

German Greens: A policy of social devastation in the name of ecology

Dietmar Henning
2 December 2011

At their party congress in Kiel last weekend, the Greens committed themselves to a policy of fiscal consolidation and social devastation. They are offering the party to both the Social Democratic Party (SPD) and the Christian Democratic Union (CDU) as coalition partners to implement such a policy.

The attendance of former Greek Prime Minister George Papandreou at the opening of the congress on November 25 set the tone for the following days. The delegates welcomed Papandreou with great applause, giving him a standing ovation. As the media stressed almost unanimously, he was the “star guest” of the 33rd Federal Delegate Conference (as the Greens call their congress).

Unlike his warm reception from the German Greens, Papandreou is highly unpopular in his home country. As prime minister he has prevailed over unprecedented social cutbacks on behalf of the international financial markets. The standard of living of the working class has declined drastically through increases in Value Added Tax (sales tax), layoffs, and wage and benefit cuts, which have plunged the country into a deep recession. Hundreds of thousands are now living in abject poverty. Over a million people are unemployed, including nearly one in two young people.

On November 9, Papandreou voluntarily resigned his position as prime minister in favour of Lukas Papademos, who is trusted by the banks and now leads a government including Papandreou’s social democratic PASOK in alliance with the conservative New Democracy party and the extreme right-wing Laos.

Papandreou’s friend, the Green Party national chair Cem Özdemir, had invited the social democrat when he was still prime minister to speak on Europe. This same Papandreou was then greeted with hugs, kisses and a

standing ovation by the Greens—even after his resignation and his pact with the neo-fascists has shown that the Greens are willing to do anything to enforce a policy of social cutbacks.

Papandreou thanked “Germany”, by which he meant Chancellor Angela Merkel (CDU), for showing “solidarity with Greece”. Greece must change fundamentally, he said. The budget cuts were a significant contribution to this, “but that is not enough”. He urged that not only Greece but all Europe be rebuilt—by means of “a green growth revolution”. The nearly 900 delegates cheered loudly.

In front of a huge banner reading “The answer is Green”, Papandreou also called for a financial transaction tax, a levy on banks and the introduction of euro bonds. “He is completely in line with the Greens on this”, said *Spiegel Online*.

“Whoever wants to know what’s going on with the Greens will have to look at the question of finances”, wrote *Süddeutsche Zeitung* before the congress. The party’s federal executive had submitted a motion on the theme titled: “Solid, solidarity, Green. Our budget and fiscal policy”.

The motion, which was passed by an overwhelming majority, says right at the beginning that Green finance and fiscal policy must be “solid” and should “make no untenable promises ... because nobody has money to throw away”. The federal government is castigated for its “unreal tax-cutting fantasies”. The Greens, on the other hand, faced up to the “harsh fiscal realities”. “We insist that the constitutional debt brake applies both at the federal and state level”.

In the name of ecology the Greens are urging a massive increase in consumption taxes, stating: “The taxation of diesel is much lower than that of gasoline; the taxation of heating fuels is too low.”

The Greens bid farewell to the social promises they made two years ago in their election manifesto. “Some already decided projects cannot be realised on cost grounds”, they write. This includes the so-called “retirement provision account” (supposedly to offer some minimal tax benefits) and “work-related costs allowances of €2,000 per year, promised in the 2009 manifesto”. These tax allowances, aimed particularly at the average earner, were “no longer financially viable”, because it would cost Germany a €6 billion loss of tax revenues.

The conference agreed that the rich should only make a symbolic contribution. “Income tax has been lowered in the past repeatedly and vigorously. The top tax rate fell from 53 percent in 1999 to 42 percent today”, the motion reads. “The tax cuts under the SPD-Green coalition in income and corporate taxation have partially contributed to the under-financing of the state”. The top tax rate was reduced mainly during the joint administration of the SPD and Greens in the years 1998 to 2005. This is now considered to be “a fault”.

Now the top rate is to rise again to 49 percent, applied to a taxable annual income of €80,000. In 2009, the Greens had demanded 45 percent. An increase to 53 percent, the level before the party entered the federal government, is no longer on the table. Party chief Özdemir, who sits on the advisory board of the Association of Medium-Sized Enterprises, even wanted it to remain at 45 percent.

The congress also adopted some other cosmetic demands for higher taxes and the abolition of tax relief for business owners and capital holders. For example, the withholding tax on interest and capital gains is to be abolished and investment income taxed progressively like all other types of income. In addition, there would be a financial transaction tax and a levy on banks to finance the bank bailouts. The party congress decisions also included calls for a “one-off and temporary property tax” and an “inheritance tax” on the “same level as the US”.

But these are the usual colourful spin with which the Greens have always decorated their policies, but which are withdrawn when in government under pressure from big business and so-called economic imperatives. The first Green state premier, Winfried Kretschmann, another congress star, also warned his party colleagues against an “orgy of tax increases” for corporations and

the wealthy. “Please leave these on the mat”, he said in Kiel.

Accordingly, the proposals adopted by the delegates were committed to austerity measures in no uncertain terms: “We Greens are convinced that our policy is sustainable only if we balance the budget”. All other goals—and these include higher taxes for the rich—are, however, conditional: “Given the financially difficult budget situation at federal, state and local level, we will not be able to immediately implement all goals after winning an election, but will have to proceed step by step in many cases.”

Jürgen Trittin, who is the undisputed top dog of the Green Party following the defeat of Renate Künast in the Berlin city elections, sees himself as a future minister of finance. This former Maoist, who likes posing as a representative of the “left wing”, wants to keep all the coalition options open, even including with the CDU. The party’s official jargon calls this “Green independence”. Translated into the language of practical politics, such “independence” means the Greens regard both the SPD and CDU as potential coalition partners.

The leader of the Greens in the Schleswig-Holstein state parliament, Robert Habeck, spoke for many when just before the party congress in an interview with *Spiegel Online* he opposed “exclusive-itis”, which might exclude forming a joint government with the CDU. “We want to rebuild the country—and all those who want this as well are welcome as partners”, he said.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact