

Germany: Which way forward in the struggle against Hartz IV?

The Socialist Equality Party (Partei für Soziale Gleichheit)
21 August 2004

Those demonstrating against Hartz IV are demanding more than mere cosmetic changes to this latest piece of anti-social legislation. What is at stake is the struggle against a social development that is throwing ever-larger sections of the population into bitter poverty, while a small minority are shamelessly enriching themselves. Hartz IV is the proverbial straw that broke the camel's back.

Recent statistics are particularly revealing. Since the Social Democrats (SPD) and the Greens took over government in 1998, the gulf between rich and poor has widened considerably.

At the same time, there is no overall lack of money. According to the figures provided by the German central bank (Bundesbank), the monetary wealth of private households (i.e., excluding landed property) has risen from 2.5 to 4 trillion euros over the past 10 years. However, this increase was almost exclusively to the benefit of the wealthy. The average fortune of the top 10 percent has risen from 77,000 to 160,000 euros in the west and from 27,000 to 56,000 euros in the east. The meagre assets of the bottom 25 per cent of the population, however, dropped markedly—from 4,900 to 2,500 euros in the west, and from 2,600 to 2,000 euros in the east. The poorest 10 percent no longer possessed anything in 2003.

The development of incomes proceeded along very similar lines. While the percentage of those living below the official poverty line, which is half the average income, had always been well below 10 percent in the years before 2001, it rose by more than 2 percentage points in 2002, topping 11 percent. "All indicators point to a clear increase in poverty in 2002 compared to the previous year," the National Statistical Bureau commented. Hartz IV will accelerate that development. "This will become a galloping process, during the coming 10 years the poverty rate in the East will grow rapidly", according to Hanna Haupt from the Institute for Social Science Studies Berlin-Brandenburg.

All establishment parties support this process. The conservative parties, CDU and CSU, and the liberal Free Democrats (FDP) complain that it does not proceed fast and far enough, while the Party of Democratic Socialism (PDS) is screaming "Hartz must go!"—in those states where they do not form part of the government. As soon as they are in power, the PDS takes the opposite stance. The economic minister for

Berlin, Harald Wolf (PDS), explicitly supports essential elements of Hartz IV, while his party colleague Helmut Holter, as labour minister in the state of Mecklenburg-Pomerania, personally supervises the implementation of the cuts. As the successor of the SED, the former ruling Stalinist party in East Germany, the PDS continues the former's manners. The SED would preach socialism in words, while defending its own power and privileged position in deeds.

The trade unions basically agree with Chancellor Gerhard Schröder's policies. The president of the IG Chemie, Hubertus Schmoldt, expressed his support for the government in a circular to his membership. While the unions, he wrote, had to respond to the anguish and disappointment of many citizens, "it is also our responsibility not to attack necessary reforms." The indispensable reform of the social state would continue to "bring further burdens." The IG Metall criticised Schmoldt's letter, but insisted that the unions would not "block reforms."

How can this course be stopped? What can be done to prevent the descent of broad layers into bitter poverty?

To answer these questions, a number of fundamental facts must be confronted. Although we wholeheartedly welcome the recent protests by tens of thousands, only a clear understanding of the impending political tasks can give them the necessary power to strike back effectively. Otherwise, there is a danger that today's demonstrations will share the fate of the Monday demonstrations of 1989.

Of those who took to the streets under the slogan "We are the people" in 1989, only few could imagine the terrible consequences of the reintroduction of capitalism—mass unemployment, social insecurity and growing poverty.

At that time, civil rights activists and representatives of the East German government sat down at the "round table" and promised in unison that the introduction of the market and competition would trigger a speedy rise of living standards. There would emerge a "social market economy" modelled after post-war West Germany. This was a conscious fraud. In reality, living standards of West Germany's working population had already been in long decline, and millions were unemployed.

