

Between Tradition and Revisionism – The Programmatic Debate in the SPD

Christoph Egle and Christian Henkes

1. Introduction

The SPD has often been described as a sluggish tanker. But does it have a compass? This question characterises the confusion regarding the SPD's actions as governing party. Since assuming office in 1998, it has been vague in how far the SPD possesses basic concepts according to which the party adjusts its policies. If the very own concepts and objectives are unclear, terms that are hard to catch as regards content are being introduced in the discourse (Merkel 2000a:263). The "Third Way" in the European and the "New Centre" in the German context are such metaphors. Especially in the SPD, it was not clear what kind of policies the party would pursue after assuming governmental power. Its policies should be "better" but not necessarily "different" - whereby it has remained unsolved with which programmatic criteria one should measure the one or the other.

This chapter shows what type of tensions there are between the social democratic programme and the governmental behaviour and what kind of role inner-party conflicts play regarding these tensions. Three policy fields¹ will provide the means of analysis. As the SPD decided in its first year in office to develop a new *Grundsatzprogramm*² the examination of how far government actions have initiated the programmatic redirection will also be object of investigation.³ Has the inner-party dispute about the redefinition or perpetuation of social democratic aims and policy instruments between the "Modernisers" and "Traditionalists" been resolved? This chapter will clarify that the SPD has at least begun a process of "catch-up" programmatic change considering its basic aims as well as political instruments (Hall 1993)⁴. This process exemplifies the tension between the goals of "Vote-Seeking" and "Policy-Seeking" (Müller/Strøm 1999, Wolinetz 2002) that is experienced by electoral-professional parties (Panebianco 1988): certain programmatic objectives and aims of a party can often only be accomplished by acceptance of deprivation of the electorate, whereas an orientation too much adjusted to the electorate in turn can hollow out the programmatic identity of a party. The SPD's self-conception is that of being defined by its programme (*Programmpartei*). Additionally to this tension, the situation has been further complicated by the disputed relations between basic values, aims, and instru-

ments during the time in office. This fact is relevant insofar as party programmes have a significant impact on government policies as Klingemann, Hofferbert and Budge (1994) proved. Thus, the question arises how executive decisions are made and what kind of backlash they have in the circumstance of unclear and disputed programmatic orientation.

2. The SPD within the political context

2.1 The SPD in the 1990's

The *Grundsatzprogramm* of 1989 reflected the eco-social and post-materialist consensus of the SPD at that time. But it was already outdated in 1990 (Bartels 2000), as it did not concern itself with the altered political conditions after the end of the Cold War and the German reunification.⁵ The programmatic repositioning, that could have been regarded as necessary after the defeat in the 1990 elections for the federal parliament (*Bundestag*), was overshadowed by the unresolved party leadership question in the first half of the 1990's.⁶ Because Oskar Lafontaine was not prepared to take the party chairmanship in 1991 and Björn Engholm resigned due to the repercussions of the Barschel-affair in 1993, a membership poll seemed to be an innovative possibility to decide the leadership question in a participatory and publicly effective way. The winner of this poll, Rudolf Scharping, just won a relative majority (40.3%) of the party and hence was unable to bring the conflict with the power-aware Prime Ministers Schröder and Lafontaine to an end.

Regarding programmatic matters in the early 1990's, the SPD approached the new circumstances in foreign policy with the *Petersberger Beschlüsse*⁷. The party accepted German army operations in foreign countries in the framework of UN missions. Concerning asylum policy, the SPD decided a more restrictive position after inner-party contentions⁸ to ban this SPD harming topic from the agenda. Programmatic rethinking in the domains of social and economic matters becoming necessary due to Globalisation, the Maastricht Treaty, and German Reunification was begun but never finished.⁹ Such a programmatic development was obstructed by the complexity of the German "Grand-Coalition-State" (Schmidt 1996). The opposition party SPD could not undergo a profound reorientation owing to the dominant and thus participatory position in the second chamber (*Bundesrat*). When Oskar Lafontaine assumed the party chairmanship in 1995, he brought the party's public dispute and disorientation to an end. However, a profound solution for the fundamental programmatic direction connected to the solution of the question who should run as chancellor candidate in 1998 was not found.

The dualism “Modernisers” versus “Traditionalists” suggests an ambiguity regarding the SPD party wings that has been exaggerated, but, nevertheless, was detectable when the party assumed government. This was most noticeable in terms of the different groups within the SPD (Frenzel 2002:161 sqq., Padget 1994:27 sqq.). In 1998, three factions represented different approaches to what kind of politics should be pursued after taking over the government.

1. The ones that were close to the trade unions and to the party’s politicians dealing with social policy can be defined as the “Battalion of Traditionalists” since they saw the SPD’s primary aim in defending the existing welfare state including its level of employee’s protection against neoliberal flexibility. This wing is capable of averting a strong adjustment to neoliberal concepts by means of protest and abstention as it is backed by the unions and a considerable part of the electorate.
2. A second group was the “Parliamentary Left”, including Oskar Lafontaine for instance. This group wants to react to the altered economic frameworks by means of re-regulation policies on European and global level relying on Keynesian instruments of demand management. These two groups can be referred to as the “Left” or the “Traditionalists” within the SPD besides many differences in detail.
3. In opposition to this, there were the “Modernisers”. This faction does not have a complete political concept (Weßels 2001:46) but believes that an adaptation of the social democratic programme is necessary due to altered circumstances of action. This also implies the integration of political aims and means that were formerly rejected. Old social democratic instruments have proved inadequate and therefore need to be abandoned.¹⁰

2.2 Challenges of the SPD

As other European social democracies, the SPD needed to find programmatic answers to three interacting challenges at the beginning of the 21st century:

First, the change of social structures, the increased ageing of population, the breakup of job patterns, and the makeup of a knowledge-based service society (Pierson 2001) requires a welfare state adjustment so that it can still serve its overall aim, the social protection of population.¹¹ Thus, the discussion about modernisation of the welfare state challenges the core competencies of social democracy, namely retrieval of social security and justice.

