The Politics of Limited Pluralism: West Germany as a Paradigmatic Case

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Introduction and Analytical Perspective Political stability and economic efficiency have been praised as the most enviable assets of the West German state in the postwar era. The main purpose of this essay is to draw critical attention to the price which had to be paid for these achievements. The success of Modell Deutschland (Model Germany) has been based on the conflict-avoiding cohesion of a cartellized bloc of major political and economic interests, and the repression of other groups which might threaten its dominant position. The essay's central hypothesis is that this deficiency of democratic legitimacy is rooted in the historical tradition and legacy of the West German State. Reconstruction after World War II was not a new beginning, but a reorganization of German political culture based on three different modes of political accommodation and conflict regulation: the suppression of opposition and class struggle before and during the years of Nazi terror; party competition during the epoch of the ill-fated Weimar Republic; and the practice of conflict regulation through political bargaining among dominant elites established during Bismarck's pseudo-federal Empire.

Modell Deutschland is a unique success story in which economic efficiency is achieved at the cost of democratic legiti-
macy. The formally acknowledged mode of democratic legitimation became the basis of an autocratically reconstructed capitalist (West) German state, marked by constitutionally regulated and restrained party competition. Intergovernmental and corporatist political bargaining among political elites and major organized interests, once again surfaced as the dominant mode of conflict regulation, bypassing the formal channels of parliamentary policy formation. *Modell Deutschland* can be considered a paradigmatic case of limited pluralism because what first emerged there as a specific historical constellation of political economy and cultural tradition, has begun to appear in all late capitalist systems — the increasing suppression of opposition and class struggle in the name of economic survival in the volatile world market system. When push came to shove, or 'in the last instance,' the dominant power bloc of major economic and political interests (export and financial capital 'in the first instance') would everywhere reassert its autocratic control over the rest of society.

This examination proceeds as follows: First, the historical legacy of limited pluralism in the formation of postwar Germany is examined. A critical analysis of the main structural components in the West German political economy is then presented. Finally, the question whether the rise of the Green Party in West Germany constitutes a significant challenge to limited pluralism is raised. A brief conclusion will return to the paradigmatic character of *Modell Deutschland*.

1. Continuity and Change

The Historical Legacy In Barrington Moore's distinction of "democratic" and "reactionary" paths to modernity, Germany most clearly exemplifies the latter. National unification and industrial modernization were driven by the political and economic desire of Germany's dominant classes to catch up with the other powerful industrial nations. Prussia's hegemonic aspirations fused with the desire of the German bourgeoisie to build a national market. As in Canada under Sir John A. Macdonald, Bismarck's perceptive leadership patched over the deeply divided interests of old and new (monarchist and liberal, landed and commercial, regional and central), at least as long as the 'payoff' — in terms of state leadership and initia-
tive, economic progress, and the successful taming of peasants and labour — remained substantial.

Nothing exemplified the reactionary thrust of the epoch better than Richard Strauss' timely and popular tone poem "The Bourgeois Gentilhomme." Formal political power, however, remained largely in the hands of real noblemen. Grafted upon a pseudo-democratic parliamentary system, legislative power was concentrated in the Federal Council composed of the princes and sovereigns of the German territories. The process of policy formation was characterized by two peculiar arrangements which both reflected the political tradition of the defunct Holy Roman Empire, and came to be characteristic features of German federalism ever after. On the one hand, despite Prussia's hegemonic position, decision-making remained based on consensual bargaining and careful compromise among territorial interests, resembling much more the continuation of 'cooperative diplomacy' than a new democratic majoritarianism. On the other hand, unlike the federations of the New World, the separation of powers between the two levels of government did not consist of a 'concurrent' or 'dual' system of jurisdiction. Instead, all crucial legislative power was concentrated at the federal level — co-determined by the German Laender through their participation in the Federal Council's decision making — while policy implementation and administration, including considerable fiscal autonomy, was left almost entirely to the territories.

The Bismarck state was thus built on the compromising cooperation of Germany's traditional ruling elites. Nevertheless, it assumed its role as intermediary in the emergent conflicts between capital and labour by securing the process of capital accumulation against working class interests. This was accomplished first through anti-socialist legislation and second, by legitimizing capitalist society through exemplary social welfare legislation. A model of limited pluralism was created, characterized by political accommodation among bargaining elites ruling over a deeply segmented society contained by legitimation and repression.

During the epoch of the Weimar Republic the introduction of modern parliamentarism radically changed the style of political accommodation from consensus-oriented bargaining to party competition. Party government in Weimar ultimately
collapsed because of external as well as internal economic pressure. The unrehearsed exercise of democratic rule produced unbridgeable ideological polarization, and the multiparty system failed to produce stable parliamentary majorities. This was the political vacuum into which Hitler pushed, backed by an undemocratic bureaucracy, the money of big business, and the support of the middle classes rattled by political extremism. Nazi-Germany emerged as a totalitarian fall-back to autocratic rule and the suppression of pluralism. The 'democratic' and 'federal' reconstruction of (West) Germany after the fall of the Nazi Empire was a further 'reactionary' step: ordained 'from above' by external forces and a small indigenous elite rather than a result of popular demand 'from below.' Not surprisingly, the patterns of political accommodation and conflict regulation did not radically depart from the heritage of the past.

Economic Reconstruction in the Post-war Period Reflecting upon the previous unholy alliance of capitalism and fascism, the political elites of the nascent West German state were aware of the need to expand democratic control over private accumulation. Even the conservative Christian Democratic Party briefly flirted with a party platform of mildly socialist undertones (the Ahlen Program of 1947). But the lessons of the past were quickly set aside when the restoration of West Germany as a re-militarized capitalist state became the paramount objective under Allied tutelage in the wake of the Cold War. A period of economic reconstruction (roughly 1945-60) followed which not only saw the autocratic reassertion of capital over labour power, but also the restitution of a shocking number of Nazi collaborators to their former positions of political and economic power. Included among them were many convicted war criminals who returned from prison to the helm of banks and corporations. In many cases, these institutions had become powerful during the Bismarck era, had financed Hitler's triumph over Weimar, and had handsomely survived the Nazi war by financing Himmler's SS in return for cheap slave labour from the concentration camps.5

The capitalist reconstruction of West Germany was facilitated by several factors. First, it happened under the hegemonic umbrella and with the financial support of American
capital (Marshall Plan). More importantly, there was little resistance from organized labour which had been more or less annihilated by the Nazis, and which remained weak as long as there was high unemployment caused by the constant stream of German refugees from Eastern Europe. The profitability of capital soared as long as unemployment remained high and wages low. In addition, a process of intensive monopolization took place, accompanied by a significant reduction of the agricultural sector, and the decimation of self-employment by more than one third. As productive capacities quickly surpassed the needs of the domestic market, the West German economy became export-oriented. This gave the Germans a formidable advantage over most other western capitalist economies which only adjusted much later to the imperatives of the emerging world market system, and under much more difficult (i.e. competitive) conditions.

The early success of the West German 'economic miracle' was sufficient legitimacy in itself after the hardships of a 'total war'. But the uncritical acceptance of capitalist reconstruction rather than democratic renewal was crucially aided by two additional factors. First, striving for economic excellence became a welcome substitute ideology for the tainted political nationalism of the past; second, the spreading of cold war fears and anti-communism, including the defamation of the social democratic opposition as 'communist-friendly,' as well as re-militarization and Nato-integration against massive popular protest, virtually suppressed and eliminated all political and social alternatives.

Political (Party) Stabilization By the end of the 1950s near-full employment was reached and, as wages began to rise impressively, so did labour strength. The deliberate move of the Social Democratic Party from an ideological class party to a mildly reformist mass party (Godesberg Program 1959) may be seen as the crucial turning point. As the support for unions and social democrats increased, the governing conservatives had to sustain electoral victories by rapidly expanding the social welfare system (Soziale Marktwirtschaft). At the same time, however, by focusing on the recent experience of economic hardship and preying upon the fears it engendered (Lebenssangst), they were successful in defending a linear path of
economic development and continuity against lingering sentiments in support of thorough socioeconomic reform (Keine Experimente).

The establishment of a stable party system based on two major parties (the conservative CDU and the social democratic SPD) and the small liberal party (FDP) has been interpreted as the most significant step towards democratization. It was accomplished with the help of the so-called "five percent hurdle," which allows only those parties with more than five percent of the national vote into the federal legislature (Bundestag). This led to the elimination of various smaller parties during the early years of the Republic, and it helped to keep radical parties of the left and right out of parliament. On the other hand, it contributed to the survival of the small FDP. Almost always tied into a governing coalition with one of the major parties, the liberals cultivated their image as a moderating force against conservatism and socialism. The everlasting threat of falling below the five percent hurdle always mobilized electoral support — often at the last minute. What looked like the solid entrenchment of party democracy, was thus characterized by two contradictory developments: the transformation of multi-party instability into a two-party system, and the retention of a disproportionate share of power by a small third party.

The evolution of the two mass parties has been described aptly as a change of focus: from a commitment to the "principle of societal power distribution" to a strategy of vote-maximizing "pragmatism." The success of the conservative CDU was based mainly on the desire for national economic and international political security. Conservative economic reconstruction was rewarded by a population which favored "economic security" over "guaranteed civil rights" by a majority of 68 percent, according to a poll taken in 1947. The Cold War allowed the CDU to present itself as the party of democratic freedom. The SPD, on the other hand, increased its electoral support after the 1959 Godesberg Party Congress when it substituted its original identity as the "party of all wage-earners" by a much more liberal commitment to "social-liberal democracy" or "social capitalism." The liberal FDP, on the other hand, was criticized for its excessive political influence as a required coalition partner for either of the large
parties; in the words of the notoriously blunt Franz Josef Strauss, the tail was wagging the dog. What is more telling, though, is the inherent trend towards political centrality (Politik der Mitte). Chancellors from both major parties have used their liberal coalition partner to block demands from the more radical wings within their caucuses. But the picture of balanced pluralist symmetry is deceptive. While the liberals have been liberal mainly in the areas of foreign policy and internal security, at the same time they have consistently supported business interests.

The drive towards party centrality has not been without political costs. Apart from political terrorism which must be seen, at least in part, as a frustrated reaction to the systemic elimination of alternatives from the political discourse, West Germany's political landscape became overcast with a web of some 50,000 organized citizens' initiatives (Buergerinitiativen). With up to 1.5 million members (in 1973, and compared to some 1.7 million members in the established parties), they organize protest against, and resistance to, the politics of centrality administered by the dominant "party cartel in the ivory tower of the five percent hurdle." More recently the Green Party has carried the torch of grassroots protest into the closed circles of parliamentary party democracy. Whether the spectrum of West German politics will become more open in the long run remains to be seen. The established parties have reacted ambiguously to the prospects of cooperation with the Greens with strategies varying from cautious rapprochement to outright rejection. Before facing the possibility of forming a coalition with the Greens at the national level, the two major parties might well consider a grand coalition amongst themselves, thus trying to preserve political centrality against a real or imaginary threat of destabilization. This is precisely what happened in 1966-69 when CDU and SPD entered into a grand coalition inspired by the first postwar experience of economic crisis.9

Contraction and Grand Coalition The democratic re-education of postwar Germany was based on three structural components which all aimed at the division and dispersal of power. The party system based on the government-and-opposition scheme common to western parliamentary democracies became
entrenched; industrial relations were liberalized through autonomous collective bargaining (*Tarifautonomie*); and the revitalization of federalism succeeded in decentralizing political power in crucial arenas of potential abuse such as education, police and fiscal policy. The Grand Coalition of 1966-69, however, stands for a dramatic reversal on all three counts. Its inception practically eliminated meaningful opposition (which was left to the tiny FDP). Its political justification was the economic recession of the mid-1960s which had led to the first postwar decline in capital profitability. The perception of crisis was compounded by the fear that a real or imaginary ‘technological gap’ would lead to a decline in world market competitiveness, and by the experience of rising union militancy under conditions of near full employment and rapidly increasing wages. West German politics consequently aimed at an active structural policy (*Aktive Strukturpolitik*) combining economic rationalization and union restraint. Given the real or imaginary mutability of class relations, this would presumably require the political cooperation of CDU and SPD as the two parties representing business and labour interests. While the crisis of 1966 appears relatively harmless in retrospect, the grand coalition drive towards political centrality signalled serious doubts about the stability of parliamentary democracy.

The success of grand coalition politics had to be secured outside the parliamentary process by corporatist modes of direct interest mediation between capital and organized labour. Hailed by some as a new form of liberal cooperation characterized by a symmetrical ‘logic of exchange’ among the participants, the state-mediated Concerted Action (*Konzertierte Aktion*) of capital/labour bargaining in reality must be seen much more critically as the continuation of the politics of limited pluralism with other means. It bound the fate of the unions to the economic success of the export industry, requiring compliance with the agenda of industrial restructuring and negligence toward growing unemployment. It demanded wage restraint now in ‘exchange’ for state-promised social policy improvements (perhaps) later. And it limited state-licensed political participation to a ‘selective corporatist bloc’ cutting across traditional class lines by increasingly separating a successfully restructured economic core from a growing periphery of socioeconomic marginalization. At best, corporatism allowed
the unions a limited voice within the framework of organized capitalism (the imperative goals of which they were no longer permitted to question). At worst, the unions were degraded to the function of social control and stabilization, insulating the political system against legitimate class conflict. Corporatist conflict management thus revealed a basic distrust of the autonomy of industrial relations.

Central planning euphoria (Planungseuphorie) also led to dramatic cuts into the federal division of power. The constitutional and administrative reforms of the Grand Coalition curtailed the traditional policy autonomy of the provinces (Laender) by the implementation of new bi-governmental agencies such as the Financial Planning Council, Economic Steering Council and the Joint Commission for Educational Planning. This changed the character of West German federalism from horizontal self-coordination (among the Laender administrations) to vertical coordination under the leadership and guidance of the federal government. The establishment of jointly financed 'tasks' (Gemeinschaftsaufgaben) in such crucial policy areas as regional development, higher education and science led to a system of 'interlocking federalism' (Politikverflechtung) which required close cooperation of both levels of government across the spectrum of policy making. The initiation of a municipal reform in the name of planning and administrative efficiency eventually resulted in the reduction of the number of local government units from 25,000 to 8,500. And finally, in the name of 'internal security' (Innere Sicherheit), the autonomy of the Laender with respect to policing was systematically undermined by providing such central control and surveillance agencies as the Federal Criminal Office and the Office for Constitutional Protection, and by their eventual administrative/electronic coordination with the Laender police and the paramilitary Federal Border Control Police. Again, the sweeping centralization of West German federalism revealed a lack of trust in the division of political power.

2. Success and Crisis of Limited Pluralism

Given the subordination of West German politics to the prerogative of economic efficiency, and the export-oriented reconstruction of the economy, political and social stability essentially depended on success in the world market.
increasing volatility and competitiveness of the latter, such success could only be achieved and sustained by active restructuring of industrial production into internationally competitive growth sectors. This required a) intensive coordination and cooperation between government and the export/financial sectors of the economy, b) extensive interlocking of governmental and industrial channels of policy formation, and c) suppression or at least containment of all socioeconomic interests potentially threatening the operational framework of Modell Deutschland.

