

# Germany: establishment parties unite behind Hartz IV laws

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At a national press conference on August 18 that marked the official end of the summer recess, Chancellor Gerhard Schröder gave his answer to the recent Monday demonstrations against his plan to slash social benefits. There would be no concessions. The Hartz IV laws on the “reform” of the labour market would be fully implemented by 2005. The parallel decision to lower the highest tax rate would take effect at the same time.

Two days before, tens of thousands of people participated in demonstrations in more than 100 towns and cities, protesting against the lowering of long-term unemployment benefits to the level of social security. Speakers warned that the protests would continue and expand. Schröder’s response was to declare that he would not yield to pressure from the streets.

The German chancellor restated the propaganda slogans of his government, claiming that there was “no alternative” and that his reforms were aimed at “providing the long-term unemployed with a new perspective.” The nature of this perspective had been spelled out the previous day by Wolfgang Clement, the Social Democratic Party (SPD) minister for labor and economy. Clement announced the creation of 600,000 so-called “one-euro-jobs,” which would supposedly enable the unemployed to earn an additional 1,000 euros a month.

These cheap-labour jobs, paying one euro an hour, are rightly seen by many unemployed as a provocation. A good number of those without jobs have completed one or more vocational training courses spanning several years, or hold a university degree.

Such low-wage jobs serve to undermine decent pay and conditions. Clement claimed that one-euro-jobs would be in large demand, because towns and communities could not afford to pay regular employees. This is just another way of saying that normal jobs in the public sector are to be replaced by cheap labour.

It has been revealed that almost 400,000 elderly people who have signed onto the so-called “58-regulation” in recent years will be hard hit by Hartz IV. Under the 58-regulation, workers could, in lieu of being laid off, voluntarily go into early retirement at the age of 58. They were guaranteed full unemployment benefits until they reached the statutory retirement age.

Many workers agreed to retire under the 58-regulation because they wanted to help younger colleagues keep their jobs. But under Hartz IV, beginning in January 2005, these retirees will be rewarded by being treated as social security recipients. Their benefits will be reduced dramatically, and those who have accumulated assets during their working life will be forced to use up all savings (but for a small allowance) before they are entitled to any support at all. This is a clear breach not only of trust, but of a legal obligation.

In the course of his August 18 press conference, Schröder called upon all cabinet members to fully defend the Hartz IV laws. He also announced the launching of an advertising campaign. The entire state and propaganda apparatus will be mobilized to break the resistance of the people.

Schröder’s conduct is based on a broad alliance of backers.

On the previous weekend, the candidate who challenged him in the last national election, Edmund Stoiber of the Christian Social Union (CSU), made a point of supporting the social cuts planned by the federal government. In an interview with the *Berliner Zeitung*, Stoiber, who heads the state government of Bavaria, warned against any retreat in relation to the labour market “reforms.” He declared, “If one is convinced that one is doing the right thing, one must not be led astray by demonstrations.”

The leading employers’ associations also came out in support of Schröder and called upon him to remain steadfast. “The Hartz IV laws have been decided upon jointly by the SPD, the Greens, the Conservatives and the Free Liberals. This means that everybody must stand by this decision now,” said Ludolf von Wartenberg, the managing director of the National Association of German Industry (BDI), in an interview with the daily *Handelsblatt*.

According to a Reuters report, the president of the German Chamber of Industry and Commerce (DIHK), Ludwig Georg Braun, criticised the reform debate of previous weeks and the “softening up taking place within almost all parties.” He demanded more steadfastness, especially on the part of the Conservatives (Christian Democratic Union [CDU] and Christian Social Union [CSU]). Despite the upcoming state elections in Brandenburg and Saxony, the reforms should not be slowed down, but accelerated, Braun said.

Two days later, the leading news magazine *Spiegel* article in its on-line edition with the headline, “Merkel Praises Schröder.” Angela Merkel, chairwoman of the CDU, while repeating her criticisms on some technical questions, sent her party colleague and friend from Hamburg, Ole von Beust, to express support for Hartz IV.