The globalisation of production and of the financial markets has destroyed the basis for social reforms. Such reforms can no longer be enforced upon banks and corporations that operate on

a global scale. The latter react to demands for higher wages or tax increases by shifting production and capital elsewhere. The Social Democrats and the trade unions are powerless in the face of this process, because they accept without reservation the right to private ownership of the means of production. They have turned into mere lackeys of big business.

The same basic development stood behind the crisis of the German Democratic Republic and the Soviet Union. The attempt of the Stalinist bureaucracy to build a planned economy within a national framework collapsed under the dominance of world economic relations.

The Bund Sozialistischer Arbeiter (predecessor of the SEP) warned against the reintroduction of capitalism. In its manifesto for the elections to the East German parliament in 1990, the BSA called upon workers to “reject all political tendencies that aim to replace the Stalinist dictatorship by the dictatorship of Deutsche Bank (i.e., by the dictatorship of imperialism). The crazy petty bourgeois at the ‘round table’ go into raptures about the merits of capitalism precisely at a time when the living conditions of the working class in all capitalist countries have worsened dramatically over the past decade.”

The BSA did not extend any support to the SED regime and supported the movement against it. However, we warned that this movement could only succeed on the basis of an international socialist perspective: “More urgently than ever before, the present situation demands the unification of the international working class across all borders in a common struggle for the overthrow of both Stalinism and capitalism.... The only alternative is a new period of brutal oppression, national conflicts and wars. Already, the garbage of European history is being swept to the surface and the flashpoints of both world wars are being set on fire once again.”

These warnings have been fully confirmed.

Clearly, the east German states are the hardest hit by Hartz IV. Millions who have been unemployed for many years are losing their means of subsistence. However, the problem is not limited to east Germany or even Germany as a whole. It concerns workers throughout the world.

In eastern Europe, the consequences of capitalist restoration are even worse. In Poland alone, millions have lost their jobs through the closure of shipyards, steelworks and mines. Those who have work earn but a fraction of wages in the West. In the US, the richest country in the world, social inequality has reached unprecedented dimensions. More than 40 million Americans lack health insurance. In Asia and Africa, conditions of indescribable misery combine with wars and the threat of wars.

While in 1989 our warning of new wars may have appeared somewhat far-fetched to some readers, it has been fully confirmed by events in Iraq. The US, as the only remaining superpower, uses its military might to subjugate the world to its interests. The unprovoked and illegal war against Iraq is not directed against terrorism and weapons of mass destruction. It

is about oil and strategic power. Should Kerry win the presidential elections, a Democratic administration would continue the same course.

The German government, after initial reservations, agreed to the American occupation of Iraq in the United Nations Security Council. At the same time, the German army is being transformed into a combat force capable of international interventions. As in the early twentieth century, this military escalation threatens to lead to a world conflagration.

The conception put forward by former SPD Chairman Oskar Lafontaine, the “Election Alternative” and other groups that—under these conditions—there can be a return to the social reformist policies of the 1970s, is simply ludicrous and an outright fraud. It serves to direct the movement against Hartz IV back into the channels of social democratic policies.

Only a unified, international movement of the working class can effectively fight the current dangers. Workers in the east and west of Germany must conceive of themselves as part of an international class and consciously strive to establish the closest relations to their class brothers and sisters in eastern Europe, throughout the European Union, in the US and in the Middle East. The needs of the people must take precedence over the profit interests of capital. This requires a thorough reorganisation of international economic life according to socialist principles. The large banks and corporations must be placed under public control.

The Socialist Equality Party aims to lay the foundations for a new party that represents the interests of the working people including old age pensioners, the unemployed and the youth. It is part of a world party, the Fourth International. In its long history, which goes back to the founding of the Soviet Left Opposition by Leon Trotsky in 1923, it has defended the Marxist perspective of socialism against both Stalinism and social democracy.

The *World Socialist Web Site*, which appears in 12 languages as the organ of the International Committee of the Fourth International, is being updated on a daily basis with analyses of the most important international events. It draws the lessons from the experiences of the international working class and puts forward a socialist perspective.

All those who seek a serious way forward are invited to contact our editorial board, to establish WSWS reading groups and to join the SEP.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact