

German social democrats prepare a new austerity agenda

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For the first time since the end of his chancellorship eight years ago, Gerhard Schröder addressed the SPD parliamentary group in Berlin on Tuesday. He took advantage of the tenth anniversary of his Agenda 2010 program to justify the anti-social policies of his coalition government. The assembled SPD leadership applauded him and celebrated the Hartz laws as a success.

SPD leader Sigmar Gabriel agreed with Schröder: “The Agenda 2010 was very successful.” Chancellor candidate Peer Steinbrück criticized the “occasionally detached attitude” of sections of the SPD to this “epochal reform”. He stressed that the SPD should have dealt with the agenda with much more self-confidence and pride. SPD parliamentary leader Frank-Walter Steinmeier declared that Schröder’s agenda policies had prevented Germany from declining to the level of Italy, France and Spain, which all face enormous problems in the euro crisis.

The SPD has deliberately opened its campaign for this year’s federal election with these eulogies to Agenda 2010. It is reminding the business associations and financial aristocracy that it was an SPD government in alliance with the Greens which introduced cuts to social spending that far exceeded any measures taken by conservative governments, before or after.

The SPD is attacking the Merkel government from the right and accusing her of doing nothing. According to the Social Democrats, Angela Merkel and her Free Democratic Party coalition partner have sought to exploit the success of social democratic austerity for big business and neglected the “reform of social systems”—i.e. further social cuts.

Schröder and the SPD leadership are now calling for an Agenda 2020. Germany could only defend its lead over emerging economic powers such as Brazil and China “if we work hard on our competitiveness,” the former chancellor declared.

Competitiveness with China and Brazil means starvation wages for German workers and dismantling the welfare system.

The Agenda 2010 and Hartz laws have already had

devastating social consequences. Following a year of unemployment laid-off workers lose all of their former benefits and are completely dependent on measly welfare payments of 382 euros per month. At the same time they are forced to use up all their savings. Hartz welfare recipients must accept any job they are offered even if it bears no relation to their qualifications or previous earning level.

According to a study by the Joint Welfare Association, whoever ends up in the Hartz IV trap has little chance of avoiding poverty. The prospect of dependence on Hartz IV compels those who have lost their jobs to take low-wage employment, often of a temporary or part-time nature. The legalization of such precarious jobs was the aim of the Agenda 2010. This has led to a dramatic increase in poverty and has been used to create an ever-expanding low-wage sector.

The result of the Agenda 2010 was the creation of a second labour market, characterized by temporary, contract work, paying low wages and lacking any social protection and rights. Just 29 of the 42 million employed workers in Germany have some form of social insurance. 5.5 million are working part-time and 4.1 million earn less than 7 euros an hour. The total of 4.5 million dependent on welfare includes 1.4 million who are employed but do not earn enough to cover their living expenses.

The Social Democrats’ Agenda 2020 is designed to intensify these social attacks. They are working hand in hand with a criminal financial elite that has plundered social resources in the name of the bank bailout and is now using the debt crisis to eliminate all the social concessions made by the ruling class since the end of Second World War.

What remains of the European welfare state—contractual wages, statutory protection against dismissal, paid sick leave, statutory maternity leave, state pensions, health and accident insurance—is now to be wiped out in the name of international competitiveness.

Business associations are applauding. The *Handelsblatt* (Germany’s economic and finance newspaper) ran an article last week titled: “The new agenda of the SPD.” The article

begins with the words “On its tenth anniversary former Chancellor Schröder praised the Agenda 2010. In this spirit the SPD’s chancellor candidate, Peer Steinbrück, used the opportunity to embrace entrepreneurs.”

Then follows a report on Schröder’s appearance at an “internal meeting of money managers and investment advisors” from the investment company DWS Deutsche Bank held in the luxurious ambience of the Old Opera House in Frankfurt-Main. With assets of 269 billion euros, DWS Investment is one of the world’s leading investment companies.

“This is the company former Chancellor Gerhard Schröder loves. And he really turns in a show,” according to *Handelsblatt* editor Steingart. Schröder defended the cuts in social spending and stressed the importance at the time not only of economic expertise, but also of leadership. Schröder described the massive demonstrations against his policy agenda as “conservative unwillingness to reform,” which could not be yielded to under any circumstances.

To the applause of the assembled managers Schröder stressed: “But that is the characteristic of political responsibility: We must have the strength to want and be capable of enforcing what is necessary. Even at the cost of losing power.”

This is the language of dictatorship. The SPD is offering its services to the financial elite as a party willing to impose intensified social cuts regardless of the will of the voters, and to conduct a social counter-revolution in close cooperation with the trade unions against all popular opposition.

A few days after the end of his chancellorship Gerhard Schröder took over as chairman of the supervisory board of the North European Gas Pipeline on behalf of the Russian Gazprom group Company (NEGPC) with a salary of a quarter of a million euros. In this respect he is a typical representative of leading layers of the SPD and trade unions. These corrupt bureaucratic figures lack any social or democratic scruples and are openly hostile to the working population.

The mood music to the Social Democratic Agenda 2020 consists of left-sounding phrases written into the official election platform by the cynics in the SPD headquarters in Berlin. Under the headline “More democracy and social justice,” the SPD criticizes the “social imbalance” which they created and calls for a national minimum wage, social justice, a wealth tax, suspending plans to extend the retirement age to 67, more opportunities in education, etc. etc.

For his part Schröder made clear what the SPD leadership thinks of such promises when he informed the finance sharks in the Opera House that he had made it a principle not to

read election programs when he was politically active. His audience was suitably amused. When he was elected chancellor in 1998 Schröder tore up his party’s election program and put it in the shredder. A future SPD administration will do the same. The only purpose of the current program is to dupe voters.

For its part the Left Party faithfully follows the right wing turn of the SPD. Ten years ago many members and voters of the SPD turned their backs on the party in disgust and supported the construction of the WASG (Electoral Alternative for Work and Social Justice) which a short time later merged with the post-Stalinist Party of Democratic Socialism to form the Left Party, thereby providing a refuge for disillusioned social democrats. Now the Left Party is offering its services to secure a majority for the SPD, irrespective of the Agenda 2020.

One of the first decisions of the new leadership of the Left Party, Katja Kipping and the union bureaucrat Bernd Riexinger, was not to put up posters with the slogan “Hartz IV must go” for future elections.

Now the Left Party is going one step further. In early March the party’s deputy parliamentary leader Dietmar Bartsch met with Wolfgang Clement, the architect of the SPD agenda policy. Alongside Clement, the former Labour Minister of the Schröder government and current supporter of the neo-liberal FDP, Bartsch declared that Agenda 2010 was “not just negative” for Germany. The core of the Hartz laws, the combination of unemployment and welfare benefits, must be considered as a positive step. When asked how he stands on the issue of temporary agency work, which the Left Party declares it would prohibit, Bartsch answered that he had “a somewhat different view.”

The turn to the right by the SPD, Left Party and the trade unions is their reaction to the extreme intensification of class antagonisms in Europe. Given the extent of the attacks by the financial elite on the social rights of European workers these parties and the trade unions can no longer limit themselves to stifling social resistance. They are now preparing to implement a new Agenda 2020 and a new round of anti-welfare legislation.



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