

Germany's "Jamaica" coalition parties agree on debt brake, tax cuts and privatisation

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On Tuesday evening, representatives of the conservative Christian Democratic Union (CDU) and Christian Social Union (CSU)—collectively known as the Union—the neo-liberal Free Democratic Party (FDP) and the Greens met for their first concrete negotiations on forming a future so-called Jamaica coalition government (so named for the black, yellow and green colours of the respective parties and the Jamaican flag).

According to reports in the media, initial discussions held between the various parties last week were aimed at getting to know one another and had mainly an “atmospheric character.” Now, concrete discussions have commenced. Within a few hours and without any major conflicts, the negotiators of the four parties agreed on guidelines for fiscal policy on Tuesday evening.

Three areas were defined in a key document: firstly, compliance with Germany's existing debt limit (known as a debt brake) and the retaining of former finance minister Wolfgang Schäuble's rigid “black zero” savings policy; secondly, tax relief for big business and the rich; and thirdly, comprehensive privatisation measures for companies wholly or partly owned by the state, such as German Rail (Bundesbahn), Deutsche Post AG, Telekom, and airports.

A few hours before these proposals were announced, representatives of all the Jamaica parties had participated in the first sitting of the new German parliament (Bundestