The Red-Green Model, the *Neue Mitte* and Europeanisation: Conflicting Trends within German Social Democracy.

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Introduction

Red-Green in power
The 1998 Bundestag elections in the Federal Republic have ushered in a new political era, not just for Germany but for Europe as a whole. The defeat of Helmut Kohl has meant that one of the great post-war statesmen has left the world stage, to be replaced with what appears to many observers to be an untested political force in the new 'Red-Green' coalition between the SPD and the Green party.

Much has been written about the political antecedents of the Red-Green coalition, with emphasis upon the origins of the Green party in the student protest movement of the late 1960’s and the anti-Nuclear and Peace movements of the 1970’s. These volatile origins have been vividly contrasted with the SPD’s relatively staid political culture and record in government. Around the time of the Bundestag elections, opinion-formers in the press on both sides of the Atlantic speculated that a Red-Green coalition in Bonn (soon it will be Berlin) might be inherently unstable, with profound political and economic implications for Germany and Europe. In the event Joschka Fischer’s elevation to the post of first Green Foreign Minister in the history of the Federal Republic caused very little concern at home or abroad, given his reputation as a moderate and the countervailing weight of the SPD - particularly the Chancellor’s Office - within the coalition. The almost seamless replacement of the outgoing Conservative-Liberal administration with the new Red-Green coalition was hailed as more evidence of the growing maturity and stability of the Federal Republic.

There have been storms in the six months since coming to office, for instance the ‘surprise’ resignation of Social Democratic Finance Minister Oskar Lafontaine and the inter-governmental row with France and United Kingdom prompted by Green Environment Minister Jürgen Trittin’s attempt to unilaterally cancel contracts for the re-processing of spent German fuel rods at plants in those countries. Moreover, although the German government have handled it well to date, the current crisis in Kosovo has also served to put enormous strain on the coalition, with the faultlines opening up not just between the parties - with the Greens broadly-speaking less inclined to support NATO policy than the SPD - but within and across them. (Within the Greens, Trittin is the most senior opponent of NATO policy and therefore at odds with his party colleague Fischer; whilst the SPD’s left-wing - with Lafontaine egging them on from the sidelines - is uneasy with the pro-NATO stance of Chancellor Schröder and Defence Minister Scharping). Nevertheless, despite a bumpy first six months, Schröder remains in office and observers wait for the reformist Neue Mitte (New Centre) project with which he is associated to take shape.
‘Europeanisation’ as a variable
A crucial factor in the shaping of this Social Democratic-led project is the acknowledgement (in the case of the Greens) - and domestic political management of - the process of ‘Europeanisation’. For the purposes of this paper, Robert Ladrech’s definition of Europeanisation as ‘an incremental process reorienting the direction and shape of politics to the degree that EC political and economic dynamics become part of the organisational logic of national politics and policy making’ [1994: 70] provides a satisfactory starting point. Europeanisation in this sense is both an independent and dependent variable. It acts as an exogenous factor within the domestic politics and policy making ‘arena’, yet its institutional essence is constantly re-constituted - and its parameters redefined - by the process of national preference formation and subsequent interstate bargaining [Moravcsik, 1994; 1999]. In other words, a duality exists between the two functions1.

This paper focuses on this duality as it impacts upon, first, German statecraft and policy processes and, second, German party politics and policy preferences. The division between statecraft and party politics (and of course policy processes and preferences) is somewhat arbitrary, but serves to illustrate two temporal frameworks with their own utility flows. The former involves a ‘long game’ that transcends - or at least lasts longer than - the shorter and more volatile game of party politics and coalition management.

The structure of the paper
The remainder of this paper reflects this division and is divided into two sections. First, an assessment of the degree of institutional ‘fit’ between the structures and norms of policy-making in the Federal Republic and those at the level of the European Union, as well as the degree to which the ‘complex interdependence’ [Bulmer and Paterson, 1987: 13] between domestic- and European-level institutions facilitates or constrains political agency. This hinges on two questions: (i) to what extent does the German system of multi-level governance generate ‘sticky’ path-dependent policy processes and conservative outputs? and (ii) is the culture of ‘co-operative federalism’ at the domestic level so analogous with that of the European Union that German policy making at the European level enjoys a structural advantage over its allies and competitors in shaping the post-Kohl policy agenda. Second, a discussion of the parameters of such a ‘post-Kohl’ agenda, in particular the

1Anthony Giddens argues that institutions, are 'structured social practices' which are recognised by the majority of society. His theory is that the structure indicates the 'rules' and 'resources' which manifest themselves, but, which have only 'virtual existence'. This is because they 'exist' firstly, in the structuration of the system and secondly, in the 'knowledge' of the social actor, in the form of adjustable memories. Institutional practise can be made to happen through the use of the 'resources' (power), but, ultimately is subject to the 'capabilities' of the actors. Hence the production of the social system occurs in perpetuity, as structure is both the creator and the result of social practice. (1984: 9-10).
balance between ‘Old’ and ‘New’ Social Democracy and between the ‘Red-Green’ and *Neue Mitte* reform agendas. Implicit within this is a discussion of the relative potential of different levels of governance (sub-national, national, inter-governmental, supra-national) as arenas for political action and learning. The section explores the fundamental tension inherent in an attempt to re-produce - within a ‘Europeanised’ policy environment - a ‘Red-Green’ political model forged within the constraints of a sub-national (*Länder*) arena. It argues that the institutional ‘shape’ of the European Union is not best suited to a ‘Red-Green’ agenda, and concludes by stating that a ‘New’ German Social Democracy will have the idea of the *Neue Mitte* at its core.

**Europeanisation, Statecraft and Policy Processes**

**Germany and the European Union: a case of Institutional ‘Fit’**

Forging a ‘New’ Social Democratic policy agenda at the European level requires the exercise of political agency. By its very nature a new agenda must involve the conscious re-appraisal of old certainties and path-dependant policy processes, outputs and outcomes. What is not altogether clear is the extent to which the system of co-operative federalism and the patterns of ‘complex interdependence’ [Bulmer and Paterson, Op cit: 13] that have been woven between Germany’s multi-layered domestic policy-making apparatus and the EU help or hinder the implementation of such an agenda. It can be argued that German structures of governance are so fractured that it is impossible for a ‘German’ political agency to be exercised because a unitary ‘German’ actor does not exist [see Goldberger, 1993], and that even if it did the processes are so ‘sticky’ and resistant to command-and-control measures, that agency is constrained. This is the ‘institutional pluralism’ argument. Against this is what might be called a ‘structure and norms’ argument, that German policy initiatives find leverage at the European level because the structures of governance at the ‘national’ and EU levels are so analogous. In this argument, the policy process is a series of ‘nested games’ with high sunk information costs about decision rules. Because the decision rules in both sets of games are so similar, the sunk costs accruing to the German player(s) are low vis-à-vis those of players who do not already possess such information. As a result German policy initiatives at the European level enjoy a structural, informational and even normative advantage over such agendas.

There is evidence to support both arguments! Traditionally the German state was perceived as transcending partisan rivalry, steeped in the traditions of Roman law, with an emphasis upon the impartial and, crucially, expert administrator, the embodiment of a
public power to which parties - especially in Wilhelmine Germany - had often been peripheral. Given the consequences of this period of German history, it was perhaps inevitable that the post-1945 settlement would involve the integration of political parties into the centre of the governmental/administrative nexus of the new Federal Republic. But this was not a clean break with the past and the administrative culture within the permanent civil service was and remains deeply rationalistic and expert-oriented. As a result the Federal Republic is characterised by a duality between the two ethoses of the contemporary Parteienstaat and the residual administrator-led Beamtenstaat. Although the idea of 'policy style' is essentially contested, the 'segmentation' [Dyson, 1992] or 'sectorisation' [Bulmer, 1983: 350] of German public policy is a common theme within the literature. Katzenstein uses different terminology and develops the concept of 'three nodes of the policy network' that of a consensual party system, the division of competencies between Bund and Land, and the diverse public and private interests that influence the policy debate [1989: 35-60]. (These parapublic institutions have less influence over inputs - such as unsolicited policy initiatives - than they do over outputs, through legal redress etc.) This notion of the Weberian Beamtenstaat is replicated within the European Commission, whose staff operate 'according to the ethos of the continental public functionary......technically competent, careful of the rules and deferential to the norms of rational-legal authority' [Weale, A., 1999: 44].

On the other hand, the German party system's inherent tendency towards coalition politics aggravates the already sectorised policy-making apparatus at the domestic level, because of the principle of ministerial autonomy laid out in Article 65 of the Basic Law (the Ressortsprinzip). Given the tendency of parties to staff ministries with their own people, policy-making within different ministries can become an adjunct to inter-coalition rivalry. 'Junior' partners within coalitions - such as the FDP or Greens - tenaciously defend the principle of ministerial autonomy leading to differences in policy style and content across competing ministries. In addition to the horizontal sectorisation of policy-making between ministries, vertical sectorisation occurs through the division of competencies between Bund and Land. The Länder have not only managed to retain a great deal of their constitutional powers, but have in recent years actually won new powers\(^2\). Additional horizontal and

\(^2\) The need to ratify the Single European Act and the Maastricht Treaty meant that the Bund was forced to cede a right of co-decision (Mitwirkung) to the Länder in the new Article 23 of the Basic Law. Article 23(1) states that any future transfer of sovereignty is subject to the approval of the Bundesrat under the conditions of Article 79(3), which protects the Federal nature of the German state. Article 23(5) enhances the role of the Bundesrat in the formulation of legislation relating to Europe, whilst Article 23(6) gives the Bundesrat the right to nominate a representative to attend the Council of Ministers as the Federal Republic's representative when issues are under consideration that are the sole responsibility of the Länder [Paterson, 1996: 178. see also Jeffery, 1994]. However, even before these changes, the Länder have had considerable power influence over policy-making and, quite often, this influence is used for party political purposes. However, all Minister presidents are likely to put more of an emphasis upon their own particular
vertical sectorisation occurs at the Länder level. Horizontal sectorisation manifests itself in different ways from state to state\(^3\), depending on the structure of ministries whilst vertical sectorisation occurs because of the heterogeneous nature of administrative structures at the sub-national level\(^4\). Again the analogy with the European Union is clear. Although the Treaties codify the Commission’s central role within the policy making process, that process is highly segmented; both within the Commission (between Directorates General) and between the Commission and the other Institutions (the Council of Ministers, the European Parliament, the Court of Justice). In other words there is a high degree of institutional ‘fit’ between the two systems, although - the EU being very much an institutional hybrid - key differences remain (not least the lack of a developed party system at the EU level, the significance of which is discussed in later in this paper).

**Institutional ‘Fit’ as a constrainer and facilitator**

It is not clear however, if this ‘fit’ would help or hinder a new Social Democratic policy agenda driven forward under German aegis. As Goldberger points out with regard to the Foreign Policy domain, Germany’s decentralised policy-making apparatus means that her ‘deviation from the state-centric model of realism makes unified policy-making and coordination more difficult than in its more unitary neighbours’ [1993 Op cit: 291]. The emphasis upon consensus means that the German policy apparatus can be, or at least appear to be, slow to respond effectively to new problems. This echoes Katzenstein’s assertion that in ‘such a tightly integrated policy network ..... major changes in policy stand little chance of success’ [1987 Op cit: 35]. Yet the record of policy outputs and outcomes is more mixed than Katzenstein’s comments indicate. On the one hand, the Federal Republic’s record in some policy areas, such as environmental policy, is relatively innovative compared with most other European states, whilst, on the other, some aspects

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\(^3\)Every one of the Flächenstaaten has a Cabinet headed by a Minister-President, with ministers and supporting state secretaries. The Stadtstaaten, on the other hand, have a Senate and senators: led in Hamburg and Berlin by a Chief Bürgermeister, and in Bremen by a Senate President. All Länder have ministries of the Interior, Finance, Economy, Transport, Labour and Social Security but, in the tradition of the old Prussian administration, it is Minister of the Interior who is the central figure.

\(^4\) For instance, most Länder generally have two administrative tiers below that of the Ministry, that of an intermediate level (e.g. the Regierungsbezirke) and a local authority (the Gemeinde or Kreis). There are some exceptions to this. For instance, Brandenburg, Saarland, Schleswig-Holstein and the city-states of Berlin, Bremen and Hamburg have no intermediate level. Moreover, in different states, different levels have different implementation responsibilities [Weidner, 1995: 33] depending on the policy area in question.
of the Federal Republic’s regulatory framework appear to Anglo-Saxon observers as verging on the antediluvian.

So the jury is out on the degree of ‘stickiness’ or path-dependency within the German policy-making process. But are German policy making initiatives per se privileged at the European level? Here the distinction must also be drawn between German statecraft and partisan politics. The dispersal of power within the Federal Republic promotes a cooperative political culture which often serves to ‘de-politicise’ policy-making. This is especially so in the case of European policy, where - even by German standards - there is a remarkable degree of consensus. The outcome has traditionally been a policy discourse which is highly technocratic and tinged with what might be described as an ‘integrationalist’ idealism. At the EU level, this has traditionally found a ready analogy in both the federalist and neo-functionalist paradigms: the former stressing the importance of European-level institutions as an ideal in itself and the latter focusing in on the need to develop a centralised European technocracy to offset the transaction costs of running a complex transnational economy. Both paradigms construct a ‘European’ ideal-type, at the core of which are supranational institutions to which German structures appear happily close.

But are these institutions as central as federalist or neo-functionalist discourses would have us believe? Even as convinced an inter-governmentalist as Andrew Moravcsik would argue that they are crucial to understanding the exercise of power at the European level. In his analysis of interstate bargaining, Moravcsik points to the ‘paradox’ at the heart of the inter-governmentalist approach in which nation states, whilst remaining at the nexus of power, construct institutions that restrict the extent to which they are able to act as sovereign agents in the future. Moravcsik rejects federalist and neo-functionalist explanations in favour of the game-theoretical concept of ‘credibility of commitments’, whereby ‘governments transfer sovereignty to international institutions where potential joint gains are large, but efforts to secure compliance by foreign governments through decentralisation or domestic means are likely to be ineffective’ [1999, Op cit: 9]. The resultant institutional game is ‘positive-sum/relative gain’, in that all players gain by playing it but some gain more than others. Moravcsik does not make this explicit, but he is arguing that that EU-level institutions have been constructed in such a way as to eliminate ‘prisoner’s dilemma’ problems by, for example, facilitating communication and monitoring (privileging collective over individual rationality) and permitting binding contracts (by making the option of reneging on agreements excessively costly) [Tsbelesis, 1990: 109-110]. As already noted, in all institutional ‘games’ information is imperfect and its possession is decisive because asymmetrical knowledge about decision rules allows the resource-rich player to manipulate agendas. Because there are significant sunk costs in acquiring this resource, if all else is equal a player that has already played a game with analogous decision
rules is at a relative advantage to one that has not. For this reason I would suggest that the institutional ‘fit’ between the Federal Republic and the European Union means that, at the very least, the potential exists for the privileging of German personnel and policy initiatives.

