

# “Green” capitalism: German Greens adopt new economic programme

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Germany’s Green Party recently agreed to a new economic programme, published under the title “The Green free-market economy.” The programme paper was developed by prominent party figures under the auspices of the party’s parliamentary faction leader Fritz Kuhn, heralding the free market as the guardian angel of the environment—and their own wallets.

Every line of this document reflects the class outlook of the upper middle class—those owning medium-sized businesses and the better-off self-employed—by glorifying the market and private property, while simultaneously expressing the authors’ fear of mounting social inequalities. The entire document is characterised by a continuous “on the one hand...and on the other hand” type of argument.

Kuhn and his entourage are looking “beyond the neo-liberal worship of the market and the old-fashioned left-wing overestimation of state planning and the command economy for the new economic framework that needs the functioning markets of the future.” They “place value on the statement that a Green free-market economy is not only more ecological, but is also economically more successfully than the previous ecologically blind free-market economy.”

They dream of a free-market biotope, in which small businesses, the self-employed and other economic small-fry can prosper like vegetation in the tropical rain forest. The “Green free-market economy...wants to create a framework in which small businesses, tradespeople and new business start-ups will find excellent conditions. To that end, we need reforms that increase the freedom and security of the self-employed and establish a framework of fair competition. We want to optimise conditions for those who take risks and employ commercial creativity, as well as to shape corporate and tax law in favour of innovation and new business growth.... We Greens want to increase the attractiveness of starting new businesses, smaller PLCs and self-employment.”

They reason that small capitalist enterprises need the resources of major capitalist companies—where else can it obtain credit and find customers?—but the latter should behave in a civilised manner, because “the high regard of the free economic system depends heavily on public attitudes and good business management.”

Firstly, this means businesses should pay tradesmen and -women punctually and “oppose the increasing trend towards late payments.”

A separate chapter is devoted to “business culture.” The German system of *mitbestimmung* (union-management co-determination),

which the Greens describe candidly as “co-management,” is expressly praised: “The German system of co-management, with union representatives sitting on company supervisory boards and work councils, has functioned satisfactorily for over 30 years and improves collaboration and conflict resolution.”

Only when the Green Party document starts to speak about the unemployed does it use clear and unequivocal terms: i.e., they should roll up their sleeves and get down to work—no matter what. Here, the paper bears the hallmark of the free-market Free Democratic Party (FDP), with passages that easily could have been written by FDP leader Guido Westerwelle.

“If the state effects social justice all too bureaucratically, then we end up with an expensive and incapacitating welfare state,” the Greens write. “Green politics require an encouraging and enabling state, which does not curb social life but opens it up.”

The source of such reasoning is well known—it stems from the ideology of neo-liberalism. According to this outlook, it is not unemployment that is responsible for the high number of people on social security, but welfare payments that are responsible for the high number of unemployed. Since the state “discourages the unemployed” by paying them a small sum for their living costs, they do not seek work (“participation in social life”). However, they are “encouraged and enabled” when the state cuts their benefits, forcing them to look for a job, even if it is so badly paid that they can hardly manage to survive on their earnings.

This is the logic of the so-called welfare reforms embodied in the “Hartz” laws, which the Greens initiated when in government with the Social Democratic Party (SPD) and now expressly defend. Under the terms of the Hartz laws, the benefits paid to an unemployed person rapidly diminish so that the worker is forced to accept badly paid work.

The Greens have already started to consider how such oppressed people can be put to work: as poorly paid service workers in small trades and in private households.

“There is an enormous potential for providing personal services, in hand work trades, child care and home help,” the programme notes. “The range of services is very wide and stretches from commercial to distribution services to personal and social services. In principle, we want to make service occupations more attractive by sinking ancillary wage costs in the lower income range.”

Educational standards should also be lowered accordingly. “Training is to be aligned more strongly to the special requirements of the service sector,” the Greens demand. Instead of

“passing on specialised knowledge,” “social competency and basic skills” should form the core of vocational education.

If any questions remain about the direction in which the Greens are headed, they are clarified by the chapter on budgetary policy. Here they demand “a rule that ties the permitted [state] expenditures to the development of [state] receipts.” “Such a rule,” they continue, “effectively limits [state] indebtedness.”

