## Germany: former SPD chairman Lafontaine and the Election Alternative

Dietmar Henning, Peter Schwarz 12 May 2005

"Welfare cuts endanger social peace." These were the words that a union official used to introduce former Social Democratic Party (SPD) chairman Oskar Lafontaine to a recent meeting of the Election Alternative—Work and Social Justice (WASG). Lafontaine spoke on April 28 before some 500 members and supporters of the WASG in Krefeld, in the Ruhr area of northwest Germany. To ensure that prominent Social Democrat Lafontaine, who is still a member of the SPD, did not face expulsion, the meeting took the form of a panel discussion under the auspices of the IG Metall and Ver.di trade unions.

Do not endanger social peace! These words could have been the slogan for the entire meeting; as it is, they express the real concerns of Lafontaine and the Election Alternative. For them, what matters is preserving social peace, the sophisticated system of social checks and balances for which the SPD and the unions have borne responsibility in Germany for decades.

As the saying goes, you can't make an omelette without breaking eggs. And it is just as impossible to oppose unemployment, welfare cuts and the various evils of capitalism that Lafontaine loudly deplored in his speech without upsetting social peace. But that is the last thing that Lafontaine and the Election Alternative want to do.

The WASG, which has only just held its first party congress, is standing candidates in state elections for the first time, in North Rhine Westphalia (NRW) on May 22. The Election Alternative consists predominantly of veteran SPD and union functionaries who are concerned about the loss of authority and decay of these organisations. The WASG is standing its own candidates in the elections separately from the SPD, and as such is its competitor. Yet, it sees its political task as preventing a settling of accounts with social democracy and thwarting an independent movement of working people that could place the existing capitalist order in question.

The WASG decided to participate in the NRW elections only after much hesitation. The election in NRW, the last state governed by a coalition of the SPD and the Greens, is regarded as setting the trend for the 2006 federal elections, and the WASG does not want to be blamed for depriving the SPD of its rule in Düsseldorf. Therefore, it had originally announced it would not run candidates in NRW and would only be participating in the 2006 federal elections.

Only when it became clear that an "Election Alternative" that did not stand candidates in this year's most important election lacked any credibility did it hesitantly decide to run its own slate. Since then, it has kept its election campaign very low key, so as not to do the SPD any damage. "We do not want to take votes away from the SPD. We are aiming at non-voters," Horst Gromann told the press. Gromann was a member of the SPD for 30 years and is now one of the founders of the WASG.

The Election Alternative has been courting Lafontaine for a long time and would gladly make him party leader, hoping that he would prove an effective figurehead for the media and could induce other SPD members to join its ranks.

But Lafontaine has not been so keen. For his part, he uses the Election Alternative to put pressure on the SPD. In a press interview last summer, he threatened to join the new party "if Schröder continues his failed policy up to the next federal election." Meanwhile, he announced that he would break with the SPD if it did not pledge to withdraw the Hartz IV welfare cuts legislation by the time of the NRW election. So far, he has never carried out such threats, a habit that has increasingly weakened their impact.

Lafontaine also did not want to commit himself at the Krefeld forum. Towards the end of the meeting, when asked about his recommendation for the NRW election, he avoided a direct answer, saying he stood on the side of the socially weak. "My goal is not to splinter the left. My goal is to stabilise the left," he said, appealing to the SPD to adopt a different policy.

Noting with approval the latest statement by SPD chairman Franz Müntefering comparing foreign venture capitalists to "locusts," Lafontaine said he "welcomes criticism of capitalism by all parties," including his own. The previous week on television, he said he was pleased "that apparently a rethinking is taking place in the SPD." If the election was lost in NRW, he added, "then surely even the last neo-liberal in the SPD must notice that something is wrong."

While Müntefering derides international investors as locusts, Chancellor Gerhard Schröder throws money at them by lowering corporate taxes, a division of labour so apparent that even Lafontaine cannot ignore it. He limited his praise for Müntefering with the warning that his words should "not just be another electoral manoeuvre" and that what counts "is not words, but deeds."

The contortions Lafontaine and the Election Alternative put themselves through in relation to the SPD express their real political orientation: trying to rescue social democracy. They regard the decline of this party as an acute danger for the existing order, for which the SPD has served as a reliable prop since 1914, when it backed the government of emperor Wilhelm in World War I. This is why they are striving to induce the SPD to show more consideration, at least in words, for its traditional voters in the working class. If this fails, and the SPD continues to break apart after losing power, then the Election Alternative hopes to act as a focal point to continue social democratic policy. In this case, Lafontaine probably would join the WASG or a similar formation.