**Europeanisation, Party Politics and Policy Preferences**

**The ‘Europeanisation’ of German political discourse**

The previous section has posited the idea that Europeanisation has the potential to privilege German agency at the EU-level. But agency follows preferences and the impact of Europeanisation as an independent variable upon preference formation has privileged certain domestic political actors over others. This is not purely a German phenomenon and it is now widely accepted that one effect of European integration has been to re-assert the power of the state over society and the economy, weaken countervailing institutions within states (because of the binding nature of European-level ‘contracts’, as discussed in the previous section) and put opposing political agents at a disadvantage in terms of informational resources and expertise [cf. Moravcsik, 1994, Op cit].

Although still a factor, in the Federal Republic this last aspect is less salient because all of the main parties benefit from Europeanisation, regardless of whether they are in power nationally. There are two reasons for this. First, the Parteienstaat ideal ensures partisan penetration of all echelons of the administration at the level of both the Land and the Bund (the Federation). Thus, the presence of party personnel throughout the civil service minimises the structural advantage enjoyed by the national government in terms of information and expertise. Second, the Federal Republic’s system of multi-level governance means that the mainstream parties are never really out of power. For example, at the height of the Kohl years the SPD was still able to exercise power at the European level through its powerbase in the Länder and - more recently - its structural majority in the Bundesrat. As already noted, Länder powers have been enhanced in recent years through the Maastricht ratification process and it is a Land representative who speaks for the Federal Republic in the Council of Ministers when discussing issues which are Land responsibilities domestically (such as Education and Training). Now the opposition CDU/CSU-FDP is in the majority in the Bundesrat and it is the Red-Green coalition that must work within the constraints of multi-level governance.

However, there are domestic political agents that are clearly losers in this process: what one might call the ‘outsider’ parties, of which until quite recently the Greens were the widely considered to be the paragon. This was because the Federal Republic’s
Parlamentarism model not only served to democratise German public administration, but also to de-politicise the tenor of mainstream party politics. Using Rhodes' [1986] criteria, the policy-making environment in the Federal Republic can be described as a relatively closed policy community, relying upon a stable set of relationships between a highly restricted expert membership, cut off to certain extent from the wider polity and sharing a common technocratic discourse. Over time the established parties' participation in the various levels of German government led them to co-opt this discourse as their own, to the extent that the ideological distance between the parties became minimal. The two big Volksparteien continued to mobilise around the Federal Republic's latent class and confessional cleavages, but the effects of (weak) corporatism, economic success and the culture of political cooperation meant that, in most of the 'core' policy domains there was a consensus over both ends and means. European policy has traditionally been one such domain.

By contrast, the policy discourse of the Greens was such that almost all their proposals were embedded in what can be described as a 'non-administrative' discursive style, almost evangelical in tone but lacking policy detail. Policy proposals put forward by the Greens at the sub-national level tended not to be dealt with as a discreet self-standing policy area, but rather were subsumed into a more far-reaching discourse about the nature of power within late capitalist society, and between society and the exogenous universe. The Greens not only disputed the ends of German policy making, but also - in the best traditions of the European new left - its means (i.e. the reliance upon a Weberian rational-legalistic paradigm of a closed managerialist culture of expertise, clear hierarchies and lines of command). This not only served to create ideological distance from the bourgeois parties, but - when in power at the sub-national level - also alienated many key administrators within the bureaucratic apparatus [Lees, 1998]. The Europeanisation of the domestic policy-making agenda has served to aggravate this divide, given that it serves further to privilege a 'de-politicised' rational-bureaucratic discourse and widens the informational resource gap between 'insiders' and 'outsiders'. The irony is that the German Greens - unlike many of their European counterparts - are instinctively pro-European and see the EU as an check on Germany's potential as a hegemon. Moreover the cumulative impact of a decade and a half of governmental participation has moderated the Greens' ideological stance and fostered a more orthodox policy-making discourse. Nevertheless, as is discussed later in this paper, the cumulative effect of a lack of

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5When undertaking research into sub-national Red-Green coalitions, I spoke to many civil servants in the Länder. The words of an SPD supporting civil servant sum up the sentiments of many of them. The official regretted what he regarded as a new shrillness to the debate within the policy network. In the past, he said, 'one could argue with colleagues and still be able to meet up at the end of the day and drink a beer together'. However, the new influx of Green-associated policy actors were 'differently socialised' and brought with them what he called 'a culture of conflict' (Streitkultur) that was 'completely alien' to the established policy discourse.
administrative expertise and a still latent *Streitkultur* means that the Greens' transition from the sub-national arena has not been without pain. In European terms, the Greens still have to come to terms with the constraints imposed by interstate bargaining and the *Aquis Communautaire*.

**The flawed Red-Green model**

Because of its federal structure, the sub-national level of government in Germany is an important political arena. Since the foundation of the Federal Republic, there have been five variants of government in power in Bonn, and all but one of them have been formal coalition arrangements, constituted at the *Land* level before being attempted at the Federal level. William M. Downs suggests that this has not come about by chance, but rather that there are vertical linkages between national and sub-national governments and that the experience of sub-national government arrangements constitutes a bottom-up flow of information - a 'feedback' effect - to national party elites on the problems of coalition formation and maintenance with a prospective partner. Importantly, key actors at both levels of government are aware of this function (1998: 243 - 266).

My research into sub-national Red-Green coalitions in the Federal Republic came to the same conclusion and sets out the parameters of an 'established' model of Red-Green coalition formation and maintenance, drawing upon what one might call a process of 'political learning'\(^6\). It identifies three 'bundles' of issues that must be resolved in order to facilitate successful (i) coalition formation and (ii) coalition maintenance and are relevant to the theme of this paper. These are set out in the Table below.

The issue of ideological stance and election programmes is the key to understanding why a relatively successful model of political co-operation at the sub-national level has been exposed at the national level, particularly in those areas that impact upon Germany's external relations. Since the early 1980s the SPD has undergone a process of programmatic renewal, in response to the conflicting pressures acting upon it. These pressures have often been contradictory. On the one hand partisan dealignment and the emergence of a post-materialist value orientation within the electorate meant that the SPD could no longer rely on a strategy of political mobilisation around traditional social cleavages [cf. Raschke and Schmidt-Beck in Bürklin *et al.*, (eds.) 1993], whilst on the other hand the experience of the Kohl years suggested that the SPD could not afford to ignore the political centre either. This dilemma was neatly encapsulated in the personal battle for nomination as Chancellor-candidate between Oskar Lafontaine and Gerhard Schröder. At

\(^6\)This ideal type draws upon both positive lessons (Hesse, Lower Saxony) and negative examples (Berlin), as well as the discounting of unsuccessful alternative arrangements such as the *ad hoc* arrangements in Hamburg in 1982 and the ill-starred 'Traffic Light' coalitions of the early 1990s.
the same time, the Greens have become a party of the political mainstream in recent years. The merger of the more moderate Bündnis 90 and ‘eastern’ Greens with the Greens in the west, the increasing affluence of the generational cohort from which the movement in the West originally arose, the Greens’ increasingly institutionalised and hierarchical internal structure, the process of Themenuklau (the ‘stealing’ of more popular parts of the Greens programme by the bourgeois parties - the SPD, CDU/CSU and FDP) and the opportunities presented by the decline of the liberal FDP have all served to either change the particular mix of policies put forward by the Greens or make them less controversial than was the case in the 1980s. Nevertheless, at present the only practical coalition partner for the Greens at the Federal level remains the SPD. The problem for the Greens is that this reliance is not reciprocated by the Social Democrats, who retain the ability to selectively emphasise those aspects of their policy programme that are closer to the other bourgeois parties. This means that the costs of ‘exit’ from the Red-Green model for the SPD are relatively low, with obvious implications with regard to this paper.

Table. Issues salient to the ‘established’ Red-Green model of political co-operation

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<th>Ideological stance and election programmes</th>
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<tr>
<td><strong>SPD:</strong> selective emphasis of post-materialist and/or libertarian dimension (i.e. ‘quality of life’ issues)</td>
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<tr>
<td><strong>Greens:</strong> moderation of post-materialist and/or libertarian dimension (i.e. ambivalence to consumer capitalism, state monopoly on legitimate force and external defence arrangements)</td>
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<tr>
<th>The composition and division of portfolios (formal coalition agreement)</th>
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<tr>
<td><strong>SPD:</strong> Finance, Economics and Industry <em>sine qua non</em>, + ‘sensitive’ portfolios (e.g. Justice)</td>
</tr>
<tr>
<td><strong>Greens:</strong> Environment <em>sine qua non</em> (Minister and State Secretary), + ‘blue-chip’ portfolio, avoid ‘super-ministries’ (e.g. Hesse Ministry for Environment, Energy, Health, Youth and the Family) which expose ministers to conflicting and irreconcilable political pressures</td>
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<th>Staffing and structure of the civil service</th>
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<td><strong>SPD:</strong> ‘Expertise rich’, replace existing staff from in-house</td>
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<tr>
<td><strong>Greens:</strong> ‘Expertise poor’, open up policy network to ‘client’ groups</td>
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A comparison of party election programmes for the 1998 Bundestag elections confirms the ability of the Social Democrats to find common ground with either the Greens or the other bourgeois parties [Lees, 1999]. On issues related to freedom of the individual, economic governance and welfare provision all of the parties were either in broad agreement or the SPD’s position neatly cross-cut those of the Greens and the other bourgeois parties. Where differences remained, these were of emphasis rather than substance. Those areas of potential agreement between the SPD and Greens that excluded the CDU were consistent with the strand of New Left ideology that has informed the SPD’s policy stance since the mid-1980’s. In particular, the SPD’s election programme’s emphasis on the need for gender equality, a less draconian approach to illegal drug use, a higher status for the arts and, of course, an eventual phasing out of nuclear power were much closer to the position of the Greens than they were to the other parties. However the SPD was much closer to the CDU in terms of foreign policy and law and order, with the programme reaffirming the Federal Republic’s commitment to NATO and advocating ‘fast-track’ sentencing for convicted criminals. This contrasted with the Greens’ plan to disband NATO (using the OSCE as Germany’s main security forum) and rely less on custodial sentences for offenders.

