

# Germany's Left Party leaders reveal extent of their austerity policies

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20 September 2011

On September 14, three leading figures of the Left Party—Oskar Lafontaine, Harald Wolf and Stefan Liebich—met to discuss “the Left Party’s reform policies in the twenty-first century”. The venue was a back room in the Brotfabrik cultural centre in Weissensee, Berlin, where about 70 people of mostly advanced age had gathered. The audience consisted almost exclusively of Left Party members. As most of them knew each other, the speakers took the opportunity to openly exchange views on “Left Party reform policy”—or, more accurately, “Left Party policy on social spending cuts”.

The event was chaired by Liebich, a Left Party deputy in Berlin’s lower house legislature, who belongs to the party’s right-wing faction. He is one of the initiators of the “Forum for Democratic Socialism” group within the Left Party, which strongly advocates sharing government with the Social Democratic Party (SPD) and the Greens at the federal level. Together with Harald Wolf, Berlin’s finance minister, he is one of the main architects of the SPD-Left Party’s austerity policies in the capital city. Together with Gregor Gysi, Liebich and Wolf represented the former Party of Democratic Socialism (PDS) 10 years ago in negotiations with the SPD about a possible coalition.

In the first part of the discussion, Liebich questioned his guests about their biographical background. Listeners were treated to interesting details about Lafontaine and Wolf, both of whom have had plenty of experience in suppressing the working class.

Lafontaine, for example, was a member of the SPD from 1966 to 2004. Liebich initially wanted to know how hard it had been for him to leave his party after such a long time, considering he was one of the main strategists of the SPD-Green coalition government under Gerhard Schröder (SPD). Lafontaine said the SPD had betrayed its party programme. British Prime Minister Tony Blair and Schröder had adapted themselves to the “neoliberal Zeitgeist [spirit of the times]” and “stabbed [him] in the back”. Now it was time for the Left Party to reverse this trend, he said.

Actually, Lafontaine had left the field to Schröder without a fight in 1999, resigning from his posts in the party and the government without offering any political justification. It was only when opposition to Schröder’s Agenda 2010 programme began to stir, threatening the control of the working class by the SPD and the trade unions, that he became involved with the Election Alternative for Jobs and Social Justice (WASG). He then went on to play a leading role in the WASG’s fusion with the PDS to form the Left Party.

Since then, the Left Party has been working hand in hand with the SPD in an attempt to stifle working class opposition. In the Berlin state election on Sunday, the Left Party vote slumped, which means that the discredited party will no longer be able to continue its

coalition with the SPD in the German capital. At the end of his speech last Wednesday, Lafontaine addressed the conflicts raging in the party and declared that “something could be achieved” to resolve internal frictions.

A feature of Wolf’s past history of particular interest to Liebich was his former membership in the International Marxist Group (GIM)—the German section of the Pabloite United Secretariat—in the 1970s and 1980s. According to Liebich, this group was “quite an interesting organisation,” in view of some of the people who emerged from it—for example, Sonja Mikich (television presenter for WDR), Volker Ratzmann (the Greens’ faction leader in Berlin’s lower house assembly) and Wolf himself. Without making any effort to disguise his cynicism, Liebich commented that a consideration of the background of these people could lead one to conclude that Trotskyism was “actually not a bad branch of politics”.

Wolf’s remarks soon made it clear that the GIM never had anything to do with Trotskyism. He said it had been a small group within the left wing of the SPD, advocating “democratic socialism”. When that no longer seemed possible with the SPD, many joined the newly formed Greens. There, Wolf claimed to have fought for a “third way” between the so-called “Realos” (realists) like Joschka Fischer, the future foreign minister, and the “Fundis” (fundamentalists) such as Jutta Dittfurth. He explained that his aim had always been to take “small steps without giving up on the big goal”. When the Realos increasingly predominated, he left the Greens to finally join the PDS in 1990.

Wolf’s career is exemplary of a whole layer of middle-class former left-wingers who were radicalised, superficially or otherwise, in the 1970s and today have absolutely nothing to do with leftist politics. They speak for a narrow, prosperous social layer that despises the working class and defends the capitalist system by any means available. Wolf himself is today a leading proponent of allegedly left-wing “Realpolitik”, and has been working with the SPD to enforce social cutbacks in Berlin for the last ten years.

These “left projects”—as Liebich cynically calls them—were the focus of the next stage of the discussion. Liebich drew a parallel between Saarland, where Lafontaine was prime minister from 1985 to 1998, and Berlin. He said that the left had been confronted with a “disastrous budget situation” in both cases and had to do something to “save the day”. He was now interested in how these “projects” had been tackled and how Oskar Lafontaine, for example, managed to go down in history as “the saviour of the steel industry”. “How did you do it?”, he asked in a confidential tone.

