

# Germany: Coalition deal in NRW means cuts in jobs and services

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In a period of just two weeks, the new state government in North-Rhine Westphalia—a coalition between the Social Democratic Party and the Greens—has agreed on a program. Contrary to all the promises made by both parties in this year's state election campaign, the program reveals that additional social cuts and the paring of jobs is the central aim of the coalition.

Many aspects of policy remain in the shadows in the 89-page document. It seeks to realise some of the promises made regarding education, but how these measures are to be financed remains unclear. The budget for the state "conceals considerable risks", the SPD and Greens write, necessitating an "immediate checking of the books". On the basis of past experience, this "checking of the books" invariably means drastic cuts due to "external constraints". The first real test for the coalition will be the adoption of the state budget for 2011.

The leader of the SPD in the state of NRW, Hannelore Kraft, declared: The state will have to pay out "enormous sums" as a result of the economic and financial crisis. The rescue of the state's own bank, the WestLB, will itself cost billions. The state is the biggest share holder in WestLB (approximately 38 percent) and has made billions available in the form of guaranties to protect investors. When questioned by the Reuters news agency, Kraft refused to give any details about the exact extent of the state's involvement in the bank's rescue.

The coalition agreement makes unmistakably clear that the SPD and Greens will cover the losses of the bank arising from its wild speculation: "A break up of the WestLB is unacceptable." Instead the bank is to be merged with other state banks as part of a consolidation process.

The SPD and Greens then state that further cuts are inevitable: "The reactions to the financial and economic crisis and the policies adopted to overcome it showed people are prepared to participate in solving the problems and make their own contributions. They expect, however, —quite rightly—that it takes place reasonably and fairly."

Spiegel Online reports that the state's new net indebtedness

will rise rapidly from 6.6 billion euros to over nine billion euros. Kraft spoke of a "heavy burden" for the state. "Starting from 2011 the plan is to gradually consolidate the state budget", Spiegel Online writes.

The coalition agreement remains vague about how such a consolidation should take place but there can be no doubt that public service jobs are at stake. "We will constantly check where there are potential savings for the state and in particular savings to be made by reducing bureaucracy" the agreement states. The term "reducing bureaucracy" is synonymous with job cuts.

Even the implementation of pre-election promises in the sphere of education, which received extensive coverage in the press, remains utterly vague.

Teachers' notes currently made in school-leaving certificates are to be abolished immediately, but the cancellation of this reactionary and paradoxical measure does not cost the administration anything. The SPD-Greens want to abolish study fees of 500 euros per term by the winter semester of 2011/12, but nothing is said as to how universities will be compensated for the loss of approximately 260 million euros.

The decision over a possible longer school day is to be left at a local level. "We are forcing nobody", declared the designated Minister of Education, Sylvia Löhrmann (the Greens). Instead high schools should decide for themselves when exams are stipulated and whether they prefer to offer education to pupils for eight or nine years.

The promise of free child care in kindergartens is also to be introduced "gradually". The first step will be to make the last year of kindergarten free of charge. The coalition agreement also states that attempts will be made to relieve municipalities of costs: "The new state government will briskly ensure assistance for communities which are particularly burdened by old debts."

However all of these measures are dependent on the financial status of the state as a whole.

On energy policy, the Greens in particular, are prepared to support any and every policy. In the election campaign the

Greens had opposed the building of new coal-fired power stations. The agreement states: "Nearly 60 percent of the CO2 emissions in North-Rhine Westphalia arise from the generation of electricity from main power stations", but the new administration is to leave the question of the further building of coal-fired power stations to the courts, thereby ignoring a host of popular protests opposing such stations.

The SPD and the Greens are relying on the trade unions to consolidate the budget at the expense of the population at large: "In the coming years, public administrations confront changes and burdens. These cannot be mastered in opposition to one other, but only in accord with one another", the coalition partners write. Reaffirming the SPD's commitment to the trade unions Kraft announced, North-Rhine/Westphalia must once again become "the number one state in Germany when it comes to worker participation".

As a first step, she announced a change to the state personnel representation law (LPVG), "to restore the basis for a trusting co-operation with employees in authorities and administrations".

The LPVG had been altered in 2007 by the previous conservative CDU-Free Democratic Party state government led by Jürgen Rüttgers. The alteration meant that the trade unions and staff councils were no longer involved in the process of transfers of workers, warnings, dissolution of contracts and privatizations. Trade union responsibilities in these areas were reduced and the last word rested with public administrations.

For their part, the trade unions clearly support the SPD-Green minority government. A 15-page document put forward by the German Trade Union Federation (DGB) in June 2010 declares that the private sector and public services in North-Rhine Westphalia can only be successful in future with the participation of the trade unions. This is shown by "the experiences made in responsibly dealing with the economic crisis".

Under the heading "Good Work", the DGB demands the "development and promotion of transfer and employment agencies"—a means repeatedly used by the trade unions in the past to facilitate the dismantling of jobs. The work councils are to be given specific training in this respect. The DGB demands the continuation of the program "orientation consultation—new support offers for work councils in the crisis".

Four of the 15 sides of the DGB catalog (including the first page) are devoted to demands raised by the police trade union (GDP) for better equipment and the strengthening of the police force.

The regional chairman the DGB, Guntram Schneider (SPD), is to become new labour minister. The leading circle of the SPD in NRW also includes Norbert Römer. He is a

longstanding bureaucrat from the mining trade union IGBCE and as chairman of the SPD state parliamentary group has the job of ensuring discipline in the faction.

The Left Party will also play an important role in North-Rhine Westphalia, since the minority government of the SPD and the Greens is dependent upon votes from the opposition. The chair of the Left Party, Gesine Löttsch, has already assured the minority government of her party's unstinting support. "We are completely reliable", she said in one press interview.

She sees "80 percent agreement" between the SPD, the Greens and her party and just two weeks ago she had told the SWR 2 radio station: "It would be politically absurd if co-operation between our parties did not come about."

With support for the state coalition in the bag Paul Schäfer plans to stand as candidate for the post of chairman of the Left Party at a state conference on Sunday. Schäfer is a long time member of the Stalinist German Communist Party (the DKP) and declared that "there was a lot to play for at the moment in NRW."

Schäfer has represented the Left Party as its defense policy spokesmen in the Bundestag and has also been a member of the parliamentary defense committee since 2005. He voted in favor of sending German troops to intervene in Sudan. Schäfer fears that the Left Party may be inclined to say no too frequently to the SPD because of fears for of being too closely drawn into the orbit of the SPD and Greens. In Schäfer's opinion this is not the right time for the party "to maintain its distance from SPD and the Greens."

The coalition agreement is due to be sealed by the SPD and Greens at special congresses to be held on Saturday. Then Hannelore Kraft will be elected prime minister of Germany's most densely populated state on Tuesday or Wednesday. Kraft is a former management consultant and only joined the SPD in 1993.

The new government is to consist of ten ministries, from which three will go to the Greens. The current chair of the Green Party parliamentary group, Sylvia Löhrmann, is to become Minister of Education and deputy Prime Minister. The Greens will also take over the environmental and health ministries. The most important ministries (including finance, economics, labor, justice and internal affairs) are all reserved for the SPD.



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