The Greens atypical stance on these issues is consistent with their programmatic development, but it is also a result of a process of political learning in an arena where such breaks from the consensus carry little political cost. With the exception of Berlin (1989-1990) - where the special status of the Western allied armed forces under the city’s ‘4-power’ agreement was a source of profound disagreement - Red-Green coalitions at the Länder level have never had to confront the Greens’ ambivalence to the pattern of the Federal Republic’s external relations. But membership of a Federal government coalition has made thrown this ambivalence into sharp relief. The exigencies of national government, and the Federal Republic’s inter-dependence with its international partners, mean that these ideological artefacts of the Greens’ genesis in the 1970’s peace movement must be modified. (The recent turmoil within the Greens over German involvement in NATO’s action in Kosovo is testament to this, as the more thoughtful Greens acknowledge. This was summed up colourfully in Joschka Fischer’s recent reflection that ‘the Greens want to govern. Now they will be tempered in the fire ..... or burnt to ashes’ [Der Spiegel, 12/04/99].

Following the Bundestag elections, the subsequent composition and division of portfolios within the Red-Green coalition recognises the degree of risk involved in co-operation with the Greens. One of the requirements of the ‘established’ model of Red-Green co-operation posited earlier in this paper was that the formal coalition agreement should provide the SPD with the Finance, Economics and Industry ministries, as well as
reserving as many as possible of those portfolios that might be deemed ‘sensitive’ (such as the Ministry of Justice). The SPD achieved this goal, with the exception of the Foreign Ministry which went to the Greens (it is customary for the junior partner in Federal coalitions to be given the foreign affairs portfolio).

Like NATO, the European Union arena exposes the weakness of the Red-Green model as it is presently constituted. On one level, the Red-Green model is fragile within those individual policy areas that are clearly at odds with the European consensus and the Federal Republic’s EU Treaty obligations. For instance much of the small-print of the Schengen agreement and many of the policy initiatives that fall within the Justice and Home Affairs (JHA) remit of the European Union - such as those relating to reciprocal police powers (‘hot pursuit’), freedom of information and data protection - are antithetical to the Greens left-libertarian instincts. At present they do not fall within the policy competences of Green members of Schröder’s cabinet but, on the strength of past experiences at the Länder level, it would only take one high-profile controversy related to the ‘Third Pillar’ to mobilise the latent hostility within the Greens and place further pressure on the coalition.

JHA issues are the most obvious potential source of intra- and inter-party strain, because they highlight the limits of the Greens’ acceptance of the political orthodoxy. In a sense they fall outside the ‘Red-Green’ model and are de-emphasised. The same cannot be said of Environmental policy-making which must be regarded as the sine qua non of a distinctive ‘Red-Green’ policy mix, not least because it is the benchmark by which the Green Basis - and indeed most of its senior politicians - will judge the success of the Red-Green coalition. The issue serves to highlight all three issue ‘bundles’ as they impact on the European agenda; not least the third bundle of staffing and expertise - the latter of which (even within the Greens ‘core’ policy domain) appears to be at a premium. The debacle surrounding this flagship policy does not augur well for a distinctly ‘Red-Green’ European politics, not least because of the role Trittin’s obvious disregard for Germany’s neighbours played within it.

The first stage of Green Environment Minister Jürgen Trittin’s plan was a wholesale revision of the Federal energy law in order to establish a clear legal framework for the gradual withdrawal from nuclear power. This revised law would then serve as a basis for ‘consensus talks’ with representatives from the nuclear industry in order to establish a voluntary timetable for the process. However in doing this Trittin made a tactical blunder, by declaring that the Federal Republic would move immediately to end the re-processing of nuclear fuel and unilaterally cancel its contracts with re-processing plants in France and Britain. The subsequent inter-governmental row between Germany and her European neighbours quickly took on an inter-coalition dimension, when British Nuclear Fuels threatened to respond by returning unprocessed fuel rods to the Federal Republic. Such
waste would have gone to storage facilities in Lower Saxony and North Rhine-Westphalia, and the prospect of serious civil disobedience in protest at renewed shipments provoked a harsh response from the (SPD) Minister Presidents of those states. At the same time the German Nuclear Industry and a wider group of industrialists who were worried about higher energy costs mounted a highly effective PR offensive against Tuttin’s proposals. By the beginning of 1999, it was clear that Tuttin’s talent for accumulating political enemies at home and abroad had tried Schröder’s patience and he forced his Environment Minister to climb down amid much mutual recrimination.