Second, the economic developments summarised under the term “Globalisation” led to a change if not constraint of the scope of action of

nation states.¹² Social democracy needs to ascertain its still valid concepts of how to shape politics under these circumstances.

Third, the process of Globalisation is amended in the European context by the devolution of relevant policy fields from the national to the European level. What this actually means for national social democracies and whether this could be the offspring of a strategy on EU level hasn't been resolved in the SPD yet.

These challenges require a situational concretion of the social democratic basic values of liberty, justice, and solidarity (Meyer 2001:13). The accentuation of common basic values leaves aside that the discussion about the very common basic values comprises incredibly different redefinitions and resulting political concepts (Jünke 1999). In the core of the programmatic conflict, there is the crucial question about the concrete and modern understanding of social justice. The issue about what kind of role the state should play in the market in order to achieve social justice is closely related to this definition. How much neoliberalism like increased flexibility and privatisation is admissible to be still called a social democratic policy mix?

2.3 The Scope of Action

The programmatic development of a party in response to new challenges is determined by the available scope of action (Scharpf 2000). Societal integration in the electorate as well as the competition with other parties influences the programmatic alignment and perception of certain new problems and hence can function as resource of or restriction for a revision of aims and strategies.

Due to decreasing party identification (Roth 2001) as well as the steady shrinkage of trade unions and the share of industrial labour in the economy, it has become inevitable that the SPD attracts a heterogeneous electorate. This balancing act is not a new restriction for the SPD as it is structurally only the second strongest party in Germany (Stöss/Niedermeyer 2000). The SPD has to win its core constituency as well as swing-votes at the same time. This situation is further complicated by the fact that the core constituency consists of two heterogeneous societal cohorts often desiring conflicting preferences and interests.¹³ Programmatic satisfaction of both can only be accomplished by coexistence of different aims and intentions. Thus, a certain vagueness about political intentions can be helpful for electoral success, once in office however, it becomes a problem as a part of the electorate with conflicting interests will be disappointed.¹⁴

On the electoral market, this heterogeneity means competition with the Greens for the post-materialistic electorate, with the CDU/CSU for the pro-

ductivistic electorate of employees in the west, and with the PDS for the welfare oriented electorate in the east. This position in party competition is further aggravated by the circumstance that the SPD has to compete with the CDU as second big welfare state party in the field of its core competence. Therefore, programmatic scope is rather narrow. The SPD can lose its electorate to all sides. Consistent programmatic offers satisfying all groups of the electorate at the same time are very hard to formulate.

But for gaining and maintaining power, this pivotal position in the party spectrum during the 14th legislative period was supportive. While the other parties had only one (Greens and PDS) or two (CDU and FDP) potential coalition partner(s) for assuming government, the SPD in principle could have governed with every party, as the SPD does on state level. Caused by the one way coalition options of the Greens (and also of the PDS), the SPD could have moved far towards the centre without risking to lose a potential coalition partner in government.

In the 15th legislative period, the situation for the SPD noticeably worsened. After the federal elections in 2002, there was no alternative coalition partner than the Greens other than a grand coalition. Due to the very narrow majority of just 4 seats, programmatically disputed projects can be baffled by just a few rebels. Furthermore, the government is forced to compromises as since April 2002, there is a conservative majority in the *Bundesrat*. Thoughts and discussions about a programmatic renewal have always been seen in the light of power maintenance.

2.4 “*Innovation und Gerechtigkeit*”¹⁵ – electoral success, programmatic emptiness

The focus of topics developed in favour of the SPD as its core theme, the question of social justice, had evolved to the dominant issues in the last years of the Kohl administration. Social justice was furthermore identified to be relevant and hence electoral determining for the majority of swing-voters (Eith/Mielke 2000). The campaign build around the catchwords “innovation” and “justice” (Ristau 2000) had been highly successful in electoral terms from the beginning on. This campaign formed an optimal electorate coalition as it was successful in mobilising the core constituency and at the same time attracted swing and disappointed conservative voters (Forschungsgruppe Wahlen 1998; Roth 2001). So, it made the best out of the competition between Lafontaine and Schröder, as they also attracted complementary groups of voters by means of their double-edged profile in economic policy. As Lafontaine represented “justice” and appealed the classic clientele of the SPD, Schröder proposed “innovation” and won the electorate

of the “New Centre”. However, this success was achieved with a vague programme predominantly consisting of indistinct intentions rather than concrete measures. The misunderstandings between the party chairman and the candidate as well as the general dispute within the party regarding the direction of economic policy were only covered and not resolved. According to this, the statements in the manifesto dealing with economic and social policy are characterised by peculiar phrases like “x as well as y”. The overarching aim of the 1998 manifesto, reduction of unemployment, ought to be achieved by a clever combination of supply and demand oriented economic policies. Regarding the supply side, investments should be stimulated by the reduction of corporate taxation and welfare contributions; the expenditures on education and research & development ought to be doubled during the following five years. Considering the demand side, a tax relief for employees and the increase of child allowance should boost domestic demand and business activity. Additionally to this, financial policy should become again more orientated at the economic cycles and an instant-programme for fighting unemployment of youth was announced. At the same time, the SPD committed itself to a strict budgetary discipline without scope for credit financed initiatives. At the party conference in Leipzig, Schröder became more detailed regarding the supply side by declaring that corporate taxation should be reduced to a consistent rate of 35%. Lafontaine emphasised classic social democratic measures in social and labour policy.¹⁶ So, Schröder took the role as “Moderniser” whereas Lafontaine advocated “traditional” social democratic politics.

3. Frictions between Programme and Government Policies

In its first year in office, the SPD encountered three crises (Mielke 1999): a crisis of electoral acceptance until the end of 1999, a crisis of stability in leadership until Lafontaine’s resignation and the ensuing change of economic and fiscal policy triggered a programmatic crisis, as the party grassroots were not prepared for this policy shift. It is not unusual that there are inner-party arguments about how the programme should be put into concrete measures when moving from opposition into government. In the case of the SPD however, not just the concretion but the complete direction was subject of debates. In this context, the exemplary preparation for office of Tony Blair’s Labour Party is rather an exception than the rule. Also regarding domestic and foreign policy, the party needed to redefine its programme and policies. In the field of foreign policy, the SPD broke with the principle of no army missions without UN mandate. In the domestic field, programme and policy differed insignificantly, but (too) liberal societal policies were

objected by parts of the SPD electorate so that some plans were not put into practise.

3.1 Economic and Social Policy: Neoliberalism ante portas?

The most eminent inner-party argument about the relation between programme and government politics dealt with economic and social policy, core fields for social democracy. Here, the vague profile of *“Innovation und Gerechtigkeit”* needed to be clarified and the conflict between “Traditionalists” and “Modernisers” had to be resolved.

As for Oskar Lafontaine the (neoliberal) mainstream of economic policy was wrong (Lafontaine 1999:48), the designated chief of the Federal Chancellery and “Moderniser” Bodo Hombach called for a general withdrawal of state from the economy, the farewell from old type welfare state, and a far reaching tax relief (Hombach 1998). At first, the law to correct social insurance and employee rights converted “traditionalist” content of the 1998 manifesto into legislation. Especially the measures against “apparent self-employment” and the reform of marginal employment triggered vehement protests of business associations. These steps as well as the tax reform of 1998/1999 that relieved employee households and not businesses corresponded quite exactly to the election manifesto. Lafontaine’s goal of macro-controlling the economy and his claim for a looser monetary policy caused the impression of “pseudo Keynesianism”. In the first months in office, the party chairman and Minister of Finance rather than the chancellor was dominant in policy making. The “Modernisers”, and amongst them especially the Prime Minister of North Rhine-Westphalia Wolfgang Clement, felt overwhelmed by Lafontaine and criticised the planned tax reform as too hostile to the economy. At the latest by then, it became clear that the SPD lacked a common economic concept and that the tensions between Schröder and Lafontaine successful in terms of election results by that time turned out to be counterproductive. The confusion about the economic direction of the government culminated in the cabinet meeting on 10th March 1999, when Schröder made clear that one cannot govern a country against businesses and he won’t allow policies hostile to them (Lafontaine 1999:222). One day later, Oskar Lafontaine resigned from all offices. One can speculate about the reasons for this radical step that changed SPD government politics and considerably weakened the left wing of the party¹⁷, but three factors certainly played a role: first, Lafontaine did not succeed in convincing his EU partners of a European pact for economic, employment, and monetary policy. Second, he was under enormous media pressure in Germany and abroad, and finally, Schröder’s statement in the cabinet meeting can be seen as targeted provoca-

tion to bring about his resignation. Thus, Lafontaine's and the "Traditionlists'" phase of dominance ended and the faction of "Modernisers" now had the chance to realise their intentions.¹⁸

In fact, the change from Oskar Lafontaine to Hans Eichel also meant a shift of policy. However, the new Minister of Finance too could refer to the election manifesto, that also announced government action favouring strong budgetary discipline and a reduction of the state's debts. Hans Eichel's policies put forward in Mai/June 1999 provoked heavy inner-party protests and were criticised as being socially unbalanced since the biggest reductions were in the domain of pension and unemployment insurance (Hickel 1999). Two years later, the reform of the pension system was criticised for being socially biased too, as the build up of a capital-funded pillar was seen as renunciation from solidarity as well as from the parity between employers and employees in financing pension insurance.

Almost simultaneously with the notification of Hans Eichel's expenditure cuts, Gerhard Schröder and Tony Blair published their "The Way forward for Europe's Social Democrats" (Schröder/Blair 1999). This Schröder-Blair pamphlet broke with many traditional beliefs of social democracy. That is why the left traditionalistic wing of the SPD (and also large parts of the trade unions) feared a general revision of economic and social policies. As a matter of fact, since then the developing programmatic debate has not just dealt with changes on the level of political means (second-order) but also with third-order changes meaning alterations in the hierarchy of political aims of social democracy – especially regarding the discussion about equality of opportunity versus equality in result.

This pamphlet can be seen as an attempt of Gerhard Schröder to restore the economic competence of the SPD that, according to his opinion, was lost in the process of realising election pledges. Furthermore, he also wanted to win back the benevolence of private economy. The pamphlet was obviously also intended to lead the programmatic discussion in the direction Schröder wanted it to push towards. It starts with an homage of values like social justice and solidarity but goes on by balancing accounts with social democratic policies of the last decades: these policies were too much meant to produce social equality rather than equal opportunities, they generated too much state expenditure and a too high tax level for private households, they generally overestimated the weaknesses of the markets whereas the strengths were neglected. In future, the state should rather manage than row and more challenge than control. Under the headline "A new supply-side agenda for the Left", neoliberal *laissez-faire* was abdicated but a credit based financial policy and interventions into the economy by the state were rejected too. The product, capital, and labour markets should all be deregulated and made

more flexible. For the low skilled one needs a low wage sector and the social security systems must be reformed in a way that they do not obstruct starting to work. One certainly does not inflict mischief upon the pamphlet if one claims that it represents a programmatic adjustment to the functional logic of integrated markets that predominately goes back to the executive experience of Schröder and Blair. However, the old social democratic concern to direct the economy or even conduct “politics against markets” seems to have been abolished.

