

# Germany: North Rhine Westphalia government adopts austerity programme

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Following their election victory in the state of North Rhine Westphalia on May 22, the Christian Democratic Union (CDU) and free market Free Democratic Party (FDP) have agreed a programme for their coalition government. The two parties signed a coalition contract that heralds massive cuts in public services, which will undoubtedly hit ordinary people very hard. Two days later, Juergen Ruetters (CDU) was sworn in as the new state premier. The victory of the CDU and FDP in NRW broke the decades-long stranglehold on the state held by the Social Democratic Party (SPD), which suffered an historic defeat.

The clear election victory and rapid agreement on a coalition programme by the CDU and FDP in Germany's most populous state cannot hide the fact that the new state government will by no means be a bastion of stability. The May 22 poll was above all aimed against the socially destructive policies of the outgoing Social Democratic Party-Green Party coalition government in Düsseldorf, the state capital. Not only will the new CDU-FDP coalition continue these policies, it will also expand their scope and is thus sure to encounter increasing protests in the general population.

Ruetters' statement immediately following the signing of the coalition contract left no doubt about what to expect from the new state government. "We will expect much from people. Everyone will have to consider how they can manage with less money."

After 39 years of rule by SPD-led state governments in North Rhine Westphalia, unemployment has risen to over 1 million and the jobless rate stands at 11.8 percent. In the large cities of the Ruhr, almost one person in five is registered unemployed.

The numbers of those living in poverty has also risen. Some 15 percent of the population live below the official poverty line of €604. Those most affected are single parents, immigrants and their families and the

unemployed. One in three of those officially classed as poor belongs to the so-called "working poor," those whose income, despite being gainfully employed, is insufficient to cover living costs.

At the same time, the social infrastructure in NRW is rapidly decaying. Many schools are in need of renovation. In many places, public libraries and swimming pools have been closed down. Rising study fees mean that access to the universities is drastically limited.

The response of the new state government to this disastrous situation is summed up in the introduction to the new state contract: "Freedom before equality, private before state (enterprise), work before handouts." The new state government wants to lower business taxes, while saving €2.2 billion annually. As well as the money it hopes to raise through privatising state-owned assets, this is to be achieved through slashing subsidies to the remaining coal mines in the Ruhr, reducing the numbers employed in the administration, and sweeping cuts in social and cultural services.

The media have devoted considerable coverage to the coalition contract, since it also signals the likely direction of policy at the national level, should the CDU win the federal elections as expected this autumn.

The coalition agreement foreshadows a drastic cut in public spending. Some of the first victims will undoubtedly be miners throughout the Ruhr. Coal subsidies will be slashed by a half (about €750 million) by 2010 and will be eliminated altogether in the medium term. This finally sounds the death knell for coal mining in NRW, an industry that has shaped the economic, cultural and social life of the entire region for over a century.

The jobs of the remaining 40,000 miners will be destroyed, along with 850 apprenticeship places in mining. Some 700 apprentices who are almost about to complete their training will probably not be hired. Over

50,000 jobs in the Ruhr in supporting industries and those supplying mining technology are also threatened. The austerity programme starts at Walsum pit near Duisburg, where the planned closure is being brought forward at a cost of 3,300 miners' jobs. This is in an area where the unemployment rate is already 18.1 percent.

The coalition government also plans to drive forward privatisation, including the planned sale of state-owned shares in Westdeutschen Landesbank.

The CDU-FDP administration in Düsseldorf wants to dispose of its shares in various airports and trade fair facilities. Most of the 400 public authorities are to be privatised, including sensitive areas such the Materials Testing Department, the Weights & Measures Institute and the Institute for ecology, land use and forestry. In future, everything from garbage disposal, the conservation of historic monuments and running the museums and theatres will be subject to competition and the drive for profits.

The state-run building, property management and land development corporation is also to be privatised. This will include the sale of thousands of public dwellings, with unforeseeable consequences for tenants.

Privatisation is also to be extended into the education system. Responsibility for the budget covering teachers and materials is to be devolved to school level, forcing them to compete against each other. From 2008, parents will be able to "choose" to send their children to any school, rather than having to go to one nearer their home, as at present. This will lead to a drastic educational segregation, with a minority of well-funded schools with smaller classes for those with rich parents and a majority of schools with large classes and outdated learning aids for the children of poor parents.

The universities will cease to be state institutes, with the government only retaining an overall legal responsibility. Universities will be made individually responsible for specialized technical supervision, personnel decisions, the use of funds and the organisational structure. They will be able to establish their own private enterprises, to generate income as they see fit. The oft-proclaimed academic freedom will be subjected to the laws of the market, and it can be foreseen that the humanities and arts, where it is not so easy to make profits, will face drastic cuts.

However, privatisation will not extend to security and policing. Not only are the security authorities to be excluded from the cuts, but they will be granted additional funds and extended powers.

Increasing crime among young people—a consequence

of growing poverty and the continuous cuts in juvenile welfare service—is to be met with a ruthless "zero tolerance" policy. The smallest offences are to be pursued; those shoplifting or spraying graffiti will be charged and punished. Refugees face accelerated proceedings with the aim of quickly rejecting claims for asylum, to be followed by deportation.

The programme of the incoming government says very little about unemployment, despite over 1 million jobless in NRW. What is clear is that policies in this area will be a test-bed for what could be expected from a conservative-led federal government in Berlin.

The coalition agreement talks of work being too "expensive" and of too many "obstacles" in the labour market. This is a coded attack on union agreed wage rates, legal protections against dismissal, sick pay, holiday entitlements, etc.

Juergen Ruetters and his team are also set on implementing radical changes in the social security system. Under the slogan of "taking responsibility," they intend to place the costs of dealing with unemployment, sickness and old age onto the shoulders of the individual.

Ruetters' right-wing views became public in 2000 when he campaigned in the state elections with the racist slogan "Kinder statt Inder" ("children instead of Indians"). In 1992, when refugee hostels throughout Germany were being subjected to arson attacks, his finance minister Helmut Linssen disparagingly called NRW "Europe's last asylum-seekers paradise."

The coalition agreement in North Rhine Westphalia is a clear signal of what can be expected from a CDU-led government at federal level. Nationally, the CDU will be closely following developments in NRW. It will carefully observe whether the state government is able to implement the planned cuts and austerity measures, what resistance it encounters, and how such opposition can be overcome at a national level.



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