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# Explaining the Crisis and Electoral Decline of the German Social Democratic Party (SPD) in the Era of Welfare State Retrenchment (2002–2012)

Jörg Michael Dostal\*

## <Abstract>

The article analyzes the relationship between the drastic electoral decline of the German Social Democratic Party (SPD) and the party's earlier leadership role in retrenching the German welfare state in the Hartz reforms after 2002. Starting with a survey of the SPD's recent political history, the article explains how the government of Gerhard Schröder advanced welfare retrenchment policies that abandoned the SPD's core electorate. The conclusion refers to party sociologist Otto Kirchheimer's theory of the catch-all party to demonstrate how welfare retrenchment policies create new structural barriers against the ability of the SPD to compete successfully in elections.

**Key words:** Catch-all Party, Germany, Social Democratic Party of Germany (SPD), Welfare State Retrenchment

## I. Introduction

In the German federal election (*Bundestagswahl*) of 1998, the German Social Democratic Party (SPD) received 20,181,269 votes. In the German federal

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election of 2009, the SPD received only 9,990,488 votes. Over the duration of eleven years, the SPD therefore lost more than half of their electoral support in spite of the fact that the party had been in government for the entire period of time. It was first in a center-left “red-green” coalition government with the Green Party during the Chancellorship of Gerhard Schröder (SPD) between 1998–2002 and 2002–2005; it then occupied a junior role in a grand coalition government with the center-right German Christian Democratic Party (CDU/CSU) under Chancellor Angela Merkel (CDU) between 2005–2009. This unprecedented and drastic electoral decline of the center-left SPD in German politics—from 40.9% of the vote share in 1998, down to 23% of the vote share in 2009, the lowest share ever received since the first West German federal elections in 1949—requires further analytical attention.

This article argues that the SPD was punished by the German electorate for leading a campaign of welfare state retrenchment after the 2002 federal elections, which attacked social milieus that had historically been part of the SPD electorate. Moreover, the scope of electoral decline was too steep to be explained simply as a temporary weakness. This is acknowledged by leading German social democratic politicians such as the current general secretary of the SPD Andrea Nahles. She maintained that “[t]here can be no question: the electoral result of my party on September 27, 2009 [the date of the last German federal election] is probably the most bitter one that was ever received in nearly 150 years of our history” (Nahles, 2009: 216–217)<sup>1</sup>). Moreover, the electoral decline of the SPD at the federal level was matched at the regional level of the German 16 *Länder* (provinces). In the latter, the SPD lost around 80 per cent of provincial ministers during the Schröder Chancellorship (Walter, 2009: 91). The party also suffered an uninterrupted dramatic loss in its membership figures from 775,036 in 1998 to 489,638 in 2011 (Niedermayer, 2012: 393), which made the SPD lose the position as the largest German membership party to the center-right

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1) All direct quotes from German-language publications are the author’s translations.

CDU for the first time since the 1970s. The role of the SPD as the oldest social democratic mass party in the world and as *primus inter pares* in the world of center–left politics requires further analysis to which this article now turns.

To begin with, the current crisis of the SPD is generally explained in the context of long–term structural change affecting the SPD’s social constituencies and short–term policymaking decisions that disappointed the party’s electorate. Ignoring the former for brevity here (see further analysis in section II below) and turning immediately to the latter, there is consensus in the literature that the SPD has suffered heavily since 2002 for pushing through the so–called Hartz welfare reforms. This was the package of welfare retrenchment and supply–side labor market reform named after Peter Hartz, a then Volkswagen manager and personal friend of SPD Chancellor Schröder. The Hartz reforms can be understood as the most drastic welfare state retrenchment in the history of the Federal Republic of Germany in questioning the basic paradigms of the German welfare state (Dostal, 2012: 104–108).

This large–scale retrenchment of the German welfare state focused on the unemployment insurance system; but similar retrenchment took place around the same time in other branches of the welfare state such as old–age pensions and health insurance. These moves triggered a clear split between social democratic elite politicians who favored welfare state retrenchment and the party’s electorate favoring a generous German welfare state. The SPD’s electoral support declined in the federal elections of 2005 and collapsed in 2009, due to its lead role in enforcing the Hartz reforms against the will of the party’s voters. This policy of retrenchment also required the SPD to cooperate with the center right CDU/CSU in the second chamber of the federal parliament (the *Bundesrat*), due to Germany’s multi–level system of governance, to bring in welfare retrenchment.<sup>2)</sup>

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2) Both main parties (CDU/CSU and SPD) were punished in the 2005 polls. The SPD owed the relatively moderate loss of votes in 2005 to the fact that the

Thus, the party appears to have followed neither an office-seeking nor a vote-seeking strategy. Instead, the SPD-initiated Hartz reforms caused the largest extra-parliamentary street protest movement since the unification of Germany in 1990. Moreover, an opening was created for alternative political forces such as the Left Party, newly founded in 2007 after the unification of the Party of Democratic Socialism (PDS) with SPD dissidents who had left the SPD in protest against the Hartz reforms, to fill the political space vacated by the SPD. Hence, the German case of welfare state retrenchment underlines a millennial persistence of the so-called “old politics” of the welfare state, based on the assumption that it is politically difficult and electorally costly to retrench mature welfare states (Kitchelt, 2001).

The next section of this article briefly sketches the SPD’s political history from the 1950s until 1998, when the SPD returned into government after 16 years in opposition. The third section analyzes the SPD’s policymaking in government during the Chancellorship of Gerhard Schröder (1998–2005) and explains why the Schröder government decided to retrench the German welfare state after 2002 in advancing the Hartz reforms. Section IV describes the SPD-led welfare state retrenchment in further detail; and section V explains how the Hartz reforms broke up many of the long-established features of Germany’s Bismarckian (or “conservative”) welfare state: a turning point in history. In section VI, the winners and losers of the Hartz reforms are sketched in the context of their relationship with the social milieu that used to make up the SPD electorate. Finally, section VII asks whether or not the SPD will be able to recover from electoral decline without correcting the decisions taken in the Hartz reforms. A conclusion (section VIII) sums up the argument.

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CDU/CSU had suggested radical retrenchment in health insurance, which backfired and provided some last-minute electoral support for the SPD.

## **II. German social democracy: party elite discourse, party structure, and electoral performance until 1998**

The SPD is the oldest continuously existing German political party and emerged from the Nazi period and the subsequent division of Germany as a party of the working class with strong roots in the trade union movement. In the late 1950s, the party represented an entrenched subculture, based on workers' cultural and social organizations and was at the same time largely excluded from the conservative bourgeois West German state of Konrad Adenauer's CDU/CSU. The SPD achieved its highest share of the working class vote in West Germany as early as the end of the 1950s (Schoen, 2005: 167). In 1959, the party decided to become a people's party ("Godesberg-program"), shifting away from a class-based framework and largely abandoning Marxist references. The SPD now held that democratic socialism was "a permanent task" (Sozialdemokratische Partei Deutschlands, 1959: 4), rather than a final goal. In the political science literature, this shift of class-based social democratic parties towards the moderate center has been explained as the transformation towards a "catch-all" or people's party. This concept was suggested by party sociologist Otto Kirchheimer in 1966; Kirchheimer believed that parties must understand elections as "voter markets," in which professional politicians must engage in marketing activity to "sell" policies to the median voter in order to win elections. According to Kirchheimer (1966: 190), five related elements made up a catch-all party:

"a) Drastic reduction of the party's ideological baggage. ... b) Further strengthening of top leadership groups, whose actions and omissions are now judged from the viewpoint of their contribution to the efficiency of the entire social system rather than identification with the goals of their particular organization. c) Downgrading of the role of the individual party member, a role considered a historic relic which may obscure the newly built-up catch-all

party image. d) De-emphasis of the class-gardée, specific social class or denominational clientele, in favour of recruiting voters among the population at large. e) Securing access to a variety of interest groups for financial and electoral reasons.”

Thus, the SPD in the 1960s opened up for the new unaligned middle classes and religious, especially Protestant, milieus.<sup>3)</sup> However, this reform still took into consideration the former core of the party and engaging in a “tradition-based modernization” from a mass party representing the milieu of skilled workers towards a catch-all “people’s party of wage-earning society” (Walter, 2009: 70, 74). This transition quickly produced strong results at the polls. Following the federal elections in 1969, the SPD was able to form for the first time a SPD-led coalition government in West Germany with the liberal Free Democratic Party (FDP) first under Willy Brandt and then, from 1974 until 1982, under Helmut Schmidt.

In this manner, the SPD transcended the limits of a class-based party and SPD membership turned into a useful asset for advancement in the public sector and the structures of the West German state. The SPD therefore caught up with the CDU/CSU in terms of its influence on state structures. The party became a party of government and of the West German state, a paragon of moderate social liberalism.<sup>4)</sup> However, elements of a class party remained in place in the

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3) This shift towards a catch-all party was also undertaken by the CDU/CSU, which reacted to increasing secularization and the loss of the party’s monopoly on church-attending voters by expanding the party’s appeal to workers (*Arbeitnehmerpolitik*) and trade union interests

4) The definition of social liberalism in the context of SPD policymaking differs from its use in other contexts. First, the term “liberal” in Germany usually suggests an affinity with market liberalism and/or neoliberalism. Thus, liberalism in Germany mostly serves as an ideology of the political right and today’s FDP (the German liberal party) is strongly committed to market liberalism, privatization, and welfare state retrenchment. In the context of the SPD, on the other hand, the social liberal wing can be understood before 1980 to have affinity with another

sense that the SPD retained a strong link with the trade union movement and the German DGB trade union federation. The party regularly scored highly among working class voters and trade union officials often held positions in the SPD and became ministers in SPD-led governments.

The SPD's successful transition towards a catch-all party entered a crisis in the late 1970s, however. Following conflicts over economic austerity measures triggered by rising unemployment in the early 1980s, the liberal FDP party left the social-liberal coalition with the SPD at the national level and entered a center-right coalition government with Helmut Kohl's CDU/CSU in 1982. Around this time, the SPD suffered its first modernization shock. Core features of the technocratic mode of government of Schmidt's Chancellorship, such as a single-minded focus on economic growth and the uncritical endorsement of nuclear energy, had run their course (Seiffert, 2009: 277–281). At this time, the SPD began to adopt a more technology-critical and "green" posture, but these changes in the SPD's political profile came too late to stop the rise of the Green Party as a serious political competitor from the political left.

To explain the transformation of the SPD during the period in government (1969–1982) and in opposition (1982–1998), some strands of political science literature suggest that catch-all parties in certain OECD countries underwent another transition from the late 1970s onwards towards the so-called "cartel parties" (Katz and Mair, 1995). The cartel concept assumes that parties have entered and have taken over the state to use the state's resources for mutual

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German liberal tradition, the so-called *Ordoliberalismus*. This current in liberal thought stresses that markets require for their functioning strong institutions to break up private monopolies and to control the agency of capital politically. Thus, the group of social liberals in the SPD was in favor of controlling markets but rejected state-led neo-Keynesian policies in the 1970s and maintained distance from unions and the SPD's left wing. Since the 1980s, the social liberal current in the SPD has increasingly endorsed neoliberalism as a political ideology and has linked up with the center right in pushing for welfare state retrenchment.



gain. This is achieved by limiting competition through mutual tacit cooperation in order to exclude outsiders and to make the system run in line with the needs of a political class, which acts in close collaboration with other elite groups. The concept highlights that the dominance of professional party politicians vis-à-vis the party membership has increased further, that the financing of party politics has been turned over to the state, and that the major parties have formed a cartel to exclude potential challengers cooperating in the control of strategic resources such as the mass media (Wiesendahl, 2010: 95, 97).<sup>5)</sup> Another significant aspect of the cartel party is that professional politicians and the party membership grant each other mutual autonomy. Professional politicians control the party's activities and present policies directly to the mass media, while the membership loses control of most party matters; at the same time, limitations of party discipline are resolved, as party members form new alliances with civil society actors (Wiesendahl, 2010: 99).

The concept of the cartel party is self-limiting, however. It does not always clarify sufficiently whether or not it is simply a more advanced stage of the era of the catch-all party (Krouwel, 2003: 24). Nevertheless, the concept generally describes the SPD's political transformation since the late 1970s. In particular, the element of mutual autonomy between political leaders and the rank and file was one of the issues of contestation towards the end of the Schmidt Chancellorship, when large sections of the SPD's membership criticized the transformation of the party towards a "club that votes in a Chancellor" ("*Kanzlerwahlverein*"). Critics of Schmidt's leadership demanded that the SPD's programmatic profile should be renewed by linking up with new social

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5) Overall, Germany is one of the most convincing examples for a party cartel in the sense that all parties enjoy representation in the supervisory bodies of state-run media, state funding for party activities and party-linked think tanks, and the right to appoint lifetime senior civil servants running on party tickets. Thus, observers have referred to Germany as a "state of parties" (*Parteienstaat*) underlining the relevance of Kirchheimer's concept in explaining the German case.

movements such as the anti–nuclear, feminist, peace, and environmental campaigners of the time.

This conflict of opinion in the SPD between the left– and right–wing and between traditionalists and modernizers in the 1980s was never really settled: the party stayed out of the national level of government until 1998, and therefore was never forced to agree on a coherent strategy. During this period, the mutual autonomy between the SPD’s political leadership and the rank and file allowed the coexistence of at least three major currents in the party, namely (1) a social–liberal elite current; (2) a current of social reformism based on union interests; and (3) a current focusing on the ecological transformation of industrial society that tended to favor alliances with the Green Party.

At the end of the 1980s, the SPD experienced a second modernization shock. A rapid decline of support in inner cities saw some party–supporting social milieus become downwardly mobile. These declining sections of the working class were often semi–skilled or unskilled and appeared to become losers of modernization. Now threatened with unemployment, they either stopped voting altogether, or shifted their support to populist right–wing groups. Thus, the SPD entered the 1990s and post–reunification suffering from dissent and political incoherence. This crisis was ironically the result of past success: due to the opening of the education system under the SPD–led government in the 1970s, many members and supporters of the SPD had experienced upward social mobility and entered the middle classes. Upwardly mobile sections of the SPD electorate decoupled from the working class rump:

“Some people were climbing socially leaving the others behind—but this time without organizations, without cultural and social protection [*Behausung*], without the experience of collectivism. This triggered the de–socialdemocratization of the federal German remainder of the proletariat. ...Those left behind did no longer feel culturally, style–wise, and language–wise represented by the social democratic social climbers [*Aufsteiger*]” (Walter, 2009: 77).

In summary, the SPD lost support in two directions: on the one hand, some sectors of SPD voters with roots in the working class and unions turned away. On the other hand, winners of modernization and individualization in the new middle classes also shifted from the SPD and voted either for the center-right or the increasingly centrist Green Party. The SPD therefore was challenged to keep the three main currents in the party, i.e. social liberalism, trade union milieu, and ecological modernizers looking for alliances with the Green Party. Thus, the SPD's 1998 electoral manifesto which finally brought the party back into government was an agenda that combined references to social democratic traditions and unions with a countervailing focus on modernization and the "new center" (*Neue Mitte*) of society, as represented by rising middle class layers.

In terms of power relations inside of the SPD, social liberal technocrats were represented by the candidate for Chancellor Gerhard Schröder and those focusing on union interests and socio-economic reform were represented by party leader Oskar Lafontaine. This alliance between parts of the new middle class and sections of the working class was also represented in the SPD's 1998 campaign slogan of "innovation and justice." In the end, the SPD did regain access to government without taking any clear programmatic decisions. Instead, large-scale dissatisfaction with the Kohl government in 1998 and the rise of the issue of social justice as one of the main issues of the electoral campaign allowed the SPD to use programmatic ambiguity as a means of strength to maximize the party's electoral appeal (Turowki, 2010: 271).

### III. The SPD in government 1998–2002

Before analyzing the performance of the SPD in government during the Schröder Chancellorship (1998–2005) and in the grand coalition (2005–2009), one first needs to sum up how the SPD functioned as a party during this period.

Power in the SPD remained at all times with professional politicians in the federal and regional parliaments, in line with the catch-all and cartel theories. The party's power structure can therefore be sketched as follows: (1) at the core are the professional politicians; (2) a party bureaucracy mostly controlled by the former; (3) party structures open to the mass membership, but much less significant in comparison to the former two structures.

In the first group, many of the parliamentarians in the federal parliament belong to one of three intra-party tendencies representing wings of the "left", "center" and "right" (*Parlamentarische Linke, Netzwerker, and Seeheimer Kreis*, respectively). Second, the party also relies on a number of working groups that link professional politicians, party bureaucracy, and ordinary members. These groups are organized according to topics and interests with some working groups such as the one for issues of employees (*Arbeitsgemeinschaft für Arbeitnehmerfragen*) broadly associated with the "left," while others are mostly focusing on issues of professional work or cover for certain age groups without any direct link to the system of political currents in the party. The influence of the working groups on determining practical policymaking of the SPD is fairly low, however, and the former party chairman Franz Müntefering described them as "little things in the background, perhaps" (SPD Bundestagsfraktion, 2009: 40–41).

As for the rank and file, the number of SPD members has declined by nearly half since 1990 to less than half a million (the lowest membership figure since 1906), while the average age of the membership is rather high, standing at 58 years.<sup>6)</sup> Another significant change in the party structure has been that more than two-thirds of today's SPD membership does not belong to unions, which is a historically low figure (Walter, 2009: 93).

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6) This long-standing decline of membership figures does also apply to the second catch-all party in the German party system, the CDU/CSU. However, the SPD's decline has proceeded more rapidly

The different currents and milieus inside of the SPD mutually block each other. It has been argued, for example, that “the mutual neutralization of both party wings [i.e. left wing and right wing] has resulted in a learning pathology of the SPD” (Nachtwey, 2008: 65). In addition, the SPD is characterized by a “program–practice dualism” (Meyer, 2007: 92) in which the party’s right wing controls practical policymaking while the party’s left wing:

“insists ... by way of compensation all the more to protect the traditional social democratic lines of policy at the level of discourse ... Apart from mid- and high-level party functionaries and professional politicians, the representatives of unions are close to this position. They constitute the critical stake holders [*wesentlicher Filter*] that all programmatic–discursive efforts of modernization must gain approval from before they have the chance to become markers of identity in the party and in its public profile” (Meyer, 2007: 92–93).

Thus, when the SPD entered national government in 1998, no fixed position had been taken on the future of welfare state policymaking. In particular, no consensus about social democratic basic values and normative beliefs existed which could have informed a reform agenda in the field (Niedermayer, 2010: 10). Instead, leading SPD politicians advanced two contradictory modernization discourses with divergent agendas. One discourse suggested that Germany would have to accommodate to the pressures of globalization by adapting central features of the German system in line with Anglo–Saxon capitalism. The representatives of this position were pessimistic about the future potential of the German model to adapt to increasing global competition on wages and productivity, and suggested that the country of the economic miracle no longer existed (Steinmeier, 2009: 71–72).

On the other hand, a second discourse suggested that the pressure of globalization could be accommodated by adapting the existing German system in a moderate way and by satisfying potential losers of reforms with politically motivated side–payments (Lafontaine, 1999: 107–110). The representatives of

this position stressed the opportunities for Germany to prosper as an export-oriented country under conditions of globalization. In this view, prosperity depended on new combinations of ecological and economic modernization, such as new “green” taxes and income redistributions towards lower earners to stimulate growth. However, all these discourses failed to clarify how modernization, globalization, and basic social democratic values related to each other (Turowski, 2010: 268).

The SPD was subsequently punished for this lack of a unified discourse. First, the conflict between modernizers and traditionalists in the SPD was presented in the media as a personality conflict between top leaders (Schröder as Chancellor for the modernizers and Lafontaine as finance minister and party chairman for the traditionalists, respectively), rather than as a structural problem of the entire SPD. After a long-standing media campaign against his policies as representative of the left wing of the SPD, Lafontaine resigned from all his posts in March 1999 (Dostal, 2000). Slightly later, Schröder tried to capitalize on his now apparently uncontested leadership role and made an effort to push for a British-inspired New Labourite discourse in the SPD. He endorsed the so-called “Schröder–Blair Papier” of June 1999 that stressed that modern social democrats should accept “flexible markets as a modern social democratic goal” (no stated author, 1999: 5).<sup>7)</sup> However, the statement was understood as a provocation in SPD circles and received practically no support inside the party (Turowski, 2010: 272–273). Even the representatives of the social liberal wing in the SPD judged that the statement lacked “embeddedness in a larger discourse” and “made it harder to create foundations for a modernization course” (Meyer, 2007: 89).

Between the “Schröder–Blair Papier” in 1999 and the retrenchment of the German welfare state during the Hartz reforms after 2002, no further strategic

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7) It is assumed that then head of the German Federal Chancellery, Bodo Hombach, has authored most of the paper jointly with the British Labour Party politician Peter Mandelson (Lütjen, 2009: 59). The paper was practically ignored in the United Kingdom but received strong attention in Germany

debates took place in the SPD to prepare the ground for substantial policy change (Turowski, 2010: 274). Until the next federal elections in 2002, the Schröder government turned instead towards “government by commission” in which various group representatives and experts were appointed by the Chancellor to ad hoc commission bodies to develop suggestions for labor and social policy reforms outside of party and parliamentary structures. The three most important commissions were first the Alliance for Jobs (*Bündnis für Arbeit*) and the second and third being the Hartz and Rürup Commissions—named after their respective chairmen. The Alliance for Jobs appeared at first sight to constitute a classical neocorporatist body in which union and employer representatives were supposed to mutually agree on employment-enhancing labor market reforms. However, the Alliance did not receive any clear guidelines from the government about what kind of agenda should be dealt with and never gained momentum to set a significant policymaking agenda on its own (Lütjen, 2009: 67).

As for the Hartz and Rürup Commissions, these bodies were tasked to provide reports on social and labor market reform and pension and health care reform, respectively (Hartz Kommission, 2002; Bundesministerium für Gesundheit und Soziale Sicherung, 2003). The two reports essentially suggested more restrictive access and cuts in benefits for the long-term unemployed in the former case and the extension of the pension age from 65 years to 67 years combined with increased charging in health services in the latter case. Yet before the 2002 election, it was not clear whether or not the proceedings of these Commissions would have any major impact on policymaking in the welfare field.

#### **IV. The SPD’s turn towards welfare state retrenchment**

In the 2002 federal elections, the SPD and the Green Party both conducted

election campaigns that avoided any explicit reference to welfare state retrenchment. For reasons other than welfare policymaking, such as the selection of a weak candidate for Chancellor by the CDU/CSU and a number of unexpected events during the campaign period that all worked in favor of the SPD, the government was narrowly reelected in the 2002 elections.

Directly after the election, the German welfare state came under harsh criticism from opinion leaders in the mainstream media who agreed that the long-standing unemployment crisis in Germany was due to high social insurance contributions (*Lohnnebenkosten*) that were paid in equal share by employers and employees in order to finance the German welfare state. Critics claimed that funding of the main branches of German social insurance, i.e. pensions, health, accident, unemployment, and long-term care insurance depended too much on what the media referred to as a “tax on employment.” It was suggested that cuts in social insurance contributions were the decisive reform step to allow for employment growth. The level of social insurance contributions was also blamed for limiting employment growth in the service sector in which an “employment gap” was assumed to exist in the field of low-productivity service work in comparison with more liberal market economies that did not demand such work to be covered by social insurance (Fels *et al.*, 1999). Last but not least, various opinion leaders who had been linked to the SPD in the past started to blame the unions for a lack of flexibility in adopting their position to the demands of changing economic circumstances (Streeck and Hassel, 2003).

Academic discourses about the proclaimed need to cut social insurance contributions—indeed an indirect way of demanding wage cuts from the unions—did gain more political power from a variety of other factors. First, the media blamed Chancellor Schröder for creating a “reform logjam” (*Reformstau*). One of his pre-election statements about the need to conduct policymaking with a “steady hand” was turned against him and taken as proof of his lack of leadership skills. It appeared at this point as if Schröder might suffer sustained attacks



from the media along the lines that had earlier, in 1999, succeeded in forcing out Lafontaine. The media now proclaimed that union power had succeeded in blocking any kind of modernization of the German welfare state. In fact, unions became demonized as all-powerful veto players in the German system and credited with the power to control the SPD. This was all the more one-sided as unions had been losing influence in policymaking ever since the German unification in 1990. At the same time, a sustained media campaign was also pushed by employer-financed campaign groups such as the “Initiative for a New Social Market Economy” (INSM) and the “Bertelsmann Foundation,” a think tank associated with the largest German-based publishing house (see Spindler, 2007, for additional references).

The INSM claimed to be politically independent and made an effort to lobby at the elite level to construct an all-party network of politicians to act as “ambassadors” for a policy agenda that was in fact employer-driven. The Bertelsmann Foundation, in turn, was historically associated with the center-right and the CDU/CSU but now started to focus mostly on SPD and Greens to lobby in favor of large-scale deregulation, liberalization, and marketization in different fields of policymaking. Third, the liberal offensive proceeded at a point in time when a generation of politicians that had been associated with support for welfare state policymaking in all political parties retired. This generational change worked to weaken the institutional link between lobby groups in favor of welfare state policies and the relevant group of politicians in the labor and social policy committee in the federal parliament (Trampusch, 2004). Finally, the most left-wing and most pro-welfarist party in the German federal parliament, the Party of Democratic Socialism, had lost its parliamentary representation in the 2002 elections. This outcome appeared to allow the SPD to turn against welfare state policies without facing any serious electoral competition from the political left (Menz, 2010). These factors explain why the window of opportunity opened for the agenda of retrenchment after 2002.

Looking back at the situation after the 2002 election, one can clearly understand this moment in time as the high point of neoliberal hegemony in German politics before a shift back towards greater market skepticism between 2004 and 2005. In reaction to the changed balance of political forces discussed above, Schröder tasked his closest collaborator and minister of the Chancellery Frank–Walter Steinmeier with the preparation of a paper that was supposed to bring elements of the Hartz report and suggestions of the ministerial bureaucracy for a welfare retrenchment agenda together.

This work was undertaken in a closed circle around Steinmeier without any deliberation in the SPD (Lütjen, 2009: 77–79). The resulting paper, entitled “Strategy 2010,” was first shared with the then–leader of the center–right majority in the second chamber of the German parliament (*Bundesrat*) Horst Seehofer (CSU), since the agreement of the center–right was necessary to pass some of the suggested legislation in both chambers (Korte, 2007: 175). The faction of the SPD in the federal parliament was not consulted, however. According to Steinmeier (2009: 86), the decision to advance the new agenda was due to the earlier failure of “consensus democracy” and intended to “remove blockages from policymaking to regain the ability to decide the arrangement of terms.”

Thus, Schröder’s shift to endorse an agenda of welfare state retrenchment took place over the heads of the SPD as a political party. This was due to the fact that the leadership group around Schröder had quietly endorsed the need to retrench the welfare state and had gained control of agenda–setting, while the rank and file membership and the party working groups lost their traditional significance. This relative autonomy of the leadership vis–à–vis the SPD membership and the ability of the leaders to enforce unpopular policies over the head of the rank and file demonstrated that parties controlled from above could indeed engage in policy–seeking strategies at the cost of vote–seeking or office–seeking.