Laws strictly linking public expenditure to the levels of state receipts rank among the most effective means of lowering social spending. They practically eliminate the right of parliament to decide on the level of public expenditure and leave fiscal policy to the arbitrary decisions of the state bureaucracy.

While the Greens want to lower state expenditure, they welcome the inflow of international speculative capital.

In the first draft of their economics paper last autumn, they expressly defended private equity funds, corporate raiders that scour the globe for the best investment opportunities and make their money by smashing up and plundering various enterprises. “Instead of sweepingly bad-mouthing foreign capital in the locust debate, we must attract more foreign direct investment to Germany,” the original draft stated.

In the final draft, this passage was softened linguistically, but the essential content remained. It now reads: “We want to ensure that new technical developments and new research-based companies have access to sufficient risk capital,” adding, “Germany should become one of the most attractive locations for venture capital.”

The picture presented in the Greens’ document—of a capitalist biotope in which the self-employed and small enterprises flourish to the benefit of the whole of society—is a utopia. In reality, the free-market economy is controlled by transnational corporations and global financial institutions; the middle classes are crushed between big capital and mounting poverty. While a small minority gain in influence and prosperity, the overwhelming majority descend into an uncertain existence. Many highly qualified university graduates today earn less than an unskilled worker.

On the other hand, the attacks on social security benefits and the defence of the interests of big capital, for which the Greens’ document argues, are very real.

Prominent big business representatives were directly involved in its elaboration. Last November, a “political-economic congress” organised by the Greens’ parliamentary faction to discuss the party’s economic programme attracted 40 experts, 30 from the world of big business. Those invited included the CEOs of Arcor, Steag and Toyota Europe, as well as executives of the Federal Cartel Office and several leading banks.

The document was developed under the auspices of Fritz Kuhn and Matthias Berninger, the former state secretary of the Green Party environmental and consumer protection minister, Renate Künast. Other authors included several Green Party bundestag (federal parliament) deputies who in the past were linked to business-friendly policies.

Gerhard Schick, at 34 the youngest author, came directly to the Greens from a neo-liberal think tank. He attained a doctorate in political economy and worked at the Walter Eucken Institute and the Free-Market Foundation, and more recently worked as a project manager for the Bertelsmann Foundation. Walter Eucken

was the joint founder of so-called ordo-liberalism, the German variant of neo-liberalism. According to experts, the Free-Market Foundation is financed by the engineering employers and some manufacturing families. According to Ulrich Müller of “Lobby Control,” it provides ideas for the Christian Democrats (CDU/CSU) and the Liberal Democrats (FDP). The Bertelsmann Foundation is one of the largest lobbying groups for German big business, with influence in all fields of policy, and in particular in educational policy.

The Greens’ new economic programme is a further step towards a government coalition with the CDU/CSU and FDP. When the first draft was presented, party head Fritz Kuhn already said that his party would “prioritise” economic policy at the next bundestag elections. The Greens could no longer leave this area to the CDU/CSU and FDP.

In the meantime, how far the Greens have moved to the right has been recognised by federal Interior Minister Wolfgang Schäuble (CDU). In a recent interview with the conservative *Frankfurter Allgemeine Zeitung*, he said, “For a long time, talk of a Christian Democratic-Green Party combination was considered almost a slander. That is really nonsense. Such a combination is not what we want, but it is an option for the CDU/CSU. We are always looking for solutions for which everyone can take responsibility. So of course, we come into contact with the Greens.”

The CDU has also discovered that the counterposing of economics and ecology is “nonsense.” In its new draft programme, the CDU stresses the “conservation of creativity” as an urgent aim; party chair Angela Merkel called the fight against climate change a “question of survival.” For a long time, leading Green politicians have been meeting regularly with the federal chancellor.

As always, the most senior Green, Joschka Fischer, is one step ahead of his party. He no longer wastes his time with Green Party conference wranglings, but speaks directly to those whose interests the Greens represent in the long run. The recently published bundestag report on parliamentary deputies’ supplementary earnings records that in 2006, Fischer gave 12 lectures, earning at least €7,000 apiece (greater sums are not indicated; but the actual fees will no doubt have been far higher). The audience for his lectures were mainly bankers from major players such as Barclays Capital, DWS Investment and the MainFirst Bank.



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