The failure of Tuttin’s dialectical approach to politics and policy making highlights a little noticed irony at the heart of the new left ‘project’. When Rudi Dütschke called for his generation to embark upon a ‘long march through the institutions’, he was calling for the evolutionary takeover of a state apparatus that was rapidly ceasing to be the prime focus of structured power inequalities and the maintenance of capitalism. In the quarter century that it took to seize the levers of power, those powers still exercised by individual nation states have become somewhat truncated.7

But this does not mean that Tuttin will find that the European Union provides an alternative focus. For many years, industrialists in the Federal Republic have resisted the imposition of higher national environmental standards on the grounds that ‘polluter pays’ measures (such as raising the factor costs of production through ‘eco-taxes’) undermined German competitiveness. The costs of German unification and the Federal Republic’s chronically high levels of unemployment have given added resonance to this so-called Standort Deutschland argument within the SPD’s elite, particularly amongst the Chancellor’s inner circle. To counter this argument many Greens have looked to harness the Federal Republic’s leading role within the European Union in order to establish European wide standards, as close as possible to those in the Federal Republic. This would not only be desirable per se (given the cross-boundary nature of the environmental policy domain), but would push the political costs of environmental protection up to the European level and be seen to establish a level playing-field for German business: thus undermining much of the Standort Deutschland argument’s case. However the style and content of European Union environmental policy-making has changed in recent years. The political

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7 The ‘state’ had been the main focus of political theory from Plato onward and the ‘nation state’ as an idea has been uniquely privileged since the eighteenth century. On the left, this privileging of the nation-state became almost fetishised by Marxism, and remained the main focus of new left critiques of late capitalism by Adorno, Horkheimer and Althusser and others. Yet, by the mid-twentieth century many of the main distinguishing features of what was to become known as ‘globalisation’ were already in place. It is the paradox at the heart of ‘long march’ strategy that the power of the state apparatus that was its focus was increasingly constrained by (for instance, the IT revolution, the homogenisation of western popular culture, the growth of global money markets and Transnational Corporations, and the increasing power of inter-governmental and supranational institutions such as the European Union.
impact of the Maastricht Treaty ratification crisis, and subsequent British attempts to 're-patriate' environmental policy, has led to the rise of what Flynn has called EU 'soft-law' - characterised by an emphasis on voluntary agreements and negotiation, rather than the legally codified directives and regulations [1997, cited Weale, 1999 op cit: 48-49].

Soft law will not deliver a Europe-wide level playing field, but rather bespoke arrangements of varying effectiveness. In the context of a 'New' European Social Democracy, it is more evidence of how the Europeanisation of policy-making is antithetical to the Greens' traditionally dialectical approach to politics and policy making. The genesis of the Red-Green model lies in the arena of sub-national government in the late 1980's and early 1990's. The coalition now faces an increasingly complex and nuanced policy environment, with NATO involved in a conflict on the mainland of Europe for the first time since the end of the Second World War and chronic European-wide unemployment. In this situation the old Green certainties of pacifism, anti-Americanism and anti-capitalism are no longer appropriate.

Die Neue Mitte and the New European Social Democracy

If the Red-Green model appears to be too blunt an instrument, too unsubtle and prescriptive, Schröder's much heralded Neue Mitte reform agenda is the complete opposite! It owes an obvious intellectual debt to Blairism and, like the doctrine of the 'Third Way', it can be defined by what it isn't rather than what it is.

Schröder's use of the Blairite metaphor arose out of the need to create ideological distance between himself and Oskar Lafontaine in the battle to secure the nomination for SPD Chancellor-candidate in the period 1996-1998. Schröder explicitly cast himself as a Blair-type 'moderniser', intent on dragging the SPD kicking and screaming into the 21st Century and, like Blair, he has a deeply ambivalent attitude towards the traditions and values of his own party (and a gift for tapping into the concerns of the general public and articulating them in a populist manner). The distance between the two potential Chancellor-candidates was made most obvious during the SPD's conference in Hanover in December 1997, where the contrast between Lafontaine's speech (advocating state intervention to secure social justice, more regulation, eco-taxes and greater European integration as a bulwark against the forces of globalisation) and Schröder's (stressing flexibility and de-regulation, trimming social costs and a more cautious approach to Europe) was striking.

