The dead end of national reformism

Germany: Lafontaine and his “Party of the Left”

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The effort to establish a so-called “Linkspartei” (Party of the Left) in Germany has received a new impetus: former federal cabinet minister and state premier Oskar Lafontaine has resigned from the ruling Social Democratic Party (SPD), and former leader of the Party of Democratic Socialism (PDS) Gregor Gysi has announced he intends to stand as a candidate in the upcoming national elections for the Bundestag (federal parliament).

These moves coincide with ongoing unity discussions between the “Election Alternative—Work and Social Justice” (WASG) grouping, largely composed of disenchanted SPD and union functionaries, and the PDS, the successor to the Stalinist ruling party in the former East Germany. The two organizations are still arguing over a common name and a joint political platform, but there are powerful forces within both organisations pushing for unification.

Lafontaine’s resignation from the SPD is widely seen as a move to encourage the formation of a new political instrument based on the PDS and WASG and lend such a “Party of the Left” greater legitimacy and prestige.

A major sticking point in the talks being held by the PDS and the WASG is the reluctance of the former party of state power in East Germany to dissolve its party organisation. The PDS was formed in the aftermath of the collapse of the Berlin Wall in 1989 by leaders of the East German Socialist Unity Party (SED), which was established nearly six decades earlier in April 1946. The PDS still has several thousand political representatives at the local level in the former German Democratic Republic (GDR—the official name of East Germany). It maintains a significant presence in Germany’s eastern states, with ministers in Mecklenburg-Western Pomerania and the state government of Berlin.

Having established itself after the fall of the Berlin Wall, the PDS strove to avoid dissolution following the collapse of the GDR a year later. One major reason was that the new party retained a large portion of the old SED’s considerable assets.

In contrast, the WASG is a poor bride. It brings little to this political marriage apart from some trade unionists and disenchanted social democrats. In the recent elections in the western state of North Rhine-Westphalia, in which the WASG ran for office for the first time, it received only 2 percent of the vote.

A simple electoral alliance of the two parties is not possible under German election laws, which permit only accredited parties or individual candidates to stand. In the short time available before this autumn’s Bundestag poll, both organizations are cooperating with the federal official who oversees the elections to try to arrive at a joint candidacy, while still retaining the autonomy of the two organisations.

More important than the squabbles over positions, finances and how such an alliance would fare under Germany’s “5 percent” rule (which denies parliamentary representation to parties that fail to win 5 percent of the votes cast in an election)—issues which dominate the commentary in the German media—are the programmatic foundations of this political project. And here, it is clearly Lafontaine who is setting the tone.

Globalization—a subterfuge?

Lafontaine’s central thesis is that it is possible to carry out an alternative policy to that of the SPD and its coalition partner, the Greens, based on social reconciliation, but within the context of the existing capitalist social order. He downplays the far-reaching changes in society arising from the power of international capital markets, and views the process of economic globalization in purely subjective terms. It is, he maintains, a subterfuge concocted by neo-liberals to advance their own interests.

The fifth chapter in Lafontaine’s latest book, *Politics for All—a Polemic for a Fair Society*, carries the heading: “Globalization as a Putrid Subterfuge.” Nowhere in the world, Lafontaine writes, are the “erroneous teachings of neo-liberalism as energetically and consistently advanced as in Germany,” where the “supposed imperatives of globalization” merely serve as a pretext.

Let us for the moment leave aside the fact that the arguments of the neo-liberals are advanced not only in Germany, but rather set the tone everywhere in the world, and concentrate on Lafontaine’s refusal to seriously examine globalisation and its social consequences. He states categorically that it is possible today to pursue “another policy” that maintains and builds on the social reforms of the 1970s.

He writes: “The allegedly unaffordable welfare state would be affordable if we had the same tax levels and proportionate public sector costs as our European neighbours.” Although the exact levels of taxation and public sector costs are presently a subject of fierce dispute in Germany, there can be no doubt that the SPD-Green Party government has cut taxes heavily in the interest of the employers. But it is pure demagogy to claim that the situation is significantly different in France, Holland, Belgium, Italy or any other European country.