Export and Finance What began as a relatively modest degree of policy interventionism into economic restructuring (Ordnungspolitik) and foreign trade supervision during the CDU-governance of the 1950s and early 60s, was expanded greatly during the Grand Coalition through Keynesian attempts at macroeconomic steering (Globalsteuerung). Karl Schiller, the social democratic 'superminister' of economics, not only used the Keynesian tools of expansionary demand management in order to 'speed the economic vehicle through the recessionary economic hollow,' but also “embarked on an active policy of concentration in sectors heavily subsidized by the government or dependent on the state as a major buyer (e.g. coal, aeronautics, computers, nuclear energy).”16 Aided by a policy of monetary undervaluation,17 the success of export-oriented restructuring was rooted in the government's close cooperation with major banks and the export industry, both prominently represented in the influential Foreign Trade Advisory Council. The participation of organized labour, on the other hand, was “extremely limited, bordering on exclusion.” By the same token, tight cooperation between organized interests and ministerial bureaucracy “more or less eclipsed” parliamentary control.18 As a result, by 1972 foreign industrial turnover had risen to over 50 percent in several crucial branches.19

But the interlocking network of dominant economic interests does not stop at the level of governmental policy formation. Perhaps the most important structural aspect accounting for the streamlined path of West German economic expansion is the control of the banking sector over industrial production. Dominated by three giants, West German banks are (contrary to legal practice elsewhere) allowed to hold equity in other
firms, and to vote the interests of most deposited shares (a right routinely granted by the vast majority of shareholders). In effect, they control seventy percent of the shares of the 425 largest firms, accounting for three-quarters of the value of all the shares on the stock exchange. In addition, the quasi-autonomous institution of the central Federal Bank which presides over monetary policy, and whose president enjoys de facto cabinet status, constitutes a formidable link between the financial community and government. Compared with Great Britain, where there is some measure of conflict between the interests of financial and industrial capital for example, the West German political economy appears to be characterized by a unique overlap of interests between government, industrial and financial capital.

Interorganizational decision making — crucial for policy and conflict management in advanced industrial systems — has been successfully limited to cooperation among a few crucial participants. The formal distance which business may keep from the institutionalized political process seems remarkably irrelevant, and not only because the money connections between business and the West German party system have become scandalously notorious. Interorganizational decision making offers organized labour a participatory share only after structures and policies have been determined by the ruling government/export/finance cartel. With these important decisions already in place, affecting the basic character and direction of the entire political economy, the institutionalized political process then does little more than add a legitimizing formal stamp of approval. The success of Modell Deutschland has thus been based on a regime of economically limited pluralism.

Yet Modell Deutschland has not been immune from trouble. When centralization and contraction reached counterproductive limits a crisis set in. One-sided export orientation exposed the West German miracle economy to the perils of overly competitive and nearly saturated world markets. Centralized subsidization and investment in mega-projects such as nuclear energy led to the neglect of alternative energy options. The thrust towards economic restructuring and monetary stability in the name of export market expansion led to massive structural unemployment. Contrary to prevailing assumptions these
symptoms of socioeconomic destabilization did not just set in with the ‘post-1975 economic crisis,’ and neither was the successful and ‘compassionate’ path of the governing SPD undermined only then. More likely, the roots of the crisis go back to the unforeseen consequences of the 1966-69 structural reforms essentially carried out with support from the SPD. On the one hand, the further centralization of the federal system (Politikverflechtung) diminished rather than increased the overall policy management capacity. The decision making process became ‘interlocked’ among different levels of government with diverging party majorities. On the other hand, the ‘incorporation’ of organized business and labour into a government-mediated regime of corporatist concertation (Konzertierte Aktion) not only alienated rank-and-file expectations from elite accommodation, but moreover began to polarize the country’s entire political economy. A successfully stabilized core economy became insulated against growing segments of losers both within capital (growing vs. declining sectors) and labour (employed vs. unemployed). While these trends could still be reflected by the growth-oriented planning and reform euphoria of the governing SPD/FDP coalition, this was no longer possible during the growth crisis after 1975.

Federalism and Corporatism “The cooperative centralization” of the federal system was regarded as an essential structural precondition for a system of nationally harmonized policy management. The new regime of Politikverflechtung was characterized by: poorly legitimated executive cooperation between the two levels of government; complex periodical bargaining over tax sharing and fiscal equalization; increased legislative concentration at the federal level; increased Laender participation in this legislative decision making process; increased intergovernmental cooperation through joint ventures (Gemeinschaftsaufgaben) in almost all important areas of policy making.

Politikverflechtung has changed the character of West German federalism in two important ways. First, it shifted the process of policy formation from horizontal Laender cooperation and self-coordination to vertical coordination with a growing tendency of federal involvement. Second, the process of policy formation has become delegitimized by a shift from
electoral competition and "inter-party bargaining" to "inter-bureaucratic exchange." Far from reaching the desired goal of increasing the overall systemic efficiency, however, the result has been a growing degree of policy inflexibility because the decision making process now requires compromise and consensus among multiple sets of governmental levels and bureaucratic actors whose interests are often opposed.

Why was decentralization not considered more seriously in the wake of obviously counterproductive 'over-interlocking'? The usual structural/functionalist explanations — institutional conservatism, vested bureaucratic interests, and the federal government's participation in the delivery of locally administered welfare tasks for purposes of legitimation — are certainly valid and have been noted in other federal systems as well. But they divert attention from the underlying socio-economic forces whose interests were served well by this interlocked mode of executive federalism. Behind a shield of institutionalized inflexibility, and insulated from democratic control, the ruling bloc of dominant interests could make its deals removed from the public eye.

While this "irrational" structure of German federalism can be seen as a major safeguard for rational economic modernization, the success of the modernization project also depended on the containment of party competition and class conflict. Party competition has been significantly restrained by the interlocking character of the federal system. All major policies typically need to be sanctioned by both levels of government (based on legislation passed by both houses of the bicameral legislature), and different party constellations typically exist at the two levels of government. Policy formation is therefore dependent on permanent consensus and compromise among all parties involved. Such consensus is of course further facilitated by the existence of a mass party system increasingly dominated by middle class interests. Since, however, the unions are highly organized and politically linked to the SPD, the German architects of economic modernization had to rely on corporatism as a supporting measure.

While corporatist interactions between major interest groups and the state have become the 'normal' in all organized capitalist states, West German 'concerted action' was facilitated by the highly concentrated organization of business and labour
in so-called ‘peak-organizations’ (Dachverbaende). Introduced during the Grand Coalition as a tripartite form of industrial relations management, West German corporatism was hailed quickly as a societal/liberal-democratic form of ‘interest intermediation’ to be distinguished from earlier forms of (especially fascist) incorporation.\textsuperscript{55} Despite the incantations of a liberal ‘logic of exchange,’ the relationship between organized business and labour remained essentially assymmetrical. Squeezed into the systemic constraints (Sachzwänge) of economic stabilization, the unions gained some influence \textit{within} the existing framework established by the dominant cartel of export/financial/government interests, but never \textit{over} the framework itself.

It can be argued that the goal of labour incorporation into the modernization project was pursued successfully even after the break-down of Concerted Action in 1977.\textsuperscript{36} The resumption of more conflictual class relations in West Germany since that time\textsuperscript{57} cannot obscure the fact that economic policy formation in West Germany continues to be dominated by a corporatist ideology of conflict avoidance. The principle of amicable social partnership (Sozialpartnerschaft) may have been replaced by the unions’ compliance with ‘systems stabilization,’ and state-mediated corporatist accommodation may now be more adequately described as crisis regulation under the aegis of an increasingly disciplinarian state. The fact is, however, that the West German unions have cooperated in the modernization project, and have grudgingly accepted lasting structural unemployment (for which they no longer assume organizational responsiblity), alienation from their own rank and file, and segmentation of the labour market into a core of stabilized high-wage earners and a periphery of marginalized low-wage earners continuously threatened by potential unemployment.\textsuperscript{58}

A complementary condition emerging from this politics of corporatist selectivity is the parallel segmentation of business into a concentrated core of profit giants, and an increasing periphery of middle-sized and small firms threatened by de-capitalization and faced with the highest rate of bankruptcies in the history of West Germany.\textsuperscript{59}

Federalism and corporatism together form the structural basis for successful crisis regulation. The interlocking structures of federalism not only insulate policy formation from public control as noted earlier, but also force all central political
actors into a closed circuit of multiple consensus requirements — between the two levels of government through the bicameral legislative system, between government and opposition through differing majority constellations at the two levels of government, and between capital and labour as represented by the three parties either through government/opposition cooperation or through coalition arrangements. This is the political basis for corporatist arrangements outside the parliamentary process. Following the advice as well as setting a successful example for the infamous McCracken Report of 1977, the strategy of Modell Deutschland is based on the assumption that "a further 'dualization' between the core policymakers and the peripheral policy-takers is a necessary condition of resolving the present crisis." Based on a system of politically limited pluralism, the West German political system finally has to secure the stability of its fragmentizing society by a carrot-and-stick strategy of sociopolitical containment.

**Legitimation and Repression** West Germany's current neo-conservative regime is increasingly showing traits of authoritarianism. I would argue that limited pluralism pervades the West German polity in a general and systemic way, however, and that there are no internal or external safeguards which would rule out a retreat to neo-authoritarianism. Internally, there has thus far been no major sociopolitical group willing or strong enough to resist the new trinity of big government, big business and scientistic technocracy. Indeed, the grounds for the current entrenchment of a disciplinarian state were laid during the 1970s by the planning and centralization bias of the SPD — whose ascension to governmental responsibility was at one time hailed as definite sign of West Germany's democratic maturation. The working classes were pacified through welfare measures, with the help of the unions as essential agents of class domesticity. More critically, however, external suspicions about West German political authoritarianism were lowered by the generalized crisis of late capitalism. As terrorism and radicalism have spread to other western industrialized nations, and the wage inflexibility of the welfare state impinges on capital profitability, West Germany is no longer the villain, but the model — and this not despite but exactly because of its legalistic approach to anti-terrorism, and
to 'radicals' in civil service (Berufsverbot), as well as the most restrictive strike laws in Western Europe. In other words, West Germany lives up to the wide-spread assumption that the fragmenting effects of postindustrial capitalism will require an "unpleasant" but more "authoritative and effective" form of government.43