## V. Retrenching the German welfare state: the case of the Hartz reforms revisited

This section outlines the basic features of the pre-2002 German welfare state. It then explains why the Hartz reforms brought in paradigmatic change that resulted in the large-scale transformation of Germany's labor, social, and welfare policies after 2002, thereby pointing to the decomposition of the old model. To begin with, the classic 'conservative' German welfare state was originally founded by Bismarck in the late 19th century to target skilled males; these workers had earned a family wage within a system of occupational social insurance and were thereby integrated into German society.

Overall, *five principles* of the Bismarckian or conservative welfare state can be highlighted to explain the basic logic of the system: (1) the principle of social insurance demands that contributions and benefits should be linked, i.e. the system's governance is committed to status maintenance in terms of granting higher benefits to those who have paid higher social insurance contributions; (2) conversely, there exists a strict division between social insurance benefits based on "right" and welfare benefits based on the granting of a subsistence minimum. The welfare system is expected to apply only in a residual manner to those who have been unable to make contributions to the social insurance system; (3) as for the financing of social insurance, employers and employees are expected to contribute in equal parts based on the principle of parity; (4) the system is overall governed by the state although employers and employees are represented in the governance of the system to various degrees. Different insurance systems exist for different status groups, principally there are branches for blue collar employees (*Arbeiter*) and white collar employees (*Angestellte*), whilst public servants are largely covered in a separate system; (5) the role of private insurance is limited as the state-provided five major

social insurance branches cover for the main social risks in obligatory pension, accident, health, unemployment and, since 1997, long-term care insurance (Lehndorff *et al.*, 2009: 108–111).

Moving on to welfare state retrenchment, policymakers are keen to obscure the fact that retrenchment is taking place. They usually apply methods such as “policy drift” or silent retrenchment. For example, they do not update benefit levels in line with inflation, thereby slowly eroding the coverage rate and significance of an insurance and/or welfare system (Hacker, 2004). They might also choose to engage in “layering” which is a process that involves the “grafting of new elements onto an otherwise stable institutional framework. Such amendments ... can alter the overall trajectory of an institution’s development” (Thelen, 2004: 35). For example, certain groups—often newcomers—can be excluded from coverage and/or certain risks can be shifted from public to private forms of insurance coverage. In addition, policymakers might also opt for policy conversion by changing the hierarchy of goals in existing systems of social protection and by amending the paradigms that govern them over time.

In the German case, it is clear that the conservative government of Helmut Kohl between 1982 and 1998 engaged in limited policy drift and limited layering, but never questioned the underlying policymaking paradigms of the German Bismarckian welfare state. Under the Schröder government, by contrast, all five principles of the Bismarckian welfare state came under sustained attack (Hinrichs, 2010). Hence, a SPD and Green Party government broke the Bismarckian system (Seeleib-Kaiser *et al.*, 2012: 164, 170–171). Interestingly, this was undertaken with explicit endorsement of the CDU/CSU as the principle opposition party and potential veto player as majority party in the second chamber of parliament (*Bundesrat*) at the time of retrenchment (Dostal, 2012: 92–94). This break up of a classic system was all the more remarkable, given that no new paradigm filled the normative void. Indeed, only policy drift and ad hoc decision-making remain as governing principles of the German post-Bismarckian welfare system.

Briefly summing up the Schröder government's activities between 2002 and 2005, practically every policymaking decision with regard to the main branches of social insurance went against the principles of the Bismarckian welfare state. The logic of the system shifted from social insurance based on "right" towards a much higher degree of means-testing that is characteristic for liberal rather than Bismarckian welfare states. Moreover, the generosity of the system for recipients was cut, often drastically. The so-called Hartz IV law<sup>8)</sup> became the symbol of the retrenchment agenda; it merged an insurance-based benefit for long-term unemployed people based on "right" with the social assistance or welfare benefit that was means-tested and only paid if the recipient was poor. The benefit was cut to the lowest subsistence level. The long-term unemployed, who still had some savings post-Hartz reform, had to spend their savings before they could qualify for what became known as unemployment benefit II. This was in fact a welfare benefit of last resort. Moreover, the duration of payment that remained of unemployment insurance benefit proper (post-reform termed the unemployment benefit I) for the short-term unemployed was cut from up to 36 months for the older unemployed to 12 months for all unemployed people in a single step (Fleckenstein *et al.*, 2011: 1629-1630). Any remaining status protection of the unemployed in terms of linking new job offers with their former employment status was removed. Post-reform, the unemployed had to accept any kind of employment offer from the first day of their spell of unemployment (Nachtwey, 2009: 219).

The SPD membership and the German public were surprised by the Hartz reforms. People who had been paying a long-term subscription to the unemployment insurance system lost their contribution-based rights and were

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8) There were three other reform laws concerning issues such as the reorganization of the public employment service and shifts in the governance of the system (Hartz law I to III). These laws were comparatively less significant and it was only the Hartz IV law that turned into a symbol of welfare state retrenchment.

no longer treated differently from people who had never paid into the system once they had exhausted the single year of unemployment benefit I (the last remaining insurance-based payment). The public was equally concerned that the new system no longer granted access to out-of-work benefits to people with savings, since only a very small amount of savings was discounted for the purpose of assessing entitlement to out-of-work benefits. Very soon after the reforms were pushed through, the German public instinctively understood that the main losers were not people who were already poor, since they would continue to qualify for subsistence benefits. Rather, the main target of the reform were workers and white collar employees who might face redundancy at some future point and would then only be one year away from receiving no public support from the unemployment insurance system. Only after spending all their savings, including those intended for retirement, and after hitting the poverty threshold would they be allowed to receive any benefits under the new system (Bescherer *et al.*, 2009).

The distress of the German public about the Hartz IV law triggered the largest extra-parliamentary protest movement in the history of united Germany. Significantly, this grassroots protest movement appeared on the scene spontaneously without any initial logistical support from the established political forces. While the unions, parts of the SPD's rank and file, and the PDS joined the anti-Hartz IV movement soon after, it was nevertheless a significant moment in recent German history and an example for the potential of new social media tools to assist in political mass mobilization.

On its own, the Hartz IV law might not appear to constitute the end point of the Bismarckian welfare state. However, the reforms took place in the context of parallel retrenchment of the other main branches of social insurance. In particular, German policymakers of the center-left and center-right jointly agreed comprehensive retrenchment and partial privatization of the German public pension system in a series of reforms that all worked to cut the future

expected pension entitlement of the population. First, the system of parity financing in the public pension insurance was amended in favor of employers and at the cost of employees who post-reform had to pay more than half of the contributions (Egle, 2006: 186). Second, the contribution benefit formula of the public pension system was changed in a way that would sever the link between wage rises and pension levels. Due to this restricting change in the benefit formula, employees on average earnings would only qualify for a pension above the social assistance level after building up a contribution record for 37 years by 2030. Thus, the future public pension system would inevitably interact more and more with the system of means-tested welfare benefits for older people, therefore questioning its very character as an insurance mechanism that was supposed to protect people from means-testing of their assets in old age (Brettschneider, 2012).