Lafontaine has presented his criticism of the course taken by the Schröder government in three books and innumerable media appearances since his hasty resignation as finance minister and party chairman in the spring of 1999. This is aimed at fostering illusions in the feasibility of a national reformist programme.

Like a believer who complains impotently to an imaginary god, he endlessly bewails the same topics in countless variations—the breaking of election promises, the failure of social consensus, the irresponsibility of capital. However, he never deals with the causes of these problems and of the right-wing turn taken by social democracy, which is not limited to Germany—the dominance of the international financial markets and transnational corporations over all aspects of national life, which has undermined the basis for any form of social reformism.

If Lafontaine were to recognise that the rightward drift of the SPD has objective causes and cannot simply be attributed to individual perfidy on the part of his archrival Schröder, he would have to place a question mark over the entire reformist programme of social democracy and call for a revolutionary alternative. But this is what he wants to avoid under all circumstances.

In Krefeld, Lafontaine sat alongside WASG executive member Klaus Ernst, as well as two Christian scholars. They excitedly discussed new meaning that has been given to terms like "reform," "ancillary wage costs" and "responsibility." Attacks on social security were wrongly called "reforms," Lafontaine said. All the talk about reducing ancillary wage costs means nothing but cutting money for the poor, the sick, the old, those in need of care and the unemployed. "Responsibility" has become "individual responsibility." In place of "welfare for the socially weak," we are urged to take "individual responsibility"—in other words, "Look after yourself." This is the way "the consensus of the postwar period was ended," Lafontaine complained.

Lafontaine presented 10 demands, which one participant promptly dubbed "Oskar's Ten Commandments." They do not question the capitalist system, but only some of its wildest excesses. Among other things, Lafontaine called for a ban on paying managers in share options, a managers' liability bond and a prohibition against hedge funds in Germany, as well as a law "banning credit with interest rates as high as 10 to 11 percent for the population."

Other points included an increase in the highest tax rate to more than 50 percent, the taxation of enterprises at the same level as in 2000, the repeal of the Hartz IV laws, the introduction of a minimum wage and wage increases at the same level as in the US, Britain and France (at least 4 percent). According to Lafontaine, it is "rubbish" to say that the welfare state cannot be financed: "If we had the same tax levels as Sweden, we would have 300 billion

euros more in the public purse."

Lafontaine left the question open as to how these demands can be implemented against the pressure of international capital. In 1999, he resigned as finance minister when he was attacked by bigbusiness circles.

To give some credence to the claim that his demands could be implemented within the existing order, he repeatedly cites the examples of other countries. He often refers to the "Anglo-Saxon world." In newspaper interviews, he has praised the financial and employment policies of Bush in the US and Blair in Britain.

In doing so, he counts on the ignorance of his public. In the US, real wages at the lower end of the scale have stagnated for the past 30 years, while profits and management salaries have exploded. The richest 1 percent of the US population now owns 33 percent of national wealth, and the richest 10 percent possess 71 percent, while the poorest 40 percent grows ever poorer. In Britain, things are the same. The thousand richest Britons have increased their fortunes since Labour took office under Tony Blair by around £150 billion—a 152 percent rate of growth.

Many of Lafontaine's arguments have clear nationalist undertones. He justified the demand for wage increases comparable to the US, Britain and France with the argument that "German workers should be on the same level again" (as if workers do not have to fight against a constant attack on their social situation in every country).

He also referred to the "high economic values" that have been created in Germany, and which are far higher than in countries such as Poland, the Czech Republic and Hungary. He justified the introduction of a minimum wage as a "protection from destitute eastern European workers" (as if eastern European workers were the source of the problems facing German workers, rather than the global enterprises that play off workers against each other).

Lafontaine met a warm response from the audience, consisting predominantly of older union bureaucrats and low- and midranking social democrats, as well as members of various social alliances involving the churches, social workers and their clientele. After almost every sentence, Lafontaine received frenetic applause, some even rising to their feet. On occasion, the scene resembled a cult gathering.

Lafontaine obviously believed he could compensate for the paucity of his demands with a forceful manner. As he read out his 10 points, his neck swelled, his head became redder and redder, his voice became louder and louder. His exaggerated gestures tried to lend his words some greater significance.

Outside the meeting in Krefeld, Lafontaine and the Election Alternative find little resonance. The new party has so far hardly registered in the opinion polls. Many have had enough of the sort of demagogy practised by Lafontaine.



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