The new system had to be given a chance, von Beust told the daily *Hamburger Abendblatt*. Von Beust praised the course taken by the SPD-Green coalition government led by Schröder: “I have great respect for SPD Chairman Franz Müntefering and also for Chancellor Gerhard Schröder for having rigorously enforced this concept even within their own party.” He accused the Hartz opponents within his own party of “populism,” saying, “I have no sympathy with those in our ranks who have called Hartz IV into question.”

Both the Catholic and Protestant churches have published statements expressing their support “for labour market reforms that will preserve the welfare state.” The head of the Catholic Bishops’ Convention, Karl Lehmann, told the tabloid *Bild am Sonntag* that he rejected any kind of reform-blocking or panic. He supported the argument of the government that all social institutions should provide more information and advice, and called for more help for those immediately hit. While Cardinal Lehmann did not explicitly support the introduction of cheap labour schemes, he stressed that the touchstone of the reform laws was “whether they lead to the integration of those seeking work, in particular, the long-term unemployed and ill-qualified, into the labour market.”

The head of the Protestant church in Germany, Wolfgang Huber, was even more outspoken. In an interview with *Spiegel* magazine headlined, “More Courage for Reforms,” he defended the lowering of unemployment benefits to the level of social security. “A certain social descent will be inevitable,” Huber acknowledged. When asked whether it was possible to survive on 345 euros (in the west) or 331 euros (in the east), Huber expressed his sympathy with those who found this difficult to accept, but insisted that “as a basic coverage, this has to do for the moment.”

Schröder’s arrogant behaviour and his provocative snubbing of the Monday demonstrators at his national press conference reflected his confidence in the support of all of the major political, economic and religious institutions in Germany, which have formed a de facto grand coalition in favor of Hartz IV.

There is, however, another factor. He is well aware of the cowardice and weakness of those political organizations that are seeking to gain control of the protest movement against Hartz IV. He is able to differentiate between the anger and deeply felt disgust of the people, on the one hand, and the official political representatives of this movement, on the other.

Not only Oskar Lafontaine, who demonstrated back in 1999 that he is inclined to run away once big business furrows its brow, but also the trade union representatives who spoke at a

number of rallies, limited themselves to vague appeals to the government. None of the speakers in Leipzig, Magdeburg or Berlin was prepared to state the obvious fact that the struggle against Hartz IV requires a long-term political perspective. They reject the conception that it is not enough to put pressure on the government and that a broad political offensive must be directed against the foundations of the capitalist system itself. Instead they repeat time-worn phrases about a “social market economy” and a return to the social reform policies of the 1970s.

A typical example of the cowardice of these forces is the announcement by the “Election Alternative Jobs and Social Justice” (WASG) that they would “in all probability” refrain from participation in the upcoming state elections in Schleswig-Holstein and North Rhine-Westphalia. Despite the fact that these elections are scheduled only a few weeks after the implementation of Hartz IV early next year, which is almost certain to provoke new protests, Klaus Ernst, a member of the WASG executive committee, declared that there was not enough time to prepare a campaign.

This is an excuse, behind which lies the real reason. Both states are currently governed by the SPD, and Klaus Ernst does not want to run candidates against the social democrats. Thus, the “election alternative” prefers not to run as an alternative in the coming elections!

In a separate article, we have commented on the comparison between today’s Monday demonstrations and those of 1989. They are very different in one particular aspect. Today’s demonstrators are not confronted with [East German] Stalinist hacks like Hönecker, Krenz and Schabowski. These were representatives of a bankrupt regime that sought salvation in a turn towards capitalism. Schröder, however, is backed by a capitalist class that, while in crisis and devoid of any solution to the great social problems of the day, is determined to defend its power by all means.

The most important issue raised by the struggle against Hartz IV is the building of a political alternative that aims to mobilize the working class on the basis of a socialist program.



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