Like Blair, Schröder's emphasis on enterprise is tied to social justice and has become the leitmotif of Schröder's public pronouncements. In December 1998, Schröder visited the United Kingdom and, in a speech to the Confederation of British Industry (CBI), emphasised the need for monetary politics to contribute to the reduction of unemployment.
In the context of the recent ‘Asian flu’ crisis in the markets, he went on to argue for ‘a new framework for international financial markets’ and said the governments of the EU countries have to formulate ‘a new set of rules in order to make such problems unlikely in the future’. In short, said Schröder, the world economy needs ‘a new framework that guides the behaviour of private participants, corporations, and banks down the right paths’ [De-news. 3/11/98].

The choice of the UK as the venue for the speech was no accident, and coincided with the announcement two bilateral initiatives intended to flesh out a new European Social Democratic agenda. One of these was a ‘Working Group on Job Creation and Enterprise’, announced by British Chancellor of the Exchequer Gordon Brown and then-German Finance Minister Oskar Lafontaine, whilst the other was a more broad-brush British-German policy forum on the Third Way/Neue Mitte, to be chaired by the then-British Trade and Industry Secretary Peter Mandelson and the Minister to the Chancellor’s Office Bodo Hombach [HM Treasury press Office 196/98. 19/11/98]. Taken together the two initiatives constitute a serious bilateral attempt to define a European policy agenda for the 21st century which reconciles the demands of economic efficiency with social justice. Moreover they entail a clear commitment on the part of both the Labour Party and the SPD to learn from each country’s best practice, and as such must be regarded as a genuine policy dialogue between the two models of Social Democracy. For instance, the British are concerned to address the United Kingdom’s low levels of productivity which, even after two decades of supply-side reforms, remain far lower than those of its major competitors. For their part, the Germans are keen to tackle their stubbornly high levels of unemployment and look to Britain (as well as the USA and the Netherlands) for potential answers.

**Conclusion**

I am told that the dictates of news management mean that the first report of the Third Way policy forum is on hold, to be released as soon as the Kosovan crisis subsides. However there has been enough briefing of journalists over the last few months to discern its main thrust. In terms of policy preferences, the report will come down firmly in favour of further supply-side reforms - in particular to tackle the labour market rigidities that are keeping unemployment high - and there has also been talk of a ‘new Bretton Woods’, with greater regulation of international money markets and more co-ordination between the Dollar, Yen and Euro (although the UK’s current position outside Euro-land - and New Labour’s
belated conversion to neo-Liberalism - are short- to medium-term obstacles to such a settlement).

In terms of European policy processes, the report is said to be a re-affirmation of inter-governmentalism and a rejection of the kind of 'deepening' agenda driven forward by France, Germany and the Commission in the 1980's. Interestingly, Spain and Italy are identified as key collaborators - the latter of which may or may not shed some light upon Blair's strong support for Romano Prodi's nomination as the new Commission President. The one key area where the UK would support further deepening is Defence, where Britain and France already co-operate closely and where, during the Kosovos crisis, Blair has assumed the role of the de facto European war leader. Schröder would also welcome a more 'European' defence identity to offset hostility to NATO within the Greens, the broader public and - crucially for German policy makers - in Russia. Moreover Prodi has also publicly spoken in favour of such a development - which means that a consensus in this area is taking shape. The only sticking-point that makes itself immediately obvious is the status of NATO after the formation of such a European defence capability. On the one hand, 'Atlanticists' like the UK and to a lesser extent the Federal Republic are keen to keep the United States engaged in Europe but, at the same time, what appears to be a lack of clear leadership from Washington has worried them. In the absence of such leadership, the elevation of Blair to the role of leading NATO 'hawk' is a high-risk strategy for all concerned.

For all the pre-publication speculation surrounding this bilateral document, the question remains as to whether such a new European agenda is a 'social democratic' one at all. In partisan terms, it clearly is not and is in many ways potentially hostile to mainstream European Social Democracy. Indeed, Tony Blair's recent courting of Spanish Prime Minister Carlos Aznar, who is a conservative, at the expense of the opposition Socialists illustrates the tenuous relationship between the Third Way and Social Democracy as a form of partisan identification. As noted earlier in this paper, the European-level lacks a developed party system - not least because of the limited power of European Parliament, the dominance of interstate bargaining and the maintenance of party discipline at the national level. Therefore, it is not surprising that Blair and Schröder are looking to individual member states, regardless of formal partisan allegiance, as potential allies.

What is clear is that in order to will the ends, one must will the means, and here I would argue that the decisive figure is as much Schröder as Blair. Blair is a politician of drive and vision, whose domestic position is unassailable but, for reasons dating back to the 1950's, enjoys only limited leverage in the European Union. Schröder, by contrast, has far less room for manoeuvre domestically but, as this paper demonstrates, the European level of policy making privileges German-led policy initiatives. Both politicians recognise the
other's strengths, and the need to combine them in order to shape the new agenda. The potential is there, now is the time to harness it.
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