In addition, there were a number of new restrictions in the health insurance system. Here, some risk categories were excluded from insurance coverage and new user fees were introduced while the parity of financing between employers and employees was partially abandoned in favor of the former (Egle, 2006: 189). In summary, the Schröder years, and especially the years between 2002 and 2005, will be remembered in Germany as the period in which the old Bismackian welfare state, that appeared to offer comprehensive coverage against the major social risks, was abandoned in favor of a new system that was based on cost-cutting, means-testing, and the abandoning of the principle of co-financing of employers and employees.

## **VI. Who are the winners and losers of welfare state retrenchment?**

The analysis of the different dimensions of retrenchment also requires an

explanation of how these policies interacted with the labor market. In fact, the Hartz reforms provided for an expansion in employment levels. However, most of the expansion took place in the part-time and low-wage employment sector without or with only very limited social insurance coverage. In addition, deregulated agency work, based on the hiring of workers for jobs with different employers on short-term contracts allowed companies to sign special labor contracts, thereby paying agency employees substantially below the rates paid to regular workers engaged in the same line of work (Schindler, 2012: 115, 172). Because of these changes in labor market governance, agency work became more common in large industrial workplaces that employed skilled labor and in the public sector. In each of these cases, the affected milieus targeted by deregulation and precarious forms of employment used to be strongly linked with the SPD as a political party before the Hartz reforms.

What the Hartz reforms demonstrated was a socio-cultural distance between sections of the working public and the SPD. The expansion of low-quality employment issued in by the Hartz reforms took place by breaking the self-confidence and professional pride of those encountering “sanction-based enforcement of work of whatever kind and quality” (Walter, 2009: 90) in the agency sector and in other forms of low-wage work. Thus, the SPD appeared to no longer care about the prospects of large sections of working society in Germany. According to survey data, the share of workers in the German population still amounts to 30 per cent and a large section of the white-collar employees (*Angestellte*) would have to be counted as workers as long as their social status rather than their classification in labor laws is taken into account. One needs to stress, therefore, that the Hartz reforms did have a strong disciplinary effect on employees since they learned that “social status decline was possible at any time without social, occupational or income-related safety cushioning” (Hamann and Nullmeier, 2006: 11). A majority of people reacted with a loss of confidence in the welfare state: survey data suggested that a



process of steady decline of confidence had started after the unification of Germany and had reached the lowest point in 2005, two years after the Hartz reforms, while the “wish to return to the status quo ante” before the reforms was the most frequently expressed attitude in these opinion polls (Nüchter *et al.*, 2010: 76, 80).

In summary, one can certainly state that the major weakness of the Hartz reforms as judged from the point of view of the political leaders involved in them (the leaders of the SPD, Green Party, and the CDU/CSU, with the FDP demanding even more radical retrenchment) was that the reforms targeted large sections of society at different social levels with new demands and potentially with new risks. Losing one’s job could now mean the end of a middle-class existence and subscribing to the public social insurance systems did no longer appear to offer any degree of real social security. Thus, the reforms created a new sense of insecurity that German society had seemed to have already overcome in the past. Last but not least, there were of course actual losers and winners of the Hartz reforms. On the one hand, the group of losers consisted of workers with low skills; agency workers, those in other kinds of precarious work without or with only partial social insurance, and the unemployed facing potential or actual loss of out-of-work benefits and a stricter system of benefit sanctions. On the other hand, there have also been winners that are now enjoying more convenient ways to employ low-wage service workers, lower expenditure on social insurance contributions for their company employees, and a tax regime that has cut the rates on capital income and the highest earners. Thus, owners of capital, employers, and high-earners have all enjoyed a relative improvement of their fortunes.

One must therefore state that the SPD politician Frank-Walter Steinmeier, the author of the 2002 strategy paper that included the Hartz reforms, failed to adequately state what the endgame of “consensus politics” in Germany meant in political terms. He suggested that “looking back, the failure of the Alliance

for Jobs [the body that brought employers, unions, and state officials together during the first Schröder government between 1998 and 2002] has helped neither the employer associations nor the unions” (Steinmeier, 2009: 96). In fact, employer agendas enjoyed more support from the SPD and Green Party government than they had ever received during the Kohl era. Moreover, the unions, effectively painted as veto players before the retrenchment policies, certainly failed to live up to their supposed strength! They were in reality the main losers of the policies that had been advanced by their traditional partners in the SPD leadership.

## **VII. Can the German SPD recover from electoral decline in the age of welfare state retrenchment?**

The SPD’s shift of policymaking after the election of 2002 and the turn towards large-scale welfare state retrenchment must appear as a puzzle for those assuming that party politicians and strategists follow a vote-seeking strategy. After all, this strategy was highly unsuccessful and produced the lowest election result ever for the SPD in the history of the Federal Republic of Germany in 2009. Whilst the SPD’s current candidate for Chancellor in the 2013 German federal elections and leading representative of the social liberal wing Peer Steinbrück argued that his party could not accept to have a “definition of societal development being determined by the unions” and that “we will not abandon the concept of modernity since we would otherwise fall into the ghetto of a degree of support below 30 per cent [of the electorate]” (Sturm, 2012: 110), his party received only 23 per cent in the 2009 federal elections and current polls suggest that the SPD’s vote share remains below the 30 per cent mark.

Thus, in order to conclude a study of the SPD's failure to be electorally successful in the era of welfare state retrenchment, one must highlight a number of overlapping dimensions of the party's crisis. These are (1) the failure of the SPD to construct a convincing programmatic framework to provide answers to the question of how a sustainable welfare state could function in the era of globalization and that differs substantially from those advanced by the center-right and neoliberal forces; (2) a crisis of the party organization and membership; and (3) the failure to be electorally successful. This section discusses each of these dimensions in turn.

First, the issue of programmatic renewal of the SPD has been a long-term issue. The SPD has in fact engaged for many years in the debate of a new party program but the length of the debate was mostly due to the lack of willingness of party leaders to spend time and energy on the issue and to make decisions. Thus, the new party program, agreed upon in Hamburg in 2007, failed to produce a new party identity. The party could not agree on how justice should be defined from a contemporary social democratic point of view. Historically, the SPD was committed to policies that favored equality of opportunity and substantial fiscal redistribution in order to limit inequality. The party differed from conservatives in stressing the need to advance policies of social mobility that transcended existing social boundaries and favored education as one of the mechanisms to allow for such upward mobility. In the current-day SPD, the concept of justice has been redefined: "All terms [of defining justice] were stripped of their collectivist dimension and refocused at the level of individual responsibility, opportunity, and work-related performance; in addition they received a productivist edge" (Nachtwey, 2009: 226).