Exactly at a time when the western capitalist world was so impressed by the West German polity and its social democratic praeceptor oeconomicus mundi chancellor Helmut Schmidt,44 Modell Deutschland became the subject of critical analysis and its capitulation to the undemocratic pitfalls of organized capitalism came to be seen as the decisive sin of German social democracy.45 No longer promising systemic reform, the governing SPD was accused of insisting on costly welfare programs that functioned as legitimation within an otherwise unrestrained regime of capital accumulation. For, insofar as the economic modernization and stabilization project produced increasing social and regional divisions of income and opportunity, its victims had to be reintegrated by welfare compensation. Because of increasing fiscal constraints, however, the strategy of "division and (re)integration" increasingly required the difficult choice of "division or integration." It aimed at the integration of the 'healthy' centre of society — skilled labour, civil servants, growth industries and regions, and the acceptance of a permanent 'useless' fringe — unskilled and migrant workers, unemployed youth, declining sectors and regions. As that fringe can no longer be materially compensated and thus (re)integrated, repression must take the place of compensation. This repression operates as a pact of selective 'concertation' between the 'healthy' centre and the administrative state: the centre is cooperative as long as the state guarantees that the fringe will not become a systemic threat. Again the operational vehicles are corporatism and federalism: under the impact of growth limits, technological innovation, forced rationalization, production displacement and market saturation, the 'logic of exchange' between central capital and organized labour is replaced by a logic of 'enforced cooperation.' At the same time, the original goal of federalism — to secure equal living conditions for all Germans — is replaced by regional disparity as structural strength. In the name of international competitiveness, structurally weak regions must be deindustrialized, re-
functioned or simply abandoned for the sake of concentrating all efforts on the strong and competitive areas. The elite cartel of policy formation degenerates into a 'crisis cartel' of selective policy management. It operates in the traditional sense of corporatist — and federal — concertation, but this concertation is no longer legitimized by the overall requirements of the national economy. The survival of the 'healthy' segments has become the only legitimating factor.46

This picture may be overdrawn, and the analysis may depend too heavily on the materialist conditions of policy formation alone. Indeed, there is little explanation as to why the losing segments among capital and labour would not rebel against their marginalization, and why the dominating segments of capital would be interested in the arrangements of selective corporatism in the first place. These questions cannot be answered satisfactorily without a look at the near-hegemonic political culture of West German society: ideological mass integration based on the long experience of prosperity, and on the traditional recourse to consensual modes of political accommodation — especially in times of crisis.47

On the other hand, societal stabilization certainly did require recourse to the authoritarian suppression of all deviant socioeconomic behavior. Based on the constitutional changes enacted by the Grand Coalition, the administration of "repressive normalcy" in the West German security state is based on greater preventive intervention by police facilitated by an integrated system of police, secret service and border police data surveillance, and collaboration between the bureaucracies of police, judicial system, education, health and social welfare. The elimination of radicals from civil service (Berufsverbot) has been complemented by similar measures in unions and political parties. Strikes and demonstrations are routinely observed by secret service agents, and similar activities are carried out against economic criminality in industrial enterprises (Werksschutz). The goal is to protect the corporativist system of mass integration against unlicensed forms of interest articulation. The political-ideological rationale may be to change the very concept of democratic freedom: access to individual as well as collective democratic rights becomes conditional upon the "unconditional subordination to the state of societal normalcy."48
According to the former Federal Commissioner for Data Protection, Hans Peter Bull, the West German concept of internal security (Innere Sicherheit) had always included not only the fight against criminality but also the containment of political extremism. The anti-terrorist hysteria of the 1970s led to such an expansion of the state's security phobia, however, that the distinction between anti-state criminality and political opposition itself was in danger of becoming obscured. Police would now extend criminal investigation to “all persons with whom it came into contact through its activities.” This decision, which was later modified but never taken back altogether, effectively meant that “everybody had to be considered as potentially suspicious.” For all practical purposes, the institutional division of responsibilities between police, secret service, federal and Laender agencies became blurred as well. “It seems that investigative orders were given to whatever agency might still have free capacities.” According to the same source, a further intensification of these trends had to be expected with the neoconservative electoral victory of 1982/83. What had been created in the 1970s as an overdrawn legalistic and institutional reaction to the threat of terrorism, could now lead to an ideological as well as operational “turnabout”: it seems that at least some politicians in West Germany can no longer conceive of “internal security” in a democratic polity without “extensive surveillance.”

Caught in the world economic recession and accumulation crisis, the social-liberal coalition in the mid 1970s began to administer increasing cuts into the compensatory social safety net. This roll-back of the earlier reformist promises was legitimized ideologically by the usual vulgar economistic arguments (“don’t kill the cow you want to milk”) and it remained acceptable as long as the administered cuts were perceived as symmetrical — that is, affecting all social groups in more or less the same way. The change of government occurred when the (neo)liberal FDP decided that symmetrical cuts were not enough, ended its coalition with the SPD, and joined the conservative side. The question is whether the new conservative-liberal coalition merely continues with the reduction of the social welfare state already begun under the SPD/FDP government between 1975 and 1982, or whether it aims at a new model of limited pluralism altogether. Although it can be argued that
the welfare state reductions up to now constitute a phase of consolidation rather than one of dismantling, there are indications that the self-declared 'turnabout politics' (Politik der Wende) is indeed guided by an entirely new societal concept: the authoritarian entrenchment of social asymmetry within a streamlined system of limited pluralism and lasting expulsion of 'useless' marginal groups from further participation.

Union power has become further undermined by legislation aimed at labour market deregulation, the reduction of workplace co-determination, and financial strike containment. Although welfare spending did not decline more sharply after the government change in 1982 than it did in 1976, the effects were now felt much more painfully because of lasting mass unemployment. In 1985 only 36 per cent of the registered unemployed still received unemployment benefits due to stiffened qualification criteria, and only 27 per cent of those no longer qualifying received the much lower 'social help.' In other words, more than one-third of the unemployed no longer received any benefits at all, a situation which can only be compared to that of the Great Depression.

