- and medium-term the SPD will have a hard time recovering from its electoral defeat and establishing a new and more distinctive political profile. The obstacles on the road back to power will not be overcome overnight. Some fundamental questions need to be asked and answered. The SPD faces a series of contradictions. The following points in particular would appear to be relevant and worrying – not only in Germany:

- Traditional SPD voters have turned their backs on the party: only 24% of blue-collar workers (-13% compared with 2005) and 20% of white-collar workers (-16%) voted for the SPD, while 28% and 18% (+6 %) of blue-collar workers and 32% and 11% of white-collar workers voted, respectively, for the CDU/CSU or for the Left Party. The SPD needs to ask itself how it can win these voters back.

- This also applies to young voters of whom only 17% (-21 % compared with 2005) of 18–24-year-olds and 25–34-year-olds voted for the SPD. For young people the SPD is no longer the »party of the future«.
- Until now the SPD has been unable to agree on a clear policy towards the Left Party, even though this party is a permanent rival for votes at the left end of the political spectrum. Even after the Bundestag elections the party was still clearly split over this issue. Whereas [Berlin Mayor] Klaus Wowereit called for the SPD to »abandon its taboo on forming coalitions with the Left Party« (interview in *Der Tagesspiegel*, 4.10.2009), Frank-Walter Steinmeier warned against any fixation on the left end of the political spectrum and reducing itself to the status of a »clientele party« (leading article in *Welt am Sonntag*, 4.10.2009). Until the SPD succeeds in agreeing on a common stance towards the Left Party it has a »credibility problem«.
- Tensions in the party can also be discerned with respect to Gerhard Schröder's *Agenda 2010*. Whereas Wowereit (in the already cited interview) is inclined to make further adjustments to this reform programme, for example for people receiving social security under *Hartz IV*, and even recommends abandoning plans to raise the pension age to 67, Steinmeier continues to adhere to almost all the main points of the programme. If the SPD does not manage to arrive at a common position on this political legacy it will continue to have a credibility problem for some time to come.
- The renewal of the SPD leadership with Sigmar Gabriel and Andrea Nahles must nonetheless be evaluated as a positive step. Even if the two new leaders probably will not find it easy to work together, this at least signals the will to make a fresh start.

### Possible Impact on European Social Democracy

For European social democracy the demise of the SPD is likely to have both positive and negative effects:

- On the negative side, European social democracy is continuing to weaken as social democrats disappear from almost all governments. The governments of all the founding EU member-states are already conservative or liberal. If the British Labour Party loses the 2010 elections, as

is feared, there will even be a North-South dividing line. Without social democratic policies at government level, the European social democrats will be deprived of the power to champion the cause of ordinary people and to tackle their day-to-day problems – or indeed prevent them arising in the first place.

- The SPD, which has recently adopted a critical attitude towards the party of European socialists, is now likely to go through a period of introspection and distance itself from any European engagement. This will take the wind out of the sails of any European debate on the future direction of social democracy.
- One positive effect of the election defeat is that the SPD – relieved of the business of day-to-day government – will be able to put all its energy into the renewal of European social democracy and with its recent experience of government will be able to assume a leading role in hammering out a new programme. SPD positions on important issues like the regulation of the financial markets, exit strategies after the crisis and financing the welfare state must be formulated. Now it is in the opposition the SPD no longer needs to take the wishes of its former conservative coalition partner into account with respect to personnel, as it had to during the last European elections, for example in an ambivalent attitude to the candidacy of José Manuel Barroso.
- In view of the »competition from the left« the SPD needs to agree on its own common line as soon as possible.
- The competition posed by the »small parties« should not be underestimated, above all in a period when the political significance of the traditional mainstream parties for resolving current and future challenges is increasingly being questioned. In France the Greens have now become a serious threat to the Socialists, because in a period of weakness for the PS they may be perceived as a »fresh« and »left-wing« alternative to Sarkozy: on 27 September the Greens came second in a by-election in the Département of Yvelines, only marginally behind the conservative candidate – a clear warning signal.

### **Drawing on the French Social Democratic Experience**

France's experience with similar processes of change has shown that political setbacks can also offer a chance for organisational renewal, developing a more distinctive political profile and political confidence-building.

- Following a major electoral defeat the party leadership must be renewed as quickly as possible. The experience of France has shown that such a renewal lends impetus to a fresh start. The credibility of the Parti socialiste (PS) is currently suffering from the widespread popular belief that the same politicians will stand for the presidential elections in 2012 as those who stood in 2007.
- Personnel and programmatic changes need to go together. Otherwise the public will fail to heed the latter.