In reality, what is taking place is a European and worldwide phenomenon. Social standards are being drastically cut everywhere, clearly demonstrating that the globalization of production is an objective process, against which the national programmes of social reforms of the 1970s have proved powerless.

Not a single social cut implemented by the government of SPD Chancellor Gerhard Schröder and Green Party leader Joschka Fischer is “without an alternative,” or is the “imperative consequence of

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globalization," writes Lafontaine. He claims, "as in other European states, it would have been just as possible to allow wages, and thus pensions and unemployment benefits, to grow in proportion to productivity."

In other words, it is pure accident, or the result merely of subjectively motivated policies, that nowhere in Europe have wages, pensions or unemployment benefits been raised in recent years. Lafontaine's claim is absurd. In fact, the universal trend is to hold wages down and slash working class living standards. In France, for example, productivity is presently rising by 3 percent annually, while the annual increase in wages is under 1 percent.

"Are the developments at Opel, Karstadt, Siemens and Mercedes in 2004 really a result of the imperatives of globalization, against which national policies are helpless?" Lafontaine asks, and answers by pointing to management mistakes and a "policy of false models." As a counterargument, he cites the "successful managerial policy" of the French auto concerns Renault, Peugeot and Citroen, which have employed tens of thousands of new workers.

Recent French auto models have sold relatively well, which, from the point of view of the individual enterprise, is certainly noteworthy, but that changes nothing when viewed within the overall context of the automobile industry. The success of one international concern is usually predicated upon the failure of another—for example, Fiat and GM.

The auto industry provides an exemplary picture of the impact of globalization. What prevails is downward pressure on wages and the transfer of production to other countries where wages and production costs are lower—and this is no different in France, where the auto industry has in recent years employed thousands of short-term and contract workers. Indeed, the pressure on wages is exerted in large part by an increasingly global supply chain.

In any event, Lafontaine's numbers are often deceptive. While it is true that Renault hired 25,000 new employees in France between 1999 and 2004, at least the same number of jobs were eliminated. Thus, despite the new hirings, the total number of employees decreased between 2001 and 2003 by around 1,000. Moreover, Renault is about to establish new plants in Russia, Slovenia and Turkey, where it is likely to shift production, slashing more jobs at its French plants.

Workers all over the world are confronted by the fact that the corporations pursue an international strategy, playing off locations and workforces against one another.

Globalization does not force anybody to throw millions of euros at managers who resign, while cutting holiday benefits for the workers, he declares, "even where such scandalous behaviour is part of the corporate culture, as in the US."

However, Lafontaine does not say why it is that the international financial markets have the power to impose "American conditions" in Europe, why all European governments have adopted the "American model," and why all social democratic parties and trade unions have proved themselves incapable of opposing this process.

Instead of dismissing globalization as a subterfuge advanced by the neo-liberals, it is necessary to understand the economic and social changes that have taken place over the past 25 years, and which have thrown masses of people everywhere in the world into a vortex. Every day brings new disasters, not just in the form of factory closures, job cuts or cuts in social benefits, but also famines, ethnic disputes, trade conflicts and wars. All of this unfolds within the context of a worldwide struggle by the great powers for economic influence and geopolitical power.

Moreover, the threat of a large-scale economic crisis hangs over the entire world. In view of the increasing indebtedness of the US and the constant increase in speculation, many experts no longer speak about if there will be a collapse, but rather when it will occur, and what form a collapse of the international financial system will take.

It is beyond the scope of this article to deal with the causes and effects of globalization in detail. But a few statistics dealing with the growth of social contradictions on a world scale make clear the degree of class polarization that has developed alongside the supremacy of global capitalist markets.

The wealth of 475 billionaires today is equivalent to the total income of more than 50 percent of the world's population. And this concentration of wealth continues to accelerate. In the United States alone, the number of billionaires rose from 13 in 1982 to 149 in 1996, and has continued to increase since then.

Five years ago, at the beginning of the new millennium, the United Nations presented a World Development Report in which it showed that the fortunes of the three richest individuals in the world exceeded the total gross domestic product (GDP) of the 48 poorest countries. The 15 richest individuals have a fortune larger than the combined GDP of all the sub-Saharan African states, and the wealth of the 32 richest individuals exceeds the GDP of South Asia. The wealth of the 84 richest individuals exceeds the GDP of China, with its 1.2 billion inhabitants.