The criticism of this “proposal” in the SPD was as fundamental as it was intense.¹⁹ Even in the party leadership it was criticised that the pamphlet leads to the impression that the chancellor tries to impose a “top-down” programmatic debate on the party. The latter was at least successful as the SPD general secretary Ottmar Schreiner stated a few days after the publication that the SPD faces the eve of a new programmatic debate.

Before the Berlin party conference in December actually decided the elaboration of a new party constitution, the inner-party argument was lead publicly for a while. The inner-party organisation for employees (*AfA*) for instance attacked the pamphlet severely as it ignores the achievements of the labour movement and portrays a caricature of social democracy and social reality from their point of view. In August, a few Members of Parliament published a series claiming that the Schröder-Blair paper is not just a return to the old principles of Helmut Kohl but a destruction of social democratic identity. In the meantime, some trade unions argued in a similar way. In this paper, it was suggested that instead of Hans Eichel’s policy of budget consolidation, the ecological tax should be increased, a wealth tax should be reintroduced, and a special fine for corporations that do not employ apprentices ought to be installed. Especially the taxation of high income is a central request of the left wing called for at nearly every party conference. With another pamphlet the chairmen of the three left wing inner-party organisations²⁹ made clear that social democracy in favour of markets, liberalisation, and privatisation of the welfare state is doomed to fail at its own demands (Dreßler/Junker/Mikfeld 1999). Moreover, social democracy roots in the pursuit of social justice. Nevertheless, the economic resolution of the party executive was adopted at the party conference in December with a vast majority. Prior to that, Schröder was committed to give the alienated party grass roots an understanding of the new course at a series of regional conferences. Furthermore, he pasted a new passage in the resolution taking into account that there is a “justice gap” between the taxation of income and capital that ought to be closed by means of a European solution. This was an attempt to steal the thunder of the numerous resolutions once again requesting the government to introduce a wealth tax. The party leadership objected

this claim as it was not enforceable anyway due to the conservative majority in the *Bundesrat*. The decision of the party conference to reformulate the SPD party constitution was accompanied by many resolutions from different party levels that not only criticised the Schröder – Blair paper but also warned against a revision of social democratic aims and values. The party grassroots seemed not to like the resolution for a new party constitution in particular.

This inner-party dispute was the main reason why there were no further reform policies in economic and social fields (except the pension reform) until the federal elections in 2002. Only at the beginning of 2003, when the failure of the *Bündnis für Arbeit*²¹ was admitted and the pressure on the government was enhanced by increasing unemployment figures, chancellor Schröder dared cuts in the social security system with his so called “Agenda 2010”. These cuts aimed at reducing non-wage labour costs and making the labour market more flexible. The following protests in the SPD were even more fundamental than in 1999, because neither the electorate nor party members could understand why reducing unemployment benefits, tightening the expectations from the unemployed and raising private payments for the health service are social democratic policies. However, the government was dependent on the CDU/CSU majority in the *Bundesrat* in order to enact these policies, what in fact meant that a grand coalition was already governing. The opposition utilised this constellation to force the SPD to painful compromises that amplified the inner conflicts. Only by means of threat of resignation, Schröder pushed the “Agenda 2010” through the parliamentary faction and the party. By doing so, he strained the SPD too much. Due to ongoing criticism from his party, he resigned as party chairman at the beginning of 2004. We will see if Franz Müntefering can manage to reconcile the party with the government.

3.2 Immigration Policy: Asking too much from the traditional electorate?

The envisaged reforms of societal policy²² are part of the SPD’s *Grundsatzprogramm* and were seen as necessary modernisation of society; but they were not in the centre of the social democratic programme discussion.²³ Whereas they play a crucial role for the Greens, their importance for the SPD is because of their conflict potential between the party and its electorate. Within the heterogeneous electorate of the SPD, there is a considerable proportion of voters which see these steps as adjustment to factually already modernised circumstances and thus favour such value oriented, liberal reforms. The materialistic – authoritarian parts of the core electorate and swing voters however clearly reject these reforms (Hilmer 2001). Therefore,

the SPD had to pay attention to the maintenance of a programmatic balance.

The reform of citizenship law aimed at a better integration of the foreign population. In the election manifesto, the amendment of citizenship law with a limited *ius soli* as core of successful integration was brought up (SPD 1998b:26), nonetheless it lacks a clear acceptance of dual citizenship. This was just mentioned and accepted in the coalition treaty.²⁴ The bill for a new citizenship law introduced in 1999 was relatively close to the Green position. But in the public debate, the intended acceptance of dual citizenship soon proved to be a very complicated element that was utilised by the CDU/CSU for a nationwide collection of signatures. After this campaign and the resulting electoral defeat in Hesse leading to the loss of the government's majority in the *Bundesrat*, the liberal direction of the bill was mooted again.²⁵ A too strong orientation at progressive, value driven topics obviously leads to a reduction of votes for the Green coalition partner, whereas, approximately to the same extent, the SPD loses votes in its traditional constituency. The search for compromise with the FDP in Rhineland – Palatinate was quickly pursued without involvement of the Greens, whereby the decision for an agreeable bill without *Vermittlungsverfahren*²⁶ put the FDP in a decisive position. The final bill included an *ius soli* for the first generation, a general abandonment of dual citizenship, but an option model for children.

The consciousness of a possible populist exploitation by the opposition became also obvious in the cautious actions in the field of immigration. Only in 2000, when a public discussion about the need for immigration of highly qualified employees (greencard for IT-experts) arose and the issue could be positively connotated with economic competence, there was an attempt with the *Süssmuth – Kommission* to elaborate a consensus. Up to then, an immigration law was not even concerned by the SPD even if the election manifesto announced so. Central, rather restrictive terms (“limitation” and “absorbing capacity”), of the passed law however were already included in the manifesto. But the law was never put into practise as the constitutional court stopped it since, according to the court, it was passed in an unconstitutional manner.

After the second attempt in the 15th legislative period, the bill was referred to the *Vermittlungsausschuss*. So far, the bargaining has been difficult. The CDU drew back from its liberal proposals, and the Greens do not want to turn down core elements of the initial version. The main interest of the SPD (foremost the Minister of Domestic Affairs) is that there is a compromise as the party wants to avoid a populist exploitation of the migration issue by the opposition.

There is no fundamental dissent in the party – the inner-party wings surprisingly agree to a great extent on these questions – but there are different

preferences between the party and its constituency. As it was observable in state elections (*Landtagswahlen*) since 1999, especially social democracy is under pressure regarding these issues.²⁷ Both projects relate quite explicitly to the SPD programme objectives. In contrast to this, these projects differ considerably from the coalition agreement with the Greens. So far basically, the cautious societal modernisation of the SPD programme has been conducted, whereby the party utilised the need for compromise in the *Bundesrat* to enforce its ideas against its small coalition partner.

3.3 Foreign Policy: The disputed Role of the Military

Although the Red-Green government included a chapter in its coalition agreement claiming that German foreign policy is peace policy, it was out-of-area war operations of the *Bundeswehr* that coined its foreign policy. Thus, an element of foreign policy that, according to social democratic understanding, should only play a secondary role within a broader and more sustainable concept (SPD 1997:22 sqq., Scharping 1998:141) has become determining. Hence, the SPD was forced to reassure its position programmatically, whereas the Greens faced a crucial test (Egle 2003).

In the 1990's the SPD as a party with pacifist influence was characterised by a durable inner-party dissent about how to react to the collapse of Yugoslavia. The Balkan wars accelerated the internal learning process with regard to the role of the military and Germany's increased responsibility in foreign policy. While the *Berliner Programm* determines the German army only to national defence and actions according to the NATO Charta, the SPD accepted peace-keeping mission of the *Bundeswehr* abroad with their *Petersberger Beschlüsse* and after vivid discussions at the Wiesbaden party conference 1993. However, action should only be taken if the parties involved in the specific conflict agree and the German constitution was changed (this was seen as prerequisite) (SPD 1992:413). This programmatic position was reinforced in 1993, 1994, and 1995²⁸. But after a decisive conviction of the constitutional court about facts generated by the federal government of this time (Adriatic Sea-mission, AWACS flights, Somalia, NATO attacks in Bosnia) in 1994, the SPD enlarged its position including UN missions as an element of a comprehensive and multilateral foreign policy. A special focus was given to the absolute necessity of an UN mandate for the action of regional organisations to act according to international law (SPD 1997:27, 32). The three eminent missions in the first Red-Green term (Kosovo 1999, Macedonia 2001, and Afghanistan 2001/2002) did not all fit the programmatic position to the same degree (compare table 1).

Table 1

	<i>UN-Mandate?</i>	<i>Covered by NATO-Treaty?</i>	<i>Compability with SPD-Programme?</i>
Kosovo	No	No	No
Macedonia	Yes ²⁹	Yes	Yes
Afghanistan	Not necessary ³⁰	Yes Indirect ³¹	

Especially the Kosovo mission was not covered at all by any resolution valid in 1998. Insofar, the consistent insisting of the government to see the decision of participation as consideration between “No more War” and “No more Auschwitz” was targeted to receive support in their parties independent from any programmatic or legal status. The Kosovo – resolution of the 1999 party conference too stressed the restraint for intervention due to humanitarian reasons (SPD 1999a:141). However, the use of military force was integrated in the broader framework of preventive and comprehensive security policy. Thus, criticism within the party was rather moderate. The speeches of delegates who objected the resolution did not represent fundamental opposition but rather doubted the timing as well as the integration of Russia and pointed to a potential escalation. Chancellor Schröder made clear that pacifism is a legitimate stream in the party but it must be discerned from government (SPD 1999a:35). The SPD was keen to prove its reliability in foreign policy (Hyde-Price 2001:21). It was shown how fast the constraints of being in government and being a reliable NATO partner made programmatic positions irrelevant. The programme had to catch-up to reality.

It is noteworthy that the Macedonia mission, the one most compatible with international law, the SPD programme, and the strategy of preventive and comprehensive foreign policy, was also the one triggering the most obvious dissent in the party. 19 SPD MP’s denied support for the government by taking reference to the wrong primate of political – military security thinking and the criticism of NATO’s role, what meant that the government ended up without an own majority. Presumably, this was an effect of the enduring dissatisfaction concerning the Kosovo war and criticism was made easier taking the huge majority in parliament in favour of action into account. The denial of support cannot be seen as keeping up the programme as it was compatible.

In the Afghanistan question, Schröder linked the parliamentary decision with a vote of confidence for himself to avoid a similar loss of his own majority.³² In critical comments, SPD MP’s pointed in particular to the, according to international law, doubtful weapons used and fundamentally questioned war as means of fight against terrorism. Further discussions were avoided because of the quick collapse of the Taliban regime and the UN

guided reconstruction. In spite of all the fundamental war criticism in parts of the party, it became evident that a foreign and security policy using military means was programmatically thinkable as long as it was integrated in broader and multilateral framework.

This tendency became very obvious on the way to the Iraq war. Principally, Schröder pursued a pure SPD stance with his no to “adventures” without UN mandate. By reference to the lack of integration of the military action into multilateral structures, a German participation was rejected. As the overwhelming majority of the electorate thought in the same way, the topic was prominently presented in the 2002 general election campaign. The experiences of the first Red-Green coalition in the fields of foreign and security policy, especially the three military missions and the Iraq war, will certainly have impacts on the programmatic revision of the SPD in these policy fields.

4. The Discussion about a new Party Constitution

With all these inner-party disputes, the SPD had to pay a high price for the failure of programmatic renewal in opposition. As governing party, the process was unavoidable. The Basic Value Commission (*Grundwertekommission*) already started in 1999 with its work on the strategy paper “*Dritte Wege – Neue Mitte*” that should transcend the dichotomy of “Modernisers” versus “Traditionalists” and sketch out a modern understanding of social justice. At the end of 1999, the party grassroots followed the SPD leadership on the revision of the party constitution with limited enthusiasm. After the publication of an interim report in 2001, the programmatic debate was pushed aside by the general election campaign of 2002. After the elections however, the programme commission did not continue its work but was replaced by an informal “editorial group” under the leadership of the general secretary. Hence, the programmatic debate was closer connected to the party leadership. At the end of 2003, participants of this “editorial group” published competing “wing papers”. The first one was by elder representatives of the party’s left and the other one was authored by predominantly younger pragmatists who call themselves “Network”. Due to the repeated change of personnel in early 2004 (new party chairman and new general secretary) the development of the further debate is vague again. But what has been discussed so far?

4.1 The Centre of Discussion: Social Justice

As the discussion about the up-to-dateness of the basic values “freedom” and “solidarity” did not uncover anything new or huge differences within the

party, the focus of attention was undoubtedly the disputed redefinition of "social justice". "Justice" does not only represent the in all party wings undisputed central value of social democracy but also the archimedic point of the programmatic debate (Merkel 2001, Meyer 2001, SPD 2000, Thierse 2000, 2001). The SPD's theory of justice had consisted of redistributing wealth from the rich to the poor (equality in result) additionally to equal opportunities, but this position was challenged by the belief that inequalities can increase productivity. Obviously, German social democracy started to look for criteria to justify social inequalities.

In the already mentioned "*Dritte Wege – Neue Mitte*" paper (Grundwertekommission 1999), a new specification of "justice" was claimed. Social justice neither simply means equalising wealth and income nor can it mean just to go on with the current welfare state. Instead of that, a "modern understanding" of social justice was demanded: an increase of income inequalities caused by tax cuts can be justified if in turn economic dynamics evolve from which the weaker parts of society can benefit too in a way that they are better off than before. Basically, this relates to John Rawls' principle of difference to which the authors of the paper explicitly refer. Deregulation of the labour market is not unjust either, if it generates more efficiency and more unemployed would be able to enter gainful employment (Grundwertekommission 1999:28 sqq.).

In a forum dealing with justice, particularly the future Economic and Labour Minister Wolfgang Clement represented this belief that limited inequality can accelerate individual as well as societal opportunities (SPD 2000:11). Gerhard Schröder took a similar position in a contribution dealing with the redefinition of duties and responsibilities of the state and society: firstly, it was a social democratic illusion that more state is the best means to establish social justice and secondly one should not limit oneself to just redistribution, one should rather focus on providing equal opportunities (Schröder 2000). Indeed, the SPD has always demanded equal opportunities. But regarding redistribution of wealth and the reduction of inequalities in result, genuine social democracy had always embraced a wider understanding than the liberal meaning of justice that merely concentrates on starting opportunities and accepts the distribution of markets (Meyer 2001:22). Hence, the SPD discusses the important question whether the correction of distributive injustice of the markets is still a core feature of social democracy (Mahnkopf 2000). Even if the "Modernisers" do not deny redistribution at all, they stress that not every kind of redistribution is *per se* just and that some inequalities are justified. The latter see welfare more in the light of rights and responsibilities whereas left critics perceive the discourse about "labour market inclusion" and the "activating welfare state" as clear break

with the party constitution that states that the dignity of men is independent of his performance and his profitableness. The term “employability” fundamentally means adjustment of people to the needs of the markets and not the other way around (Mahnkopf 2000).

Basically, the SPD discusses the “old” questions of social democracy at the beginning of the 21st century: What kind of relation should there be between the state and the market? In how far should the state manipulate the results of market processes? And what relation is there between justice and social justice? So far, the discussion revealed two possible scenarios: the “Modernisers” are willing to accept a higher level of inequality for the sake of more economic dynamics³³ and want to reform the welfare state into activating welfare that does not protect people from the market anymore but enables them to participate in it. In contrast to this, there is the position to maintain the existing welfare model overall and to regain lost national steering capabilities on for instance European level.

By the enforcement of the “Agenda 2010”, it seems that the “Modernisers” have succeeded so far. The collection of measures (tax relief, cuts and tightening of unemployment benefits, more private elements in health care) do not serve redistribution but aims at corporate relief and stimulation of economic growth.

4.2 Evaluation of the Programmatic Debate hitherto

The programme commission has barely exceeded the stage of inventory and analysis of challenges for social democratic policies so far. Programmatic development in specific fields has not been observable. The section about basic values of the party constitution does not need to be revised according to a recommendation of the *Grundwertekommission* and should be preserved in the current form (SPD 2001:28).

Regarding foreign and security policy, the programme commission has not proposed anything as the changes in these fields since the last constitution have been so crucial that it couldn’t be evaluated so far (SPD 2001:5). Hence, a programmatic reaction to the war missions of the SPD led government has not occurred. As the party accepts war missions with UN mandate outside the NATO area since 1997, a programmatic “catch-up” to this situation is predictable. In the sections about immigration policy of the interim report, the tensions between the programmatically intended and actually enacted policies of societal reforms as well as the rejection of these policies by parts of the SPD electorate were not mentioned. It is of high strategic importance for the SPD to what degree it can hold together its core electorate consisting of materialistic-authoritarian as well as of post-materialist voters.

This field needs to be programmatically clarified. In the domains of economic and social policies, there has not been a concrete development as regards content either. But it was indicated that in future the aspects of “precaution” and “activation” would be decisive for social policies rather than “repair” and “aftercare”. Additionally to that, the willingness of people to take more private precautions ought to be advanced. The SPD has been unclear in how far the model of social integration by means of labour is still valid in the face of societal individualisation and whether social security systems that have been defined by labour society should not be replaced by some model of basic protection. At the party conference at the end of 2003, the party decided to transform the social security towards a *Bürgerversicherung*. This means an obligatory universal insurance for all citizens comprising all kinds of income. It is hard to estimate whether this decision will be found in the new party constitution since it was accepted against the explicit will of the chancellor.

The debate about the central basic value “social justice” has been caught in general thoughts about principles. The strengthening of the aspect of participatory chances in opposition to pure redistribution of wealth is beyond dispute. Left wing members of the new editorial group argued in their position paper that the provision of public goods must be in the heart of the social democratic understanding of justice. Specific statements about just and unjust measures in economic and social policy have not been noticeable in the programmatic debate.

5. Conclusion

What sort of conclusion can be drawn from the interaction of social democratic programme and government actions over recent years? First of all, one must take into account that the conditions of electoral success were a burden for the new government. The SPD had to win a heterogeneous electorate in order to become the majority and thus governing party. In terms of the programme, this meant that the party did not take clear positions but rather promised to improve much but not everything. This was not a solid and clear governing programme. Furthermore, the SPD had to close the lines in its almost equally heterogeneous membership to avoid inner-party conflicts as there were at the beginning of the 1990's. This problem was well dealt with until the elections however not by finally reconciling the conflicting party wings but rather by temporarily calming the latter. Both together, the successful winning of a wide voter spectrum and the covering of inner-party differences (predominantly between the party chairman and the candidate), proved to be a boomerang once in power - especially in the fields of eco-

nomic and social policy – since the question of what policies the SPD would pursue needed to be answered. At the beginning, the Minister of Finance Lafontaine was dominant. After his resignation, the “Modernisers” assumed command proposing nearly opposing policies. By doing so, both wings could refer to sections of the 1998 election manifesto. Almost at the same time, the Schröder-Blair paper should introduce a programmatic shift but failed at the party’s resistance. The latter just reluctantly agreed on the process of reformulating the party constitution initiated by the party leadership.

Until the 2002 general election, the “Modernisers” only enforced their views on fiscal policy. But with the appointment of the “Moderniser” Wolfgang Clement as “Superminister” for economy and labour and the enforcement of the “Agenda 2010” the left wing was further pushed aside. However, this resulted in renewed inner-party conflicts, a fast growing number of members leaving the party, and historically bad opinion polls. No party can absorb such a process of “Modernisation” in the length of time.

In the ongoing programmatic debate, a revision of the social democratic understanding of justice was initiated and the redefinition of social justice can be seen as third order change according to Hall’s classification (Hall 1993). The rejudgement of the relation between the state and the market (protective versus activating welfare state) yet is a second level change as not the overall aim but the political means are altered. Thus, the fact that the SPD is a governing party has had effects on the programmatic debate. The policies followed the SPD programme (to different degrees) but they have had feedbacks onto the programme too. The “Modernisers” are responsible for starting a programmatic discourse dealing with exactly these feedbacks. In future, the latter must pay more attention to conduct modernisation more based on tradition if the inner-party conflicts should be satisfied. The dichotomy “Revisionism” versus “Traditionalism” should better be replaced by a strategy called “Revisionism within tradition”.

* This chapter is based on the German version: Egle, Christoph, Christian Henkes (2003), ‘Später Sieg der Modernisierer über die Traditionalisten? Die Programmdebatte in der SPD’, in: Egle, Christoph, Tobias Ostheim, Reimut Zohlnhöfer (eds.): *Das rot-grüne Projekt. Bilanz der Regierung Schröder 1998 – 2002*, Wiesbaden, pp. 67 – 93.

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Notes

- 1 The three policy fields have been chosen taking into account four criteria: (1.) the central meaning of the policy field for the identity and self-conception of the party, (2.) the discrepancy between programme and actual policy, (3.) the tensions within the party itself, and (4.) the discrepancy between party and the own constituency.
- 2 The *Grundsatzprogramm* is the SPD's party constitution which is highly important for SPD policies.
- 3 The programmatic repositioning of the SPD is in tradition of the debate about "Revisionism" in European social democracy at the end of the 1990's. For the debate see Egle/Henkes/Petring/Ostheim (2004), Giddens (2001), and Merkel (2000b).
- 4 With Peter Hall (1993), we distinguish between policy aims and policy instruments
- 5 This programme is certainly the least considered *Grundsatzprogramm* in SPD history, even if it is always emphasised that at least the section about basic values is up to date and timeless (see Thierse 2000, Meyer 2002).
- 6 The problem of the SPD in the early 1990's was not that there were too few leadership talents but rather that there were too many ambitious SPD Prime Ministers in the states (*Bundesländer*) (see Walter 2002:215 sqq.).
- 7 The *Petersberger Beschlüsse* (Petersberg Resolutions) were the result of a retreat of the party leadership put into official status at the 1992 party conference in the framework of the *SPD- Sofortprogramm* (SPD 1992).
8. Both positions touched the basic social democratic identity, indicated by the many no-votes of SPD MP's against the asylum compromise for instance. They were not arrangeable with a significant part of the traditional constituency.
- 9 The *SPD – Sofortprogramm* as well as the speeches of party chairmen Engholm (SPD 1992) and Scharping (SPD 1993a, 1993b) contained cautious thoughts about the priority of balancing the budget and modernisation of the welfare state, including cuts.
- 10 Schröder's claim that there is no left or right but a modern and a unmodern economic policy basically means the adaptation of social democracy to supply side economics (some also add a „left“ to this, for instance Hombach 1998).

- 11 These changes, as Globalisation in general, have different effects on different types of welfare state because of their varying institutional configuration. These differences cannot be regarded here (for information see Swank 2002). However, it needs to be mentioned that especially contribution based welfare states, as Germany, face an urgent pressure of adjustment.
- 12 In the vast amount of literature dealing with Globalisation (for instance Busch/Plümper 1999), there is no consensus in the judgement of how the national scope of action is affected. However, there is no doubt about that it causes a qualitative alteration for potential instruments of regulatory policies.
- 13 The labourers and employees of the moderate and lower income groups, the classical core constituency, expect the SPD to secure and defend their achieved social and economic rights and positions, whereas the "new core constituency", knowledge-based service sector employees, want the SPD to initiate a post-materialistic modernisation of society.
- 14 What could happen quickly in 1998, as the Red-Green government lacked a clear mandate (Falter 2001). Prior to the elections only 46% of the SPD electorate preferred a Red-Green coalition. In the group of swing-voters, there was even a majority for a grand coalition.
- 15 „Innovation und Gerechtigkeit“ (innovation and justice) was the 1998 SPD election manifesto.
- 16 These include the proposed corrections in the fields of continuation of payments, dismissal protection, and bad weather pay as well as the announced reform of marginal employment and the cuts in so called "apparent self-employment".
- 17 This also made clear how weak the SPD left was manned compared to the moderniser wing, especially in executive and party leading posts.
- 18 We subsume Schröder in the moderniser faction even if he occasionally expressed themes and positions of the left wing, especially in order to mobilise the trade union affiliated clientele of the SPD prior to the 2002 elections. Additionally, after assuming the party chairmanship Schröder needed to deploy integrative skills and hence weakened his pure "Moderniser" profile.
- 19 For instance Juso chairman Mikfeld talked of neoliberal polemics and the DGB called the pamphlet a historic defamation of the welfare state.
- 20 Arbeitsgemeinschaft für Arbeitnehmerfragen (AfA) (inner-party organisation for employees), *Arbeitsgemeinschaft sozialdemokratischer Frauen* (AsF) (inner-party organisation for women), and *Jungsozialisten* (Jusos) (inner-party organisation for youth).
- 21 Alliance for jobs. Members are trade unions, employer associations, and the government.
- 22 Two legislative initiatives were chosen here, namely citizenship law and immigration law. The third big societal modernisation project, the enabling of homosexual partnerships, was not as focused in the discussion as the two other fields.
- 23 Citizenship and immigration (not homosexual partnerships) are mentioned in the SPD elections manifesto, but occupy as much space as for instance the claim for free TV broadcasting of sports events (about half a page).

- 24 This is one of the few concessions of the SPD to the Greens in the field of policy towards foreigners. Other important points such as asylum legislation were consciously left vague.
- 25 The SPD wanted a compromise with the opposition. Lafontaine as well as Schröder implicitly mooted dual citizenship after the Hesse election (Raschke 2001:259).
- 26 If a bill is passed by the *Bundestag* but rejected in the *Bundesrat*, the *Vermittlungsverfahren* is a process in which both chambers bargain a compromise.
- 27 An exceptional feature of Germany is that this does not lead to enduring success of populist right wing parties. Moreover, it brings about a lower turnout at the expense of the SPD.
- 28 At the party conferences of 1993 and 1994, every kind of "intervention" exceeding peace-keeping missions was rejected (SPD 1993b:992, SPD 1994:203). The resolution dealing with foreign, peace, and security policy at the Mannheim party conference in 1995 manifested this position. However it was acknowledged that there were different opinions and therefore a project group should elaborate a consensus (SPD 1995:843).
- 29 The NATO-operation 'Essential Harvest' was backed by a declaration of the president of the security council, whereas the operation 'Task Force Fox' was based on a formal resolution.
- 30 In UN Resolution 1368, the Security Council stated that Article 51 of the UN Charta entitles to individual and collective defence against attacks.
- 31 The acceptance of NATO as system of collective defence for Germany (SPD 1997:31) leads to compatibility with the SPD programme after the ascertainment of an attack according to NATO Charta Article 5.
- 32 There were about 30 MP's who did not want to follow the chancellor in this question. In the end, it was just one (Christa Lörcher) who voted "No". She left the faction afterwards.
- 33 This of course is build upon the assumption that strong progressive taxation and social redistribution weakens the economy.