## No Power, No Morale? A Dutch Comment on the SPD Blues

By René Cuperus

Let us, for reasons of good taste, start with the good news about the outcome of the German federal elections. The first piece of good news, especially from the tormented Dutch perspective, is that there has been no right-wing populist backlash after the performance of the grand coalition. A number of political commentators including myself expected the blurring of the left/right divide in politics as a result of the grand coalition (combined with harsh reforms of the welfare state) to bring about a destabilising anti-establishment, populist revolt. In theory, a grand coalition of the mainstream rival parties risked eroding the left/right cleavage in politics and creating a vacuum for a »populist« cleavage, i.e. »the establishment« versus a false entity called »the people« to emerge. Such a revolt might have been based on »politics of fear and resentment« in response to the perceived threat to identity posed by mass immigration, European integration, the post-industrial age and globalisation. But so far this has not happened in Germany. Whereas in many other European countries a dangerous and pernicious brand of right-wing populism is gaining more and more electoral and political ground, in Germany the post-war early warning system and alarm filters still seem to be in good working order. The German federal elections did not show an upswing of anti-immigrant or anti-Islam parties. The buffer of the Second World War and the Holocaust is apparently still in place.

Nevertheless, the German elections did evidence a serious decline in the position of the *Volksparteien*, the pillars of post-war stability. Not only did the SPD poll a dramatically low share of the vote, but the CDU-CSU (especially the Bavarian CSU) also did so badly that even the winner Angela Merkel, who was confirmed in office as chancellor, announced a post-electoral investigation of the CDU-CSU campaign and its political position. While there may not have been a move towards a populism based on national identity, there was clearly a move away from the political centre resulting in a stronger profile for the smaller parties. The left-wing populist (alias pre-Agenda 2010 socialists) *Die Linke*, the neo-liberal FDP and the Greens all profited from the poor showing of the governing centre parties.

The general disillusionment with politics – what the Germans call *Politikverdrossenheit* – was ex-

pressed largely by people abstaining from voting. Indeed, more than two million traditional SPD voters stayed at home. Unlike the Netherlands, which has a very volatile party system, without a 5%-hurdle, where political discontent and anti-immigration or anti-globalisation sentiments are channeled through a large array of parties, Germany's post-war political system has an inbuilt early warning system against political extremism.

The second piece of good news is that despite its major losses the SPD has not become an even smaller junior partner in a grand coalition government with its main competitor the CDU. The SPD nightmare of »political suicide by governing« has finally come to an end. The SPD was too divided to govern with power, charisma or self-confidence, fundamentally split as it was between a trade-union wing (close to *Die Linke*) and a wing of *Neue Mitte* modernisers (close to the social wing of the CDU).

The post-Agenda 2010 SPD had come too close to being a clone of the CDU – only the CDU is better organised, more disciplined and less divided and therefore a better power and campaigning machine of the political centre. It is not accused from its own ranks of neo-liberal collaboration, as the SPD permanently was, by among others its former popular party leader Oskar Lafontaine, who did much to aggravate the SPD's ideological credibility problem. Lafontaine once campaigned with Gerhard Schröder under the slogan »Innovation and Justice«. By leaving the SPD and later joining an anti-Agenda 2010 socialist party, the »traitor« Lafontaine symbolically deprived the SPD government of its justice platform, thus fuelling the decline in self-confidence and the moral-ideological ambiguities of the present-day SPD. After all, a party which does not love itself can never expect to attract voters. »Self-doubt« is the worst political message a party can communicate.

The SPD is now back in opposition, where, like a resting army, it can lick its wounds after a lengthy and both energising and frustrating period in government that followed on from the long years in the desert of opposition under Helmut Kohl (Cuperus 2008). In the long run, the good news may be that the SPD, *the mother party* of European social democracy, will restore its position as a source of inspiration and leadership for other social democrats. But it is a position it has not held for a long time.

### The SPD Campaign – A Major Loss of Credibility

The SPD's nearly all-time low of 23% was a combined result of incidental and structural factors. The SPD campaign itself was a »mission impossible« nightmare, for it involved competing against rivals who were at the same time its only possible coalition partners. Campaigning against Merkel and CDU while at the same time hoping for a continuation of the grand coalition was a strategy that was unlikely to fool the electorate. In addition, while warning against the neo-liberal destruction of the German welfare state if the CDU were to form a coalition with the neo-liberal FDP, the SPD was at the same time hoping to be able to form a so-called »traffic light« (red, yellow, green) coalition that included this very same FDP. The result was a huge loss in credibility, as was its schizophrenic attitude towards the Left Party – seen by many as standing for the social democrats' guilty conscience. While emphatically ruling out any cooperation with *Die Linke* on the federal level, it sought to do just this at local and regional levels (the Ypsilanti-disaster).