This concentrated power of capital not only dominates the developing countries, in which more than half of the 4.4 billion inhabitants go without sanitary facilities and where a third have no access to clean drinking water. In Europe too, all the existing social provisions and benefits are being slashed in order to provide a freer and more profitable field of action for large international investors—from social insurance and health systems to transportation networks.

Lafontaine's claim that it is possible to oppose this process without challenging capitalist forms of property is absurd.

Nationalist undertones

Lafontaine's arguments lead inevitably in a nationalist direction. Since he knows that any attempt by Germany to "go it alone" would carry high risks, he advocates a "Franco-German confederation of states." Under this headline in his book, he praises the cooperation of Berlin and Paris, and stresses that these two "modern industrial nations with a combined total of 142 million inhabitants" would have great weight in today's international balance of power.

But Germany and France are both capitalist countries and pursue imperialist goals—a fact Lafontaine tries hard to obscure. He writes, "Such a union would not only have a military and economic significance, it would also be a cultural act, since there is a rich inheritance of philosophy, art and literature in both countries, which must not be abandoned."

Then he asserts that "English terminology" is "spoiling the European languages," as if English were not a European language and English and American authors made no significant contribution to world literature.

The working class must reject all such attempts to foment nationalist sentiments in the name of defending the welfare state. Working people must resist nationalist or euro-chauvinist attitudes, and instead counterpose to the global offensive of the corporations and banks their own international strategy.

The beginnings of such a development were already evident in the powerful mobilization against the European constitution in France and Holland. But it requires a conscious socialist perspective, which places the needs and interests of the working population—the vast majority of the people—above the drive for profits by the big corporations.

Lafontaine, who was the only well-known German politician to advocate rejection of the European constitution in the French referendum, decisively rejects such a perspective. He sees his task as preventing the development of revolutionary tendencies.

It is interesting how Lafontaine, who was the chairman of the SPD until

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1999, justifies his resignation from the party. In interviews and talk shows he has warned that the government that emerges from this autumn's election—regardless of its composition—carries a "fateful responsibility." If it does not succeed in carrying out reforms in a socially acceptable manner, a "revolutionary situation would be inevitable."

In the preface to his book, he quotes the chairman of the German Bishops' Conference, Cardinal Karl Lehmann, who says of increasing social inequality: "Such a development is a symptom of social decline. It is not sustainable and could lead to a pre-revolutionary climate if it continued over the short or long term." In a democracy, according to Lehmann, there are "definite limits to inequality."

Lafontaine regards the welfare state as a means of ensuring order and the sway of bourgeois relations, and sees his own task as heading off growing popular resistance by keeping it under control and diverting it in reformist channels, which pose no dangers to bourgeois rule.

This is why he rests on the PDS in the east and the WASG in the west, and is trying to unite them in a common electoral slate. In the former GDR, the PDS still has a strong party apparatus and is very experienced in the suppression of social conflicts. The WASG in the west, supported by sections of the trade union bureaucracy, is similarly trying to create such a bureaucratic instrument.

Whoever claims that a left-wing party emerging from the PDS and WASG is progressive because it would shift the social balance of power to the left is either naïve or consciously engaging in political charlatanry. The same arguments were employed seven years ago to support the SPD-Green Party government—and they were false then. Since then, all of the established parties have moved clearly to the right. In East Germany, the PDS forms a pillar of bourgeois rule. Its ministers and political representatives are just as ruthless in pushing through social cuts as their colleagues in the SPD and the Christian Democratic union.

Lafontaine's programme of national reforms leads to a political dead end. Those who place their hopes in and actively support such a perspective today will be disappointed tomorrow. Workers should be on their guard. In the past, such manoeuvres have always weakened the working class and strengthened reactionary forces.

Instead of placing hopes in Lafontaine—a man who has repeatedly proved over four decades of political activity that his main concern is preserving social peace and bourgeois order—it is necessary to conduct a serious and far-reaching debate over the perspective of socialist internationalism, based on the rich lessons of the past century.

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