

# Schäuble's arrogance towards Greece and the class divide in Germany

Peter Schwarz  
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German Finance Minister Wolfgang Schäuble's rejection of a request from Athens for financial aid risks Greek state bankruptcy and the country's exit from the euro zone.

Although EU finance ministers have reached a provisional agreement with the Greek government, for some time it was unclear whether this would be possible, given Schäuble's arrogant stance. Nonetheless, a large part of the German media and several European governments supported the aggressive approach of Schäuble, who is demanding nothing less than unconditional surrender from the Greek government.

The *Frankfurter Allgemeine Zeitung* announced excitedly that "Poker-face Varoufakis [had] found his master" in Schäuble, and that "The EU must insist on compliance with the agreed terms." *Die Welt* titled an editorial "Schäuble knows which language Athens understands!" And the headline in the tabloid *Bild* ran, "Germany says: Thank you, Wolfgang Schäuble!" and, "Finally, someone says NO to the bankrupt Greeks".

Some voices also warned of the risks posed by a line of constant confrontation. For them, it is not about the misery and social devastation that five years of austerity have brought about in Greece; they do not complain about that at all. Rather, they fear disadvantages for Germany and the European Union (EU) if the new Greek government does not receive the necessary room for manoeuvre, so it can at least save face.

The objections to Schäuble's stance range from the impossibility of escaping the vicious circle of recession and growing national debt, to the billions in losses which would fall on Germany in the event of a Greek sovereign default, to the danger that Greek exit from the euro could trigger a European chain reaction and

induce the end of the euro. The geopolitical consequences that a possible Greek exit from NATO and a growing influence of Russia or China on the Mediterranean country are also cited.

Despite these serious objections, why do Schäuble and those standing behind him maintain their uncompromising stance?

It cannot be explained by senile obstinacy or Schäuble's poor personal relationship with his Greek counterpart Varoufakis. The 74-year-old Christian Democrat is one of the most experienced politicians in Europe. He has been in the *Bundestag* (parliament) for 42 years and has held numerous ministerial posts since 1984; he negotiated the unification treaty with East Germany in 1990, and was for a long time regarded as Helmut Kohl's crown prince for the office of chancellor.

To understand Schäuble's real motives one must look beyond the Greek borders to Europe and Germany. On the same day on which Schäuble pointedly rejected the letter from Athens, the Paritätische Wohlfahrtsverband, an umbrella organisation of welfare organisations, published a new report on poverty in Germany. Its conclusion was that the country is as socially divided as never before.

The poverty rate has risen steadily since 2006, and is now running at 15.5 percent, or 12.5 million people. In the east of the country, it stands consistently above 18 percent, and in the capital Berlin at 21.4 percent. At the other pole of society, wealth is growing enormously. A recent study revealed that one third of German private wealth lies in the hands of the richest one percent of the population.

Germany is one of the richest countries in the EU and is one of the few where the economy has grown slightly in recent years. In other European countries and in the

European Union as a whole, social inequality is even more marked.

This is the result of a deliberate policy. Since the 2008 crash, European governments and the European Central Bank have pumped trillions into the banks, making working people throughout Europe pay through falling wages and cuts in social benefits. The results can be seen in the rise of the DAX, Germany's leading stock index. Since the low point of the finance crisis, it has risen from below 4,000 to 11,000 points.

In this dramatic redistribution of income and wealth, Greece served as a pilot project. From the perspective of the European financial elite, the so-called "rescue" of the country was merely a continuation of the bank bailout programme. The supposed "financial aid" has not benefited the Greek treasury, but has gone to the accounts of the banks who have rid themselves of their risks and pocketed massive profits.

The bill has been paid by the Greek people, through the devastating social cuts dictated by the troika, whose economic policies recall those of bloody dictatorships like the Pinochet regime in Chile.

Schäuble's reckless arrogance was aimed above all at the working class in Germany and throughout Europe. He is trying to intimidate anyone who dares to oppose the policy of social devastation.

What Schäuble expressed in the arrogant but polished language of the politician was translated by *Bild*, this inexhaustible source of intellectual pollution from the Springer publishing house, into the inflammatory language of the gutter. *Bild* articles on Greece are full of racist terms such as "bankrupt Greeks", "Greek profiteers" and "Extremos of Greece". The paper developed a veritable *Führer* cult around Schäuble: "I trust this face. I trust this man ... Something harder does not exist", wrote columnist Franz Josef Wagner.

The media are well aware of the link between the intransigent attitude of the German government regarding Greece and the growing social tensions in Europe. The financial daily *Handelsblatt* defended Schäuble's stance, stating, "How would Mr. Rajoy (otherwise) want to explain that his over-indebted and austerity-plagued Spain must be further reformed?" *Die Welt* warned that Syriza might obtain "cheerful imitators" if it looked like the Greek government had won a victory.

It is no coincidence that Schäuble is most strongly

supported by the governments of some of the poorest countries in Europe, such as Slovakia and Lithuania, who have themselves carried out massive cuts in social spending and fear the reaction of the working class.

Syriza has nothing with which to oppose this policy. As the WSWS wrote earlier this week, it does not represent the "insurgent masses", but rather comes "as a supplicant speaking on behalf of failing Greek capitalists" to Brussels and Berlin. It directs itself exclusively to the elites in politics and business, and has not appealed to the European working class at any point. It does not question the capitalist system and supports the European Union, the political and organizational framework for the offensive of the banks against the European working class.

The ruling class offensive can only be repulsed by revolutionary means: the independent political mobilization of the working class throughout Europe against capitalism.



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