



# 'GroKo' and the prospects for social democracy in Germany

## Marcel Roche

'Political crisis' was the term commentators used to describe Germany's political situation in late 2017 and early 2018. They refer to a situation new to the German political system: the party that won the most votes in the latest federal elections (the German conservatives, the Christian Democratic Union (CDU), led by the acting chancellor Angela Merkel) is finding it difficult to form a government.

In the immediate aftermath of the election, the leadership of the Social Democratic Party (SPD), who led the party to its worst electoral result in post-war history, announced that they would not be willing to enter a coalition with the CDU again. The announcement was received ecstatically by grassroots SPD members, who appeared to feel relieved from the burden of a potential coalition with the CDU.

It seemed inevitable that a tri-partisan coalition comprising the Greens, the neoliberal-liberal FDP and the CDU would be formed. But the talks fell apart after four weeks after the liberals walked away. Three options remained.

The preferred option for many was another 'GroKo' (grand coalition, from *Große Koalition* in German) between the two largest parties, the CDU and the SPD, despite these two parties being on opposite sides of the political spectrum and together having lost fourteen percentage points compared to 2013. The other options - forming a CDU- or SPD-led minority government, or new elections - were both ruled out by Angela Merkel. Therefore public pressure turned towards the SPD to form the fourth grand coalition (Stifter, 2017), following those in 1966, 2005 and 2013.

Eventually the SPD decided to enter into talks with the CDU, but not without a lot of opposition within the party. Despite warnings of chaotic conditions if a minority government was formed and even reminders of 'Weimar Conditions', the JuSos (Young Socialists) and the left within the SPD mobilised a #NoGroKo campaign. To understand their position, it is necessary to consider developments over the past nineteen years.

### SPD policy since 1988

As in other European countries, German social democracy adapted to the 'winner ideology' of market liberalism and lean government. The UK's New Labour under Tony Blair and the SPD under Gerhard Schröder, popularly and fittingly called Comrade of the Bosses, decided to take the 'Third Way' between social democracy and liberal market capitalism.

Agenda 2010, implemented between 2002 and 2005, was a framework of measures to dismantle labour market regulations and 're-arrange' - or rather cut - welfare state provisions. Regrettably, the trade unions did not play the oppositional role they should have, as shown by the fact that they blocked proposals for a minimum wage (Jun, 2018).

From 2005, during the second grand coalition, the SPD went on to support regressive policies such as massively lowering the rate of capital gains tax, supporting austerity policies during the financial crisis, partly privatising public pensions, selling public real estates, especially for housing, and allowing public-private partnerships (Ebbinghaus and Naumann, 2018).

Following a massive defeat in the 2009 federal elections, when the party's support dropped eleven percentage points, losing a third of votes, the leadership appeared to some extent to realise the need to offer an alternative strategy. Therefore the 2013 manifesto included commitments to the minimum wage, a financial transaction tax, abolishing 'two-class medicine' (that is, removing privileges for privately insured individuals) and much more, moving back towards social democratic policies.

Having increased their popularity amongst the electorate in 2013, the SPD again formed a government with the CDU - the third grand coalition - and implemented parts of their manifesto, such as the minimum wage and 'brakes on rents', which aimed to end exponentially rising rents. However, they made compromises with the market-liberal CDU by continuing to support policies such as the privatisation of pensions (Ebbinghaus and Naumann, 2018). The CDU were also able to block some SPD proposals such as the right to return from part-time to full-time work, despite this being part of the coalition agreement.

### A great concept, but...

The disadvantages arising from the need to compromise do not, however, mean there are never circumstances in which a grand coalition is advantageous. The first grand coalition, formed in 1966, made sense, as it aimed for structural reform of the federal system and ambitious reforms regarding labour-market regulation and education. Similarly, it was consistent to form the second grand coalition in 2005, as the health sector needed reform, and further amendment of the constitution appeared to be necessary.

Unlike the first two coalitions, which served the aim of dealing with major issues, the third grand coalition of 2013 was not justified in the

same way by any stakeholder of either party. Furthermore, it was notable that members and voters of the SPD were not quite convinced of a third edition. The will to govern, combined with the refusal to form a coalition with Die Linke (The Left), led the SPD to form the third coalition with the CDU. They in turn could not form a government alone as their previous partner, the FDP, failed to pass the 5% threshold required to enter parliament.

Despite the huge success of the first grand coalition, the down-side became visible in the form of a slight gain by the far right National Democratic Party and the growth of the extra-parliamentary opposition (Dittberner, 2007).

Both the second and third grand coalitions resulted in decreased votes for the CDU and even more so for the SPD. At the same time the small parties gained votes, which resulted in the far right AFD (from 'Alternative for Germany' in German) entering parliament at the last elections. As with the growth of the extra-parliamentary opposition in the 1960s, this might be explained by massive asymmetry of power between opposition and a very strong government. Hence, the big parties appear to lose their electoral basis, even more in times of high voter volatility.

### **Social democratic resurrection! (?)**

The many legal accomplishments achieved while in government did not translate into electoral success for the SPD. It is difficult to implement genuine social democratic policies while a coalition with a party from the other side of the political spectrum necessarily leads to compromises. It is also difficult to sell a manifesto critical of the main political enemy while at the same time being in a coalition with it. When the visibility of the political difference is missing, voters choose fringe and small parties to show their opposition to the government.

To comprehend the huge resistance to the GroKo, it is necessary to acknowledge, first, that for many years a growing number of members and voters of the SPD have demanded that the leadership renew the SPD and become more ambitious regarding social democratic policy making, and that, second, it is unlikely that a renewal of the SPD will happen within a grand coalition. There are concerns that if the SPD does not depart from the Third Way, it will disappear as a political force, leaving Germany without a social democratic force. Furthermore, as the fourth edition of the GroKo is formed, the far right AFD will become the leading opposition party. The recent opinion polls show that the SPD's share of the vote has now fallen to 15%, while the main beneficiaries of the GroKo seem to be the AFD who now have 15% of the electoral share (Focus-Online, 2018).

For these reasons, grassroots members of the SPD cheered when the party announced an opposition stance after the elections. They expected a social democratic resurrection, which they do not believe is possible in a GroKo.

The fourth GroKo will be formed because SPD members – with an average age 60 years – voted for it heavy heartedly. The #NoGroKo campaign led by Hilde Mattheis and Kevin Kühnert was not successful in the end. But they evidently represent an increasing number of mostly young, critical members, party officials and parliamentarians, who will affect the future of social democracy in Germany and the role the SPD may play - maybe not right now, but in the long run.

*Marcel Roche has studied political science and sociology at the University of Kiel and the University of Sheffield and serves as a party official of the German Social Democratic Party, the SPD, on communal level in Berlin, Germany. He is employed at a Foundation operationalising state programmes; he used to evaluate political campaigns and communication for political parties and trade unions as the German Christian Democratic Union and IG Metal.*

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& Development Institute**  
*'the making and unmaking of social order'*

**SWOP, University of the Witwatersrand**

**Contact the editors for  
questions or contributions:**

**Nicolas Pons-Vignon**  
Nicolas.Pons-Vignon@wits.ac.za

**Mbuso Nkosi**  
Mbuso.Nkosi@global-labour-university.org