Without mincing matters, Lafontaine told his audience that “major efforts” had been necessary to “save” the ailing steel industry and the

Saarstahl corporation. He said he had had to lead tough negotiations with the trade unions, which initially refused to agree to his slogan of “reduced working hours without the corresponding rate of pay”. But eventually that is what “was done with the help of the unions”. To cushion the blow of the whole deal, he said he had proposed the establishment of an employment company that arranged for the reinstatement of redundant workers for about 80 percent of their former net wages. He boasted that Saarstahl was today once again the market leader in the production of wiring, among other things.

In fact, all that remains of the Saar steel industry today are a mere 15,000 of the 42,000 jobs available in 1960. While there had been massive opposition to job losses during the rule of his conservative Christian Democratic Union predecessors, job demolition generally proceeded without a stir under Lafontaine.

Lafontaine based his support on a close network of officials from both the SPD as well as the IG Metall engineering trade union. There could hardly be a question of “tough negotiations” in such a set-up. Reinhold Wirtz, an IG Metall representative at Saarstahl’s Völklingen works, was also a member of the SPD national executive. Peter Hartz, personnel manager of the Dillinger Hütte steel producer and future author of the notorious Hartz IV unemployment benefits laws, was also a card-carrying member of both IG Metall and the SPD. His brother Kurt sat in parliament for the SPD.

This cartel of trade unions, the SPD and the Saarland state government did more than deprive the steel workers of their jobs. Thanks to Lafontaine’s shorter working hours without corresponding pay, they also received lower unemployment compensation and a reduced pension.

On Wednesday evening in Berlin, Lafontaine stressed that his concept of shorter working hours remained relevant for today. It was always better to have jobs for “two fresh workers than for one”, he claimed, adding that unemployment in Germany was currently low because just such an approach was in operation.

Liebich interjected to say that “The Left Party in Berlin was also faced with having to consolidate finances”. He said it had been a “central task” and that “we had to do that back then, too”. His next question therefore went to Harald Wolf. He wanted to know whether consolidating the city’s debts had been “worth it” and “was [it the] right” thing to do in retrospect?

Echoing Lafontaine’s shamelessness, Wolf answered with a resounding yes. “We had to take these measures so we could go on to do anything at all”, he said. The crisis-ridden Berlin Banking Society (BBG) had to be rescued because it was said to have had a “systemic importance for Berlin”. Its demise would have “meant a conflagration”.

Shortly after taking office, Berlin’s SPD-Left Party Senate had promised the BBG debt guarantees amounting to €21.6 billion, and then embarked upon drastic spending cuts, especially in the fields of culture, education and social welfare.

According to Wolf, the public service in Berlin had been “oversized”. He described how the SPD-Left Party Senate had enforced wage cuts in Berlin. The prerequisite for the solution to this problem had been “Oskar’s model” of “reduced working hours without corresponding rates of pay”. He said that bitter arguments about this had led to the decision to withdraw from the city’s employers’ association. Following this, the trade unions showed a willingness to negotiate, and Frank Bsirske (head of the ver.di public services union) joined in. “That chapter of the story was painful and cost us votes, but we achieved our goal and consolidated the budget”.

Towards the end of the discussion, Liebich spanned a spectrum of issues from Saarland to Berlin to the euro crisis, asking Lafontaine what concepts the Left Party had to offer in this broad context.

Lafontaine emphasised that the first thing to do was to limit the “damage”. He said the financial system was in the process of “destroying the foundations of society”. The “foundations of society” were beginning to dissolve. The “lifeline” in the crisis was said to be Keynesianism, the economic policy still vilified by the “neoliberal spirit of the time” up until several years ago. Now something was slowly beginning to change. Even conservative commentators like Charles Moore (former editor-in-chief of the British *Daily Telegraph*) and Frank Schirrmacher (co-editor of the *Frankfurter Allgemeine Zeitung* newspaper) were now admitting that “the Left Party” had been right. Even Wolfgang Schäuble, the current finance minister in the Merkel government, whom Lafontaine had joined in “a productive mutual relationship”, now had to resort to the once-maligned Keynesianism to save the system.

Something similar was observable in the demand for a European economic government. Visibly excited, Lafontaine said this had always been considered “a lot of crap” when he proposed it several years ago, and now everyone was talking about it. But most people “still don’t understand what it really means”.

Before there was a common currency, exchange rates had acted as “shock absorbers” to keep economic imbalances under control. When the euro was introduced, this mechanism no longer operated, and redressing imbalances had now become the task of a European economic government.

Lafontaine concluded as follows: “Today, wage coordination is necessary; otherwise the monetary union will disintegrate. This is the great challenge we are facing. Anyone who doesn’t understand that is incapable of leading a country”. He refrained from commenting further about how this “wage coordination” was to be effected. In fact, it would ultimately come down to wage levels dictated by the government—something irreconcilable with either collective bargaining or the right to strike.

This small talk from Liebich, Wolf and Lafontaine in front of a relaxed assembly of elderly supporters and Left Party functionaries should stand as a warning to working people. Faced with the rapidly escalating historical crisis of capitalism, all wings inside the Left Party are prepared to extend the “Oskar model” throughout Germany and Europe in order to mount social attacks far more disastrous than the job losses and cutbacks already imposed in Saarland and Berlin.



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