To make matters worse, Steinmeier and the SPD were fighting a permanent up-hill battle against disastrous opinion polls and against the obviously inevitable victory of Chancellor Angela Merkel. The cover of *Der Spiegel* showing both Chancellor Steinmeier and Chancellor Merkel on the throne was too kind: *Es kommt so .. oder so* (It'll be one or the other) was the headline. We should note that it was US President Barack Obama who spoiled all early hopes for the SPD, whispering months before the elections in Angela Merkel's ear that she should not worry at all about securing re-election.

Frank-Walter Steinmeier may be one of the SPD's best politicians, but as a co-architect of the *Neue Mitte* Agenda 2010 he was in policy position terms nearly a clone of the incumbent Angela Merkel. On top of that he was something of a technocrat and a politically unknown quantity, popular as foreign minister (like all his predecessors) but a newcomer to political campaigning. Both as a politician and as a »media personality« Steinmeier was scarcely distinguishable from Angela Merkel. Given this constellation, he stood little serious chance of disturbing Merkel's easy re-election, or of politicising and polarising the campaign, which therefore turned out to be dull and passionless.

One could even argue that the experienced and shrewd politician of similar name, Peer Steinbrück, would have been a better SPD candidate. He took issue with the financial predators, and challenged

the banks, the speculators and the tax havens and could thus have given the SPD a much more authentic profile against the background of the financial crisis. With hindsight, then, the SPD campaign was a strategic nightmare of the greatest proportions. This proves to have been a costly mistake, because it threw the SPD into a probably unnecessarily deep existential crisis. The future of the SPD as a *Volkspartei* is now under serious threat.

### Gabriel's Sense of Urgency

Indeed, the incidental problems of the campaign (candidate, coalition question, post-Agenda 2010 trauma within the SPD) brought to the surface many of its long-term structural difficulties (Perger 2009). In his e-mail letter to the frustrated and angry SPD rank-and-file, the newly designated party chairman Sigmar Gabriel struck the right chord. The strong term he used to characterise the SPD's predicament – catastrophic situation – was also used that very same week to describe the position of the SPD's Dutch sister party, the PvdA, in a confidential, internal mail message from Diederik Samsom, the secretary of the parliamentary group, to his fellow Labour Party parliamentarians. This message was leaked to the press. Unfortunately, it is no accident that the diagnosis »catastrophic situation« has been used for both the German and the Dutch social democratic parties, for there are many parallels.

In the past decades our societies have been confronted with major challenges: the globalisation of our economies and financial systems; the technological revolution and the rise of a post-industrial knowledge economy; ill-managed mass movements, from one region and one country to another, of immigrants not accustomed to western-liberal lifestyles and values; and a European integration process that has overvalued the market and has undermined national democratic procedures. These changes have had an enormous impact on the lives of ordinary people. They have redistributed opportunities among countries, regions and persons. They have favoured the well-educated, cosmopolitan well-to-do. And they have disappointed the less educated, lower-class precariat, but also large middle-income groups who favour traditions and have a national rather than a European or cosmopolitan orientation. We are talking not about traditional class relations, but rather about political-cultural orientations and moods,

about political psychological phenomena such as resentment over social *déclassement*.

The Third Way-style modernisation of social democracy – while including some good elements, such as a Scandinavian-style activist welfare state – has produced an ideological-programmatic disorientation, a divided, insecure party and a completely alienated electorate, especially its traditional loyal voters. In becoming long-term government parties the social democratic parties have become part of the establishment and have narrowed the differences between themselves and moderate or even social conservative parties, such as the Christian democratic parties of Germany, the Netherlands or Belgium. Social democratic parties are the only parties to have drastically changed their ideological outlook, fighting »enemies within«: the transformation of Old Labour into New Labour, the *Neue Mitte* against the trade-union-wing, etc, thereby undermining their credibility and the trust and social stability of their stalwart voter base.

The result has been a rather half-hearted social democratic paradigm shift from »politics against markets' to »politics for markets«, encompassing reforms of the welfare state. This change was not understood by the traditional voter base, many of whom switched their support to the left-wing populist »original« social democrats, or else did not vote at all. Nor was the rebranding of social democracy convincing enough as a modern dynamic force for the younger generation. Instead, modernised social democracy found itself in a no-man's land, losing support on both sides. As Gabriel alarmingly but correctly states: we are looking at the possible self-destruction of the social democratic *Volksparteien*.

### The Broken Society of the Left

What is at stake here is what I call the broken society of the left – the split of the social democratic constituency into two domains: a cleavage between social liberal academic professionals and traditional trade-union social democrats; a cleavage between the better- educated and the less well-educated, between cosmopolitan and nationalistic or libertarian and authoritarian orientations. This split represents the fragmentation within middle-class society at large. As a result of the strong forces of globalisation, mass migration, individualisation and the post-industrial knowledge-based economy, the social democratic electorate is fragmented into two

camp: optimists about the future who embrace the new world of globalisation, market dynamics, individual enterprise, Europe and ethnic diversity and those who feel threatened by these forces. This is what I mean by the broken society of the left, the broken coalition of intellectuals and academics and the working class against capitalism and for democracy.

Will European social democracy survive the sociology of the new global world?

This is a rather alarming question. The biggest risk for contemporary social democracy is the breakdown of our social democratic parties, the split of our parties into two constituencies under attack by populism.

Indeed, left-wing populism (*Die Linke* of Oskar Lafontaine, or the Socialist Party in the Netherlands) is our biggest threat, although in the Netherlands, unlike in Germany, right-wing populist movements are also seducing the classical social democrat electorate, testifying to a sociologically observable trend – the end of the left-wing working class. In the Netherlands the post-war taboo against right-wing parties has been broken not by a neo-Nazi movement, but by the right-wing populist movements of Pim Fortuyn, Rita Verdonk or Geert Wilders, which might be described as tabloid-populist revolts against the politically correct academic elites and their futuristic world view of globalisation, European integration, the knowledge-based society and multiculturalism (Cuperus and Becker 2007).

How to keep our parties and hence society together is the big question. It is my conviction that the problems of our parties are a *pars pro toto*, a mirror of what is happening in society at large. The pressures of division and fragmentation felt by social democratic parties are the same pressures felt within society. A possible cleavage or split in our party may foreshadow a split in society at large. That is why we need to be on our guard when mainstream parties fragment.

What is fundamentally under attack is the social cohesion, the social fabric, the solidarity of our societies. What could be under attack is the European social model and European social democracy as one of its foundations and pillars – social democracy defined as the coalition, the connector between the privileged and the underprivileged, between the lower and the upper middle class.

So the big challenge for contemporary social democracy is how to prevent the exodus of the last worker from the labour party, under the strong threat of left- and right-wing populism. The new

cadres of the social democratic parties must face the next existential question: do we really want to reconnect with America, England, Germany, with our traditional core vote, our *Stammwähler* (as the Germans call them very solidly), or do we despise them?

Do we want to bridge the cultural gap with ordinary people or do we consider them to be xenophobic nationalists and protectionists, frightened by the challenges of the new world? Do we take their anxieties and feelings of insecurity in a world of flux seriously, or will we allow them to be prey to populist movements, with all the attendant social and political dangers?

On the continent we see a deep split within parties: left-wing populists who speak the language of the less-educated versus social-liberal academic professionals. If we do not find a bridge between these segments, between the low-skilled and the more highly skilled, a bridge in programme, discourse and politicians, then this will spell the end of an influential social democratic movement in Europe in the foreseeable future. And we will not be able to stop a further Americanisation of Europe.

In a number of countries the centre-left has become squeezed between a strong moderate right, claiming to achieve better economic performance, and populist movements, either from the left, presenting themselves as the »real« social democratic left, or from the right, exploiting the cultural gap with the low-skilled working class. This certainly applies to the Netherlands: the Dutch Labour Party is sandwiched between a strong Christian democratic party and a strong leftist party, while the right-wing populists are waiting in the wings (Becker and Cuperus 2007, 2008).

The problem of the centre-left is that it is neither the real force of neo-liberal globalisation (engaging, as it does, in half-hearted, Third Way-style collaboration), nor does it represent the reaction to this new phase of modernisation, which is a nationalistic, xenophobic, culturally protectionist reaction. The centre-left is neither action, nor reaction – when in fact it would do better to be one or the other.<sup>5</sup>

Let us face it: social democracy is having a very hard time and may even be facing an existential crisis. The European elections turned out to be disastrous for the centre-left. The German elections

showed that the misery was no accident; the PvdA-results in the Dutch polls confirm this gloomy picture. We are at an all-time post-war low.

Social democracy is sinking fast as the leak is on both sides of the boat: to the left and to the liberal centre. We are losing to the left-wing populists alias the pre-Third Way social democrats, *Die Linke* in Germany and the Socialist Party (SP) in Holland. We are losing to them because we have lost credibility and trust because of (assumed) collaboration with neo-liberalism and therefore »un-social democratic« welfare state reform. And we are losing on the other side, to the liberal left and the Green left, because in pandering to the »populist undercurrent« and the overall politics of fear we are losing the academic professionals, the optimistic winners of the new modernisation process.

Basically, the social democratic response of the past decades has been one of adaptation to new circumstances, not of reform in line with our own values. The political elites, including the social democratic ones, have made change the hallmark of their policies, because change is necessary, indeed unavoidable against the background of the major changes in society and the world. But the main questions are: how to maintain fairness in a global and diverse society? How can centre-left politics remain a progressive force of change, while at the same time being a beacon of trust and social protection for insecure electorates?

### Which Way Out? What Should Be Done?

1. Moving beyond debates about the successes and shortcomings of previous reformist approaches (e.g. the Third Way, *Neue Mitte*, etc), the social democrats now clearly need a new revisionist project. This ought to include developing a broader concept of welfare which takes into consideration the dramatic economic, environmental and social transformations sweeping the world. It should include a more sophisticated critique of the market, a more coherent response to the rise of individualism in our societies, greater clarity about the approach to equality, a redefinition of the role of the state and a greater sensitivity to identity and cultural politics. Here we see a problematic mismatch between social democratic elites and the traditional *Stammwähler* concerning such issues as integration and multi-ethnic diversity and the extent to which immigrants should adapt to the »host so-

<sup>5</sup> These texts are partly based on the program of the Policy Network/Wiardi Beckman Stichting Conference 'The politics of globalisation, redistribution and culture', Amsterdam, 5–6 November 2009.



ciety»; and concerning the relationship between the nation state and the European Union and the extent to which national borders and sovereignty are perceived to be eroding in favour of supranational cooperation.

In particular, social democracy must reconnect both with its traditional constituency and with the younger generation while confronting and resolving the serious tensions in the coalition between those who welcome globalisation and those who resist it. In short, the centre-left must build new bridging coalitions.

The European centre-left finds itself in a fragmented electoral playing field. Our traditional working-class vote has significantly declined and a split has arisen among our »old« constituency, i.e. between cosmopolitans and communitarians, or labour market insiders and outsiders, etc. At the same time, the break-through to the political centre over the last decade has not stood the test of time. These developments urge us to carefully rethink the focus and direction of our political programmes as well as whom we want to represent if the objective remains to forge majority coalitions as opposed to »clientele politics«. Who is our »new constituency« and how it is best served? And who are our actual opponents in a shifting political space?

2. The financial and economic crisis has shaken the very foundations of our economic system. Government interventions have prevented our societies from sinking into depression, but the response to the crisis cannot stop at bank bail-outs and industry-specific rescue packages. The core principles of our economy have to be reconsidered to frame a new and equitable capitalism which complements the welfare state rather than challenging it. The role of the state in the economy must be redefined in order to find new business models, models which emphasise that people, not profits must be at the centre of an economic system. Put simply, we must think about how to ensure that markets serve society and not the other way around.

Not only has the crisis urged us to rethink our economy – developments in the labour market also have implications for our approach to delivering a new and equitable capitalism. Our knowledge-based economy creates a divide between skilled and unskilled workers, between good and lousy jobs. Contract security and trade-union membership have declined. Social mobility is still very limited for lower-skilled

workers. All these developments have resulted in a large, vulnerable, »precarious« group in our society and thus led to socio-economic polarisation, where widely held principles of fairness, such as equality of opportunity, the avoidance of material hardship and reciprocity are often diluted. How can we provide this group with a sense of security and fairness in our rapidly changing world? How can we, via a new politics of globalisation and redistribution, restore the fairness code to twenty-first-century capitalism? How can we avoid being squeezed between protectionist and free-market forces?

3. Our societies are undergoing rapid change, with new opportunities and risks, which people are unequally equipped to cope with and benefit from. Globalisation, technological change, mass migration, the rise of individualism: these trends have caused a dramatic shift in post-war traditions and institutions and produced winners and losers. Societies have become more secular, heterogeneous, diverse, individualist and post-materialist.

The »communitarian« legacy of social democracy seems to be under threat. How do we maintain social cohesion and strong communities in a fragmented or »broken« society? How do we respond to the rise of individualism in society? How do we respond to the populist narrative of a lost heartland? How do we frame identities and traditions in a mobile, flexible and global world?

We should identify the weight of acute anxiety in Europe about moral and social decline and make the case for a politics of culture which resonates with social democratic voters, both liberal and communitarian ones.

Current social democratic narratives are no longer suitable. The challenges we face have changed and this demands a new and credible narrative which reconnects us to our constituencies and restores trust; an authentic narrative that will reclaim the initiative and enable us to set the political agenda. But what will this new political programme be like? And how can it be developed in times of low credibility and trust among the political class? We should develop ideas for shaping a new, revitalised political narrative to address the current and future concerns of our constituency

4. We should rid ourselves of our addiction to power and of blatant careerism within our ranks. We should rid ourselves of technocratic

- management of policy systems and of our blindness for street-level perceptions of society.
5. We should restore the divide between left and right in politics, in order to fight the dangerous populist cleavage between the establishment and a false entity called »the people«.
  6. We should be open to new progressive-left coalitions with the Greens and left-wing populist parties such as *Die Linke* in Germany (without Lafontaine and Stasi officers) or the SP party in Holland.
  7. We should become more sensitive to cultural and identity politics. The major discontent and unhappiness in rich welfare societies are to a large extent about community, cohesion and security: post-materialist psychological problems.
  8. We should get ourselves a new leadership. Given the significance of personalised political leadership in an »audience democracy« – persons become programmes and good politicians become living programmes. There is a need for new leadership and new leadership styles. A leadership that does not carry the burden of socially autistic reform policies can bridge the gap with the classical working class electorate and build new coalitions. A leadership that leads with vision and values, based on a new idea of progress.
  9. We must regain an authentic political position or else reinvent the (centre-) left. The lack of clear political (ideological) positions, the accommodation to market forces and the excessive modernisation of social democracy requires (multi-national) commissions to restate the social democratic position on the most pressing issues and to reconnect to the tradition of social democratic reformism. We must reconnect our policy programmes to our basic values, to a critique of contemporary global capitalism and to democratic ideals.
  10. We must improve the party organisation. All over Europe, the party as an intermediary between social life and the political arena has been eroded. The party has become an office-holder machine, a career machine instead of an organisation that articulates and channels social questions and preoccupations. So let us improve our organisations. Let us attend to recruiting excellent people and offering political education. Let us try to put down roots in companies, neighbourhoods and the third sector; engage in a campaign for social, cultural and economic coalitions; lead a broad coalition to improve the

quality of life for the classes populaires.

11. We must design effective electoral strategies, not only during election campaigns, but also in between. We must restore the relationship with the lower-skilled, build coalitions between them and the middle classes, between immigrants and natives – on a local level and on an institutional level.
12. This will also necessitate »a creative approach to progressive coalition-building encompassing other centre-left political parties, as well as progressive individuals regardless of party affiliation and progressive, not yet party-affiliated organisations« (Teixera, forthcoming).

### Final Remarks

We need Germany and especially German social democracy to prove and demonstrate that the Rhineland brand of the social market economy is compatible with and capable of competing in the new globalised world order. Will Germany be able to maintain or renew its tradition as a leading exporter, an optimally egalitarian welfare state without poverty and a relaxed, non-stressed society? Can Germany resist the pressures of Anglo-Saxon adaptation, requested by the circle around *The Economist*, and reinvent social reforms not as a threat but as an improvement to society? Can European social democracy stay true to its historic mission of reconciling capitalism and democracy via its social democratic project of equal citizenship – for the many, not just for the few?

In recent decades German social democracy has become so obsessed with economic location that it has ceased to provide a model or inspiration for European social democracy. Instead, it has presented itself as a disoriented loser of the Anglo-Saxon process of globalisation, without self-confidence. Therefore it has had no dominant presence in international fora and debates.

Now that the neo-liberal globalisation model and the accompanying concept of the »market state« may have collapsed, all eyes are turning to Germany and France again, asking whether they will be able to renew and recalibrate their strong traditions of embedding capitalism? Will they bring new hopes and inspiration to the progressive democratic left in Europe and beyond? That is, ultimately, what is at stake in the urgent recovery story of Germany's oldest party, the party that survived Hitler: the SPD.

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