The lasting marginalization of entire segments of West German society is exemplified by the widely supported attempts to expel the migrant working force from the West German labour market, and by policies directed against working women. Ideologically supported by the invocation of traditional family values, social support for working women/mothers has been drastically curtailed. The entire strategy aims at conflict neutralization through fragmentation: employed versus unemployed, civil servants versus workers, foreign workers versus Germans, men versus women. The stability of Modell Deutschland is in the last analysis sustained by a paralysing regime of socially limited pluralism.

3. The Green Challenge
Given the established front of limited pluralism, the few serious attempts at systemic opposition — student protests, 'extra-parliamentary opposition,' wild cat strikes, and finally terrorism as a last and desperate measure — always had to take place in the streets. Only recently has Modell Deutschland been met with a formidable challenge from within: through the spectacular rise of the Green Party to national political respectability.
Usually explained as a consequence of 'postmaterialist' value change, the Green phenomenon is seen as a challenge to the established party system and its fixation on the systemic requirements of economic efficiency. Pursuing such basic 'issues' as environmental protection, gender equality, peace and participatory democracy, Green voters are typically criticised as breaking out of the very system of limited pluralism which provided them with the means to do so in the first place: mass education and prosperity. However, the stereotypical picture of affluent 'ecopaxes' rebelling against the materialism of the previous generation has to be extended and corrected in several important ways.

As we have seen, the crisis of the West German welfare state since the mid 1970s led to an increasing fragmentation of classes and interest groups between 'ins' and 'outs.' As a result of the contradictions in the late capitalist welfare state, the efforts to restore the universal commodification process through capital restructuring and welfare reduction in fact accelerate the process of decommodification. The already visible consequence is "a bifurcated society organized around a shrinking capitalist core and an expanding periphery of non-market institutional arrangements and conditions of life." It is those peripheral 'outs' who seem to constitute the core of Green support. They may well subsist at a relatively high level of material well-being, but their chances of social mobility are blocked by the contracting character of the late capitalist core economy. They include students, the unemployed, housewives and pensioners alongside those middle class segments whose aspirations are increasingly frustrated. In 1983/84 two thirds of the Green supporters were without a regular job: contrary to conventional assumptions the Greens may be less a party of an educated new middle class than of those "removed from economic normality."

Can the Greens prevent the further authoritarian turnabout of limited pluralism in West Germany? For the time being they are solidly entrenched at the national as well as regional level of politics. For once the federal system of government seems to have lived up to its democratic potential by offering the Greens subnational platforms of exposure and experience which not only have prepared them for national politics but also provide them with a lasting level of support. Many of the
Green issues are simply closer to regional and local constituencies than to grand politicking at the national level. As they are not yet part of the dominant political cartel, and hence neither tied into the structural straightjacket of 'multiple consensus requirements,' nor constrained by the corrupting imperatives of political 'concertation,' the Greens can address openly all the controversial issues which for so long have been kept under cover by the political blandness of a conflict-avoiding mass party system. Even foes admit that parliamentary debates have become more substantive than perhaps since the Republic's founding years.

On the other hand, what appears as the substantive strength of the Greens, is also their strategic weakness. Supported by an almost infinite variety of issue groups (ranging from the radical left to a flower-picking right), the political existence of the Green Party is permanently threatened by internal factionalism (mainly between the so-called 'fundamentalists' and 'realists'). It is also threatened by the encroachment strategies of the established parties and interest organizations. While adopting some of the less controversial elements of Green politics into their own platforms, the Green challenge is systematically defamed as anti-democratic, KGB-financed, socially irresponsible and politically unreliable: a fate similar to the one suffered by social democrats during the anti-communist hysteria of the 1950s, and thus a continuation of the politics of limited pluralism at the socioecological front. The Greens suffered electoral setbacks directly after major ecological disasters — in Lower Saxony after Tchernobyl (1986), and in Hesse after the plutonium scandal (1987). Environmentalism, as the overarching bond of Green politics, is clearly not enough. The predicament of the Greens in West Germany is nevertheless symptomatic for protest politics in late capitalist societies in general: while its success would require a major effort of anti-system solidarity, its support remains fragmented, stemming essentially from the various victims of economic 'modernization' and political 'stabilization.'

Conclusion The lessons derived from the German model are as general as its traditions are universal. First, the authoritarian tradition of West German politics is inherent in all systems of political power based on minority rule over the masses. The
great Italian realist Machiavelli held that only a few wish to rule while the majority desires to live in prosperity and security. As long as the West German political economy delivered just that, its deficit of democratic legitimation was rarely perceived as destabilizing and the pluralist veneer of formally democratic arrangements was widely taken for structural substance. With economic saturation and stagnation came 'demand overload,' 'ungovernability' and a general unruliness (because you don't get what you don't fight for when means become scarce). This is when the veneer crumbled and authoritarian control had to be shored up against the perils of 'excessive democracy.' What sets the German case apart may merely be its more visible statist and legalistic traditions.

Secondly, the evolution and transformation of Modell Deutschland reveals a basic structural contradiction inherent in all capitalist systems operating in a globalised economic environment: while stabilizing economic success requires external (export) expansion, it results in internally destabilizing contraction. Dependent on international competition, national economic policy formation has to play a zero-sum game of selective and discriminating resource allocation which (again under conditions of saturation and stagnation) no longer leads to all-pervasive 'modernization,' but rather to socioeconomic fragmentation and polarization instead. Due to its particular postwar predicaments, West Germany was only induced to pursue early-on what all other countries eventually had to do as well.

Thirdly, the role of West German social democracy as agent of capitalist appeasement tells a sad tale of the general fate of reform politics in capitalist systems. Still the best option (short of revolutionary class struggle), social democratic reformism only seems to work when it is least needed (in times of general affluence), and gets caught in the systemic constraints of 'economic efficiency' when the (re)allocation of scarce resources is on the agenda. Labour politics in general has certainly succeeded in containing the worst consequences of the capitalist regime of accumulation, but its achievements were financed by the tremendous success of this very regime in the first place. Considering the general beginnings of the 'politics of restraint' in the mid-1970s, there is little which would set
Helmut Schmidt's Germany apart from Callaghan's Britain or, for that matter, Carter's America.

Finally, the rise of the Greens may show the way to the only viable form of protest politics against the contracting dynamic of late capitalism. The capitalist dynamic of neutralizing societal opposition through fragmentation can only be overcome by a 'rainbow coalition' of organized resistance. As another great Italian realist suggested, this would require a revolutionary change of the prevailing dominant ideology before the material conditions of life can be changed. That the Greens might be able to accomplish just that — as a trend-setting example in one of the most stubbornly efficiency-fixated and conflict-suppressing countries of the western industrial world — can only be hoped.

Notes

The phrase 'politics of limited pluralism' is borrowed from Klaus von Beyme whose article "The Politics of Limited Pluralism? The Case of West Germany" appeared in Government and Opposition 13:3 (1978). An earlier version of this paper was presented at the Annual Meeting of the Canadian Political Science Association, Hamilton, Ontario, June 1987. I would like to thank Michel Bodemann, Leo Panitch and Donald Swartz for their helpful comments. I am particularly grateful to Wolfgang Fach and Phil Goldman who helped with the conceptualization early-on, and to Roberta Hamilton for her editorial encouragement and patience. As John McMenemy generously tried the best he could to improve both style and content, I find it a nice twist of events that the managing editor of the Canadian Journal of Political Science should have lent his helping hand to a publication appearing in SPE.


2. After the endorsement of Modell Deutschland by the social democratic Chancellor Helmut Schmidt, it was first criticised by: Josef Esser, Wolfgang Fach and Georg Simonis, "Offnung oder Spaltung der Gesellschaft — Grenzprobleme des 'Modells Deutschland'" (Ms) Diskussionsbeitrag 9, Universitaet Konstanz, West Germany, 1979; now reprinted in Prokla 40:3 (1980) pp. 40-63.


4. See Gerhard Lehbruch, Parteienwettbewerb im Bundesstaat Stuttgart: 1976; a summary of the main arguments is provided in his "Party and Federation
Studies in Political Economy

5. See Bernt Engelmann, Wie wir wurden, was wir sind Muenchen: 1980 and Ulrike Hoerster-Philippis, Im Schatten des grossen Geldes Koenigstein: 1985.
10. See especially Gerhard Lehmbruch, "Wandlungen der Interessenpolitik im liberalen Korporatismus" in Ulrich von Alemann and Rolf G. Heinze (eds), Verbaende und Staat Opladen: 1981, p. 67; and by the same author, "Concluding Remarks" in Philippe C. Schmitter and Gerhard Lehmbuch (eds), Trends Toward Corporatist Mediation Beverly Hills: 1979, pp. 304-5. Compare also Katzenstein, Small States, pp. 32-33. The main problem of the liberal corporatist school is that they usually only quote from one another, deliberately avoiding references to their numerous critics — this is particularly so in the case of Lehmbruch who has consistently remained silent about the work of one of the most eloquent critics of liberal corporatism who is next door to him at the same university; see Wolfgang Fach, “Auszugspunkte des Diskurses, Ende des Modells?” Journal fuer Sozialforschung 23:3 (1983) pp. 385-88.
17. Ibid., p. 193.

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33. Lehmbuch, Parteienwettbewerb im Bundestaat, p. 10.
40. Fritz W. Scharpf, “The Puzzle of the West German Consensus” Government and Opposition 16:3 (1981) p. 388. Until very recently, there was an underlying assumption that German voters tend to strengthen the national opposition party/parties at the Laender level. After the most recent electoral loss of the SPD and the Greens in Hesse (May 12, 1987), this can no longer be assumed automatically, as the Federal Republic has turned more one-sidedly conservative than ever before in its history.
42. Ibid., 273.
44. See Andrei S. Markovits, “Introduction: Model Germany — A Cursory Overview of a Complex Construct” in Markovits, The Political Economy of
West Germany, pp. 1-11. See also pp. 225-28 for the nearly complete bibliographic references. Typically, the contributions of the critics of 'Model Germany' are never discussed in the book. Enamoured with the 'Model' as well as its astute, enlightened, and highly competent leadership (an understandable case of affection for an American writing during the years of the Reagan presidency!), Markovits in one sweeping reference to these critics quickly dismisses their views as apocalyptic. See pp. 5-6.

45. See above, note 2.
46. The previous section is based on Esser, Fach & Vaeth, Krisenregulierung, 262-65.
50. Ibid., 175.
53. On the following see Albers, "Der Wohlfahrtsstaat..." Politische Vierteljahresschrift pp. 34-49.
61. It is hardly surprising that Machiavelli has been rediscovered as an inspirational source of political instruction in the neoconservative era of crisis politics. neoconservative era of crisis politics.