

War and the dismantling of the welfare state

## German Chancellor Schröder attacks the socially disadvantaged

Ulrich Rippert  
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Three days before the American president gave his final orders for war against Iraq, German Chancellor Gerhard Schröder (Social Democratic Party—SPD) announced sweeping cuts in Germany’s social welfare system.

In his March 14 state of the nation address Schröder made a connection between his austerity measures and the war with Iraq. We must be courageous enough, he said, “to fight for freedom ... And we must have the courage to undertake the changes for ourselves and our country that are necessary to once again lead the economic and social development of Europe.”

There then followed a long list of planned savings and cuts in critical areas of social welfare, virtually all of which are directed against the unemployed and low-income groups. The proposals include cuts in unemployment assistance to reduce benefits to the level of welfare relief, the weakening of protections against redundancy, and a reduction in the duration of unemployment pay. Other proposals call for a reduction in health coverage and the dismantling of state pensions in favour of privately financed systems.

Even the conservative professor of economics, Wolfgang Gerke, assessed the speech as follows: “Chancellor Gerhard Schröder has undertaken to implement cuts in the German welfare system that are more severe than any contemplated by his predecessors.”

On several occasions Schröder spoke of “balance” and insisted that “all forces in society should make their contribution.” In fact, just the opposite is the case. No previous German government in the post-World War II period has, in such an open and shameless manner, launched attacks on the weakest and poorest

members of society. The cuts are directed almost exclusively against the long-term unemployed, those receiving social assistance, the sick and pensioners.

Under conditions where official figures put the level of unemployment in eastern Germany at 20 percent and even higher in some regions, the reduction in unemployed pay and the combining of unemployment assistance with social assistance means that large sections of an entire generation will be plunged into poverty. Such moves to impoverish less privileged layers of society are not only thoroughly anti-social; they are also politically criminal. Every child in Germany is aware of the political consequences of the mass poverty of the 1930s.

Schröder spoke repeatedly about the worsening economic situation and stressed that the growth in unemployment was a result of a lack of investment, in turn brought about by huge speculative losses. On German stock markets alone some “700 billion euros has been wiped out in just the past three years,” he said.

The situation “both nationally and internationally is extremely tense” and the “uncertain economic situation” will be “strongly affected” by a war with Iraq, he continued. A few days before his speech, German unemployment rose to its highest level ever during Schröder’s chancellorship—4.7 million, the third highest figure in the entire history of the German Republic. Just in the months of January and February a wave of redundancies occurred, with some 800,000 workers losing their jobs.

Schröder’s reaction to the economic crisis has been to enforce all of the demands made by German business circles. Nevertheless, the systematic deregulation of working conditions and the destruction of the social

state has its own logic and consequences. In the US such policies have led to an enormous polarisation of society. While broad layers of workers have been forced to take low-wage jobs and are less and less able to provide for their families, an enormous process of enrichment has taken place for a small minority at the top of American society.

Today social inequality is more extreme in America than in any other highly developed country. According to latest statistics, the annual income of the 13,000 richest American families exceeds the combined income of the 20 million poorest families. Such social extremes have made it possible for the most egoistic, reactionary and ruthless elements to stamp their mark on American politics and undertake a path to war, with immeasurable consequences for the entire world.

Chancellor Schröder has rejected a US-led war with Iraq, but has set Germany on a parallel path. He is unleashing the same process of social impoverishment that has already had disastrous political consequences for America.

The connection between the social crisis and the demands of world politics is also becoming increasingly clear in Germany. The very same business organisations that—with the agreement of Schröder—utilise mass unemployment to dismantle the German welfare state are preparing for a developing trade war with America. There is a growing chorus of voices proclaiming the necessity for a powerful European offensive against “American world hegemony.” At the beginning of March the influential Berlin-based political advisor and director of Applied Political Research (CAP), Werner Weidenfeld, described the European Union (EU) as a “world power in the making.”

He declared that the European Union must seize the opportunity to fulfil its potential as a world power. “The population of the EU will grow from its present level of 371 million to 539 million, around double the size of the US.... Its territory covers 5,097,000 square kilometres, more than half that of the US. Gross national product is approximately 15 percent more than that of the US. This potential could be used to define the status of a world power: about 35 percent of world production (US: 27 percent) and approximately 30 percent of world trade (US: 18 percent) proceeds from Europe.” In a reorganisation of the world this potential

has “an outstanding significance,” he said.

This is the real face of the pacifist positions adopted by European governments. Their rejection of Bush’s war with Iraq is intimately linked to their own pursuit of imperialist interests.

Schröder’s attacks on the socially disadvantaged shows clearly that it is not possible to oppose war on the basis of support for the ruling SPD-Green Party coalition. One cannot split the government into two halves and then judge domestic and foreign policy on the basis of completely different criteria. Otherwise one is condemned to end up with the politics of political amnesty formulated by the German trade unions on the eve of the First World War as follows: “We cannot desert our fatherland in its hour of need.” They then proceeded to suppress all the demands of the German working class.

Opponents of war must turn deliberately instead to working people. The rejection of war must be linked to a socialist programme that takes up burning social issues and decisively rebuffs the attacks against the unemployed, those dependent on social assistance, the sick and pensioners.



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