

Germany: The crisis of the Social Democratic Party

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Just one year after taking over the reins of government, the Social Democratic Party (SPD) and its coalition partner, the Greens, confront the concentrated anger of the German people.

In the shortest possible time German Chancellor Gerhard Schröder has succeeded in depriving his government of all credibility. Wide layers of the population are reacting bitterly to the government's new cost-saving measures and proposals for cuts in social programs. They feel thoroughly deceived and betrayed. The dramatic loss of votes in recent state elections in Brandenburg and Saarland—to be repeated in the coming weeks as further elections take place—expresses the mood of profound frustration and outrage.

Under Schröder's leadership the SPD has broken every one of its election promises. Without a trace of shame it has implemented, as the governing party, measures which in the past it opposed and partially blocked.

When the former Christian Democratic Union (CDU) Labour Minister Blüm included demographic factors in the estimation of pensions—a measure aimed at breaking the long-standing link between pensions and increases in net wages, and a consequent gradual reduction in pensions—the SPD furiously attacked his proposals. The election manifesto of the SPD of last year criticised the CDU with the words: “You cannot deal in such a way with people who have worked hard all their lives.” And in the spring of this year Schröder declared: “Pensions won't be touched!”

And now? The proposals by SPD Labour Minister Walter Riester to restrict the increase in pensions to 0.7 percent in the coming year and 1.6 percent the following year will insure a faster erosion in provisions for the elderly than anything proposed by Blüm. Already the coalition partner of the SPD, the Greens, have declared that a restoration of the link between pensions and net wages at a later point would be a false step, and Riester has proposed new plans for pensions involving further cuts for next spring.

The generation which was forced to make great sacrifices to rebuild the country during the war and the post-war period is to be bled dry in order to finance the luxurious lifestyle of many who have acquired their wealth through inheritance.

The pensions issue is just a part of the enormous turn to the right carried out by the SPD since the elections. The entire package of spending cuts with which, at one blow, Finance Minister Hans Eichel (SPD) is seeking to save 30 billion German marks is, point by point, directed against the majority of the working population as well as the unemployed.

The basis for the estimation of unemployment assistance is to be reduced. Social insurance contributions for the long-term unemployed are to be lowered, meaning that the unemployed will be doubly

punished because they will be entitled later to a substantially lower pension.

The latest bad news from the finance ministry reads: “Less money for unemployed people with children”. At the moment unemployed persons with children receive 7 percent more unemployment assistance. Eichel is demanding that this level be dropped to that of single people, i.e., 60 percent of the most recent net income.

At the same time the employers are to receive tax concessions. From the year 2001 the top level of income and corporation tax is to be further reduced. This is a gift for the rich amounting to 8 billion German marks, according to the principle: “If you've got it, we will give you more.” No government since the war has carried out such an open and provocative redistribution of wealth from the poor to the rich.

The SPD is a mass party which, in recent decades, has governed according to certain notions of social equity, and whose functionaries are represented in commissions and executives at all levels of society. Such a profound shift to the right must necessarily lead to internal tensions and open conflict.

Following Eichel's program of cuts and the joint statement published by Schröder and British Prime Minister Tony Blair this past summer, the SPD fraction chairman Peter Struck summed up the development of the party when he called for an extensive reform of taxes in favour of the rich, saying in all seriousness: “To take from the rich and give to the poor” is no longer appropriate in a modern society.

This was to much for some SPD functionaries, who hit the roof. Critics of the government policy warned against stripping the concept of social justice from the SPD program.

One of the first to announce himself was Rheinhard Klimmt, the former minister president for the state of Saarland and friend of former party chairman Oskar Lafontaine. He warned of the danger, under the leadership of Schröder, of “dumping the fundamental social democratic value of social justice”.

Anticipating the coming state elections he distanced himself from the government and declared he would reject the cost-cutting program, including the cut in the pensions, in the Bundesrat (second house of the German parliament).

At the end of August Klaus Wiesehügel, chairman of the trade union, Construction-Agriculture-Environment, and a member of the social democratic parliamentary fraction, presented a protest resolution against the cuts package. Under the heading “Social justice remains our task”, the resolution emphasised that the SPD had won the last national election because the policies of the previous “conservative-liberal government had failed to overcome economic, social and ecological problems. The result of this (CDU) policy was

growing social inequality and a redistribution from the poor to the rich.”

Under no circumstances, he continued, could the SPD pursue the same policy and thereby intensify social injustice. The paper then declared: “There are alternatives to the proposed cuts package”, and went on to list a number of demands, including measures against tax evasion and increased taxation or new taxes on the employers.

Within a short period of time 40 SPD parliamentarians signed the resolution and the possibility emerged of not merely protesting against government policy, but blocking it in the Bundestag (the main house of parliament). Taken aback at their own power, however, the opposition immediately moved to declare their loyalty to the government.

Just four days after his election defeat in the Saarland, Klimmt himself provided the fitting culmination to this pantomime when he took his place at the cabinet table of Chancellor Schröder, thereby binding himself to the government and accepting cabinet discipline. This self-designated “fighter for social justice” is to be minister for transport and construction, and in this function will be responsible for the implementation of planned cuts in public housing construction.

At a press conference he insisted that his acceptance of the post will not injure his credibility. This may be true, but only because the leadership of the SPD has already lost any credibility.

In his own way Lafontaine has also indicated his intentions. At a so-called Pleasure Symposium held at a Swiss luxury hotel, he lectured before the European commercial and cultural smart set on the theme of “Politics and Pleasure”.

The question arises: why is there no serious opposition inside the party to the turn to the right by the SPD?

The demand for social justice is fundamental to all political perspectives. In which direction will society develop? In the direction of the USA, where a corporate executive takes in 400 times the earnings of an average worker, or in the direction of greater social justice and equality? This issue touches on the lives of the masses and electrifies millions, whose daily experience is precisely the growth of inequality to the detriment of the vast majority all over the world.

Precisely because the demand for social justice is a mass question with politically explosive implications, all SPD functionaries have dropped the issue like a hot potato. Irrespective of their differences, they are all united on one point: the last thing they want is for the masses to begin to move and intervene in politics.

The urgency and social dynamic of this issue were already clear during the government's first months in office. The timid attempts of former party chairman and finance minister Lafontaine to link current SPD policies to those of the 70s unleashed an uncompromising storm of opposition from the chief executives of the big business concerns and banks.

Hardly a day went by without Olaf Henkel (head of the German Organisation for Industry) reading the government the riot act with regard to its economic policies. Any one who, even in a roundabout way, talked of stronger measures against tax evasion was immediately hammered.

Every political initiative, such as the proposed environmental tax, withdrawal from atomic energy or reduction in cheap-wage jobs, was torpedoed. The representatives of big business took it upon themselves to dictate government policy. The extent of their influence was apparent when a telephone call from the head of Volkswagen Motors, Ferdinand Piech, was enough to scupper a European regulation for the scrapping of old cars, initially drawn up with the participation of the

German government.

Before the last national election some spokesmen for big business made no secret of their desire to see a change of government. They regarded the Kohl government as worn out and hemmed in by the conflict of different interest groups within the CDU.

After the change in government, the same business spokesmen pulled the SPD into line. They were enthusiastically supported by Schröder, his close advisor Hombach and many others. When Chancellor Schröder declared, “I will not permit any policies that go against the interests of business”, the line of march was clear. Oskar Lafontaine resigned from his posts as party chairman and finance minister.

The decisive change in government policy took place during the Kosovo War. The war made clear the fundamental nature of the changes in the world situation since the dissolution of the Warsaw Pact. In the years of the Cold War, American domination of the Western Alliance went unchallenged. With the Kosovo War, however, conflicts between the great powers intensified.

As if it were a matter of course, discussion over national interests—to be realised through military means if necessary—became routine. The return of Germany to the world stage has broad consequences. It requires, to put it bluntly, that Germany put its own house in order.

Suddenly the to-ing and fro-ing over the environment and issues such as reliance on atomic power came to an end. Whereas previously the government had declared that its first priority was the fight against unemployment, the situation changed with the war.

Eichel's programme of cuts in the sphere of social services, overshadowing all such measures in the past, was declared to be the primary task of the nation. Neither existing laws and regulations nor the tradition of the “social state”, which in Germany goes back to the 80s of the previous century, could be allowed to stand in the way. Even with regard to such a secondary issue as late-night and weekend shopping, the employers seized the opportunity to demonstrate they would act without scruple to bend the law in line with their own needs.

In the name of the Nation and the national interest the social democrats are ready to do anything, and are now demanding sacrifices so as to restore the integrity of the state. *Die Zeit*, a newspaper with strong ties to the SPD, headlined its latest edition with: “What are you doing for your country?” The article explained: “The chancellor has departed from the promise to establish equality; that is a change of historic importance.” It went on to hail this new turn.

The turn to the right by the SPD makes clear the urgent need to build a new party which can offer a clear political orientation to the growing anger of broad layers of the population. The aggressive course of cuts, justified in the name of the national interest, must be opposed through the international unity and political mobilisation of the working masses and the unemployed.



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