Thus, the use of the concept of justice in SPD circles was transformed away from a focus on more equal distribution and equal opportunities and towards a concept stressing the ability to participate and to receive according to one's performance in economic terms (Nachtwey, 2009: 224). At least in the latter

case, this concept was close to liberal ideas stressing the link between performance and reward at the cost of other objectives. To sum up the debate, the SPD did not engage in a total transition towards liberalism. Rather, a synthesis between traditional social democratic objectives and terminology, on the one hand, and concepts that connected state agency and economic liberalism with each other, on the other hand, was pursued. This new concept had some links to the German tradition of *Ordoliberalismus*: it stressed that social policy should be as market-conforming and market-creating as possible (Nachtwey, 2009: 229). Thus, the most explicit way of reconciling social democratic and liberal concepts in the new SPD was the idea of the “preventive social state” [*vorsorgender Sozialstaat*] that appeared to reconcile a pro-welfare commitment with the ability to defend the policies of the Hartz reform and to combine social justice, participation in the labor market, and competitiveness. However, the programmatic debate clearly failed to deliver anything more than to state the dominance of the social liberal wing in the party more explicitly.

Moving on to the second issue of the internal crisis of the SPD as a political party, it was largely self-inflicted due to the failure to communicate the Hartz reforms inside of the party. There was a general failure in terms of strategy and discourse in that “nobody in the SPD really knew what kind of guiding ideas were behind the Agenda policies” (Walter, 2009: 92). This was due to Schröder’s leadership style of taking-up of initiatives according to short-term objectives using the surprise moment and his ability to communicate directly with the media over the heads of the SPD. The need to agree the terms of welfare retrenchment with the center-right opposition in the CDU/CSU in order to pass them in both chambers of parliament resulted in rapid escalation of the retrenchment program in the negotiation process. In fact, both parties hoped that the other party would suffer more from engaging in radical retrenchment. In addition, Schröder might have expected that the best time for retrenchment was at the beginning of a new parliament in the hope that the electorate would

somehow forget what had taken place until the next election. Yet, these hopes were illusory from the point of view of the SPD. It was rather obvious that the SPD was bound to suffer more at the polls from advancing a program that attacked its own milieu rather than the center-right CDU/CSU whose electorate overall had a lower affinity with the welfare state. In fact, the strategic and discursive failure of the Schröder-SPD could not be healed quickly in that “the reforms were political enforced but the discourse of reform largely failed at the same time” (Turowski, 2010: 280). Thus, the reforms resulted in a permanent break between the SPD and some of the party’s former core supporters in the unions and in circles of blue and white collar employees.

Summing up the internal party crisis, it is certainly possible to explain the behavior of the SPD leaders in the context of Kirchheimer’s theory of the catch-all party. However, the party has turned this concept on its head in the sense that the party has shifted practically all its attention towards the political center without maintaining links to its former core constituencies in unions and amongst wage and salary earners. In fact, the current-day social profile of the SPD demonstrates that the party now receives the (relatively) highest degree of endorsement amongst voters of middle age, mid-level education, average income, and those living in mid-quality residential areas. The shares of SPD members who are workers is now lower than in German society at large and the number of union members amongst the SPD’s professional politicians has been declining steadily (Nachtwey, 2008: 62). Thus, the orientation towards the center makes the SPD compete with the center-right for endorsement from “resource-strong employees in the center of the market-structured knowledge-based society” (Walter, 2009: 97). Yet these sections are structurally more likely to support the center-right or the liberal party due to their interest in low tax rates.

The SPD therefore competes on a territory that grants a structural advantage to the center-right, which is generally more favored by winners of modernization,

while abandoning the option of an alliance with potential and actual modernization losers. It is this voluntary withdrawal of the SPD from competing for union voters, leftist voters, and low-waged employees that has pushed the SPD far below the mark of 30 percent of the votes in 2009.

Finally, is there any reasonable expectation that the SPD will recover substantially in forthcoming elections? This question must be answered in the negative because the SPD has voluntarily limited its potential in moving all its resources and substantial concerns towards the political center, which has narrowed the electoral appeal substantially. It has been pointed out that “strategic moves by political actors seem capable of generating pronounced changes in the social bases of party support over relatively short periods of time” and that “the future strength of class politics could depend more upon party strategy and electoral appeal than the social change usually envisaged in discussions of post-industrial society ... [C]lass could become a stronger source of party preference” (Evans and Tilley, 2011: 159, 161). In other words, the SPD has abandoned its former core constituencies in the unions and amongst voters that wanted to vote left-of-center. While it is true that the role of the unions has declined and that the SPD could not win elections on union demands alone, this decline has taken place in the context of a general decline of organized politics. In fact, all German people’s parties and most interest groups have lost substantial sections of their membership and the unions’ decline-judged in this context-is a relative decline. The German SPD cannot seriously hope to win elections without making an appeal to unions as part of a winning coalition. Indeed, proper interpretation of the term catch-all party does not mean that a focus on “center only” would be required.

## VIII. Conclusion

To conclude the argument, two final points need to be made. First, it needs to be shown how the SPD actually competes on political issues in the context of current German politics. Second, it needs to be explained why the SPD is highly unlikely to recover any time soon electorally due to its strategic misunderstanding of the concept of the catch-all party and its turn against generous welfare policies. As for the first point, the SPD receives support from core voters and from swing voters in contestation over main issues such as competency on welfare state and economic policies. The SPD must therefore position itself on a scale between social justice, on the one end, and market freedom on the other end. There might also be a secondary scale concerning the issue of post materialist values, i.e. libertarian versus authoritarian attitudes in the electorate. The task of the SPD is to discover the appropriate “acceptance corridor” (Niedermayer, 2010: 10) that would motivate as many voters as possible to support the SPD in elections.

The strategic problem of the SPD is, however, that the number of potential competing parties has by now increased to at least four (the Left Party, the Green Party, the CDU/CSU, and the newly emerging Pirate Party, the latter stressing freedom of access on the internet). The SPD now competes for the left-wing and union vote with the Left Party that has filled the void vacated by the SPD during the Hartz reforms. It is inherently difficult for the SPD to do so without falling into the trap of advancing social promises that are no longer trustworthy. Nevertheless, the SPD might be tempted to put forward “wish lists” of social policy projects that lack any analytical content and fail to be linked to the party’s past decision-making when in government in order to appeal to such voters (see SPD Bundestagsfraktion, 2012: 39–46). The problem of such appeals is that they come too late to regain voters of the Left Party or union

supporters who were opposed to the Hartz reforms since these constituencies have not been represented by the SPD for nearly a decade. The lesson is that it is easier to vacate political space than to regain it.

Next, the SPD leadership is firmly convinced that the main electoral contest takes place with the center–right, i.e. the CDU/CSU. In this context, two potential strategies are conceivable. One would be to try to become more market–oriented than the center–right in the hope of picking up votes in formerly uncovered electoral territory. The problem is that such a strategy is difficult to pursue since the internal coherence of the center–right–itself based on an alliance between conservatives, moderates, and neoliberals–proved to be relatively more stable than the coalition that used to make up the SPD electorate. Thus, for the SPD it is inherently difficult to move further to the right and/or market liberalism to gain some new votes right of center without losing more votes in the center and left of the center. In conceptualizing the contest with the center–right, it has become a fixed idea inside of the SPD leadership that the party will suffer more from campaigning in a polarizing manner than in a moderate manner. However, it has been pointed out that the SPD needs to overcome a “mobilization blockage” (Mielke, 2012: 90), i.e. the party always needs to mobilize and campaign in a more polarizing manner than the center–right. The latter continues to enjoy a structural advantage for socio–economic reasons since higher status groups participate more regularly in elections and are more likely to vote for right of center parties. This status advantage of bourgeois parties results in so–called “asymmetric demobilization” in the case of campaigns that avoid polarization and confrontation, working in favor of the center right that does not require polarization to motivate its supporters to participate in elections.

Thus, the CDU/CSU has recently embraced a moderate campaign style using asymmetric demobilization in pursuing moderate policies of the political center that avoid confrontation on socio–economic issues that would give reason for counter mobilization on the left (Blätke, 2010: 288). Indeed, the current



Chancellor Angela Merkel has largely moved away from hard neoliberalism towards moderate center policies with regard to the welfare state since “the demobilization of SPD voters had priority compared to the mobilization of CDU/CSU voters” (Blätke, 2010: 292). The CDU/CSU certainly has been more successful in maximizing the reach of its own coalition in comparison to the one making up the SPD electorate. It follows, therefore, that contestation for voters in the political center can always take three forms: (1) polarized party competition; (2) asymmetric polarized party competition; and (3) reduced party competition (Blätke, 2010: 276). In the first case, both parties conduct confrontational campaigns focusing on “hard” socioeconomic issues. In the second case, only one party conducts such a campaign, while the other party avoids polarization. In the third case, both parties avoid polarization.

In the 2009 election, the SPD decided to pursue the third scenario, since the party’s candidate for Chancellor Frank–Walter Steinmeier seemed happy to pursue a campaign that would have kept him Vice–Chancellor in a government led by Angela Merkel (Raschke, 2010: 87–89). However, this form of reduced party competition proved to be the worst–case scenario in terms of mobilizing the electorate for the SPD! This was in marked difference to the situation in 1998 and 2002 (polarized party competition) and 2005 (asymmetric polarization in the sense that both parties started with reduced party competition but the SPD managed to ultimately claim that a victory of the CDU/CSU would question the continuing existence of the public health care system, thereby shifting towards polarization and recovering some of the electoral ground lost due to the Hartz reforms). In conclusion, the SPD fares better in mobilizing in a polarizing manner to maximize its electoral appeal and to balance out the initial status advantage of the bourgeois parties regarding the higher likelihood of bourgeois voters to participate in elections. The three relatively more successful SPD electoral campaigns in recent times were all based on counter mobilization: against Kohl in 1998, against the Bavarian conservative Edmund Stoiber (CSU)

in 2002, and against Paul Kirchhof, a policy adviser to Angela Merkel, who favored large-scale health care privatization in 2005 (Raschke, 2010: 94).

In addition, the SPD also faces increasing competition on the post materialist cleavage between libertarian and authoritarian attitudes in the electorate. Here, the libertarian pole has become more crowded in being occupied by the Green Party and the Pirate Party. If the Pirate Party should manage to enter the federal parliament in 2013, it would make the SPD's electoral mobilization even more difficult, since the Pirates attract lower socioeconomic groups that could have been accommodated by the SPD in the past.

In conclusion, the SPD is highly unlikely to recover electorally in the forthcoming 2013 federal election. It has recently put forward Peer Steinbrück as candidate for Chancellor, who stands for the social liberal majority wing of the party. Yet Steinbrück has failed to reestablish convincing policies that could attract some of the leftist and/or libertarian vote. The party faces one competitor on the left (the Left Party) and two competitors on "soft" post materialist and libertarian issues (the Greens and Pirates, respectively). The CDU/CSU is unlikely to run a polarizing campaign due to the party's advantage that derives from asymmetric demobilization. Thus, the SPD does not have a good chance to become the strongest party since its campaign will be either too moderate, resulting in another vote below the 30 per cent mark, or in the case of one-sided polarization by the SPD will face credibility problems with left-of-center voters who continue to reject the party due to the Hartz reforms.

Thus, the current-day political scene makes it inherently more difficult for the SPD to become the strongest party, since three parties directly compete for potential SPD voters (the Left, the Greens, and, potentially, the Pirates) while the CDU/CSU only faces direct competition from the liberal party (FDP). In other words, the SPD has paid a long-term political price for the Hartz reforms, which is to face a permanent electoral disadvantage in a potential six party system. The best the SPD can hope for is to re-enter a grand coalition

with the CDU/CSU in 2013, since the party has refused to consider a coalition with the Left Party, which would leave only the Greens and (potentially) the Pirates as coalition options for 2013. Such an electoral bloc will in all likelihood remain weaker than the combination of CDU/CSU, the liberal FDP, and the Left Party (the latter being virtually guaranteed to re-enter parliament since the choice of a centrist SPD candidate for Chancellor will allow the Left Party to maximize its electoral appeal).

Nobody knows the future. Political issues such as the Euro currency crisis might produce an electoral surprise. Yet it appears rather unlikely that the SPD will be in a position to take advantage of increased volatility in the electorate without fixing its basic problem: the need to construct a party profile that is based on a broad coalition including sections of the left, the unions, and the pro-welfare lobby rather than limited in appeal to centrist voters as a sort of eternal “second best” compared to the center right. This is not an easy task, and even if the party would make a serious effort in this direction it would still constitute a long-term project. The left and the unions have been alienated too deeply, and for too long, to easily accept re-entering a SPD-led electoral coalition. Thus, the lesson is that it really does not pay electorally for social democratic parties to seriously retrench mature welfare states.

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# 복지국가 축소 시기의 독일사회민주당(SPD)의 위기과 지지자 감소에 관한 연구

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## 〈국문초록〉

본 논문에서는 2002년 이후 하르츠(Hartz) 개혁 당시 독일 복지국가 축소에 있어서 독일사회민주당(SPD)이 주도적인 역할을 한 사실과 SPD 지지자의 급격한 감소 사이에 어떠한 상관관계가 있는지를 분석한다. 또한, SPD의 최근 정치사를 검토해봄으로써 게르하르트 슈뢰더(Gerhard Schröder) 정부가 SPD의 핵심 지지자들을 이탈하게 만든 복지삭감정책을 어떻게 발전시켰는지를 설명한다. 결론에서는 복지삭감정책이 선거에서 성공적으로 경쟁하기 위한 SPD의 능력에 대하여 어떻게 새로운 구조적 장애물을 만들어내는지 설명하기 위하여 정당 사회학자인 오토 키르크하이머(Otto Kirchheimer)의 포괄정당론(catch-all party theory)에 대하여 언급한다.

**주제어:** 포괄정당론, 독일, 독일사회민주당, 복지국가축소

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