

New SPD leadership – the coalition’s future is uncertain

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The results of the runoff for the SPD’s leaders held inside the party were announced on 1 December. It was won by the duo composed of Saskia Esken and Norbert Walter-Borjans, who were supported by 53% of the party members. Their counter-candidates, Klara Geywitz and Olaf Scholz, garnered 45% of the votes. The turnout was at 54% (a total of 216,721 valid votes were cast). The election of the new leaders must be approved by SPD delegates at the party congress on 6–8 December in Berlin. Additionally, the party’s statutes need to be changed because it does not envisage a situation where the party has two co-leaders. The election was necessary because the previous leader, Andrea Nahles, stepped down in June this year after losing the election to the European Parliament and the local parliament in Bremen.

Commentary

- The defeat of Scholz, who serves as the Vice Chancellor and Minister of Finance, and the election of candidates who are little known to the general public (see Appendix) are an expression of dissatisfaction among a significant section of SPD members with the policies which the party has been pursuing, and a manifestation of support for an earlier withdrawal from the grand coalition, which was opposed by Scholz. He was backed by most of the deputies present in the Bundestag, who want the coalition’s work to continue. He could also count on support from most of the media. Both the unexpected outcome of the vote and also the low turnout during both rounds of the election are proof of the disillusionment with the moves made by the party’s establishment. The low turnout was also an effect of the style of the pre-election debates. The candidates (in six teams) presented their proposals giving several-minute-long speeches during 23 regional conferences, and the debate was limited to one-minute-long responses. Many SPD members criticised the excessive number of meetings and the repetitive topics of the discussions.
- The desire to become the SPD’s leader was one of the reasons why Scholz resigned as the First Mayor of Hamburg (with the chance of being re-elected in 2020) with the intention to become a member of the federal government. The failure of these plans has undermined his position and has left it an open question whether he will continue to serve as the minister of Finance and Vice Chancellor. This has also ruled out his candidacy for the chancellor’s office in a possible future SPD government. Scholz’s defeat has also undermined his negotiation position among the ministers of Finance of

EU member states. He is considering cancelling his visit during the next informal summit of Ministers of Finance due to be held on 4–5 December in Brussels because of the SPD's presidium meeting.

- Esken and Walter-Borjans represent the left-leaning wing of the SPD and are strengthening those groups inside the party which want a future coalition with the Greens and the Left Party. The new leaders would also choose to withdraw from the policy of austerity and maintaining a balanced budget at any price (which was one of Scholz's key proposals). They support increasing the debt, for example, to gain extra funds for climate protection or to boost investments by around 50 billion euros annually. They would also like the minimum wage to be increased to 12 euros per hour (like the Greens and the Left Party). The duo Esken–Walter-Borjans has been backed by the influential and disciplined Social Democrat youth organisation (Jusos) from the beginning. Jusos wants the SPD to turn more towards the left and to leave the grand coalition as soon as possible. Kevin Kühnert, the leader of Jusos, will apply for a function in the party's leadership during the congress in Berlin.
- The election of the new SPD leadership has strengthened the Green Party, which is currently the best prepared for a snap election. At the party congress in Bielefeld (15–16 November), the Greens chose to continue the grouping's orientation and elected their leaders: Annalena Baerbock and Robert Habeck. They are also gradually expanding their political offer to include, for example, economic and housing issues. As regards the key topics, they agree on the party's agenda more than previously. The change of the SPD's leadership offers an opportunity for the CDU's weakened chairperson, Annegret Kramp-Karrenbauer, to launch a political offensive and distract attention from the debate on the party leadership. She will make efforts to gain stronger support in the talks on the future of the coalition with the SPD. Their outcome will decide on Ms. Kramp-Karrenbauer's future, and excessive concessions offered to the Social Democrats may ruin her chances of strengthening her leadership.
- The election of the new SPD leaders has added to the risk of a snap election in Germany because they will attempt to end the grand coalition with the CDU/CSU before autumn 2021 (the planned time of the Bundestag election). Esken and Walter-Borjans, hoping for support from those SPD members who are dissatisfied with the coalition's work during their campaign insisted on revising the coalition agreement and writing down some of their key demands in it, but these were rejected by the Christian Democrats. However, the coalition agreement permits the document to be updated. If such talks are held, the CDU/CSU will also present its proposals (such as tax reductions). The new SPD leadership has announced that, unless a compromise is reached, the party will leave the coalition.
- If the coalition is terminated by the SPD, three scenarios are possible:
 - The first one is that talks will be resumed with the FDP and the Greens to form a new coalition (the first talks were discontinued by the FDP after the election in September 2017). However, this will stir up the discussion about Merkel's running for chancellorship again, a discussion the Christian Democrats want to avoid. Another

negative side of this plan is the increasing popularity of the Green Party, which is the smallest grouping in the Bundestag, and it is polling at 20–23%, giving the party the second position after the CDU/CSU. A coalition change without holding an election is the least likely variant. However, new coalition talks would let the Christian Democrats gain time and present themselves as a responsible party striving for stability (unlike the SPD).

- In the second scenario, a minority CDU/CSU government is formed. This solution has so far been rejected by Chancellor Merkel. However, considering the German presidency in the Council of the EU (second half of 2020), the strong support for Merkel remaining in office until the end of her term (according to the Politbarometer poll conducted for ZDF on 8 November, 70% of Germans want this) and the vying for power inside the CDU, this is a possible scenario. Since the Bundestag approved of the budget for 2020 on 29 November, the government may function without the support of a parliamentary majority.
- The third scenario envisages a snap election next year.

APPENDIX. SPD leaders in the making

Norbert Walter-Borjans (born in 1952). At the onset of his career he was linked to the Minister-President of North Rhine-Westphalia, Johannes Rau (who later served as the Federal President of Germany). In 1991–1998, he was a deputy spokesman and later spokesperson for Rau. In 2010–2017, he served as the minister of Finance of the most populous German federal state, North Rhine-Westphalia. At that time he became known for buying tax evaders' data from Switzerland. As a result of gaining the information, those listed in the Swiss register admitted their guilt on a massive scale and paid voluntary penalties which contributed a total of around 7 billion euros to the budget. This success helped Walter-Borjans to present himself in the struggle for the SPD leadership as an opponent of the establishment (including the establishment inside the SPD) who takes the side of the less affluent citizens of Germany and who stands for social justice. He supports, for example, raising taxes for those with the highest incomes and reducing the debts of local governments. He has no experience in international politics. In the regional debates preceding the election of the SPD leaders, he supported cutting weapons exports and refraining from increasing the number of the Bundeswehr's foreign missions.

Saskia Esken (born in 1961). She founded the Alliance Against the Right in 2009 in Calw (Baden-Württemberg) in response to the efforts to establish local structures of the National Democratic Party of Germany (NPD) in this town. In 2012–2014, she was the vice president of the representation of parents for education in Baden-Württemberg. She has had a seat in the Bundestag since 2013. Her tasks there primarily cover such issues as digitalisation, artificial intelligence and online data protection (she is trained in IT and worked as an IT specialist in 1990–1994). She has been a member of the Bundestag's Internal Affairs Committee. She represents the most left-leaning group of deputies inside the SPD (the so-called parliamentary left within the SPD faction) which criticises the package of economic and labour market reforms, Agenda 2010. She is a member of the Europa-Union Deutschland

association, the German section of the Union of European Federalists. She has no experience in international politics. She has criticised spending 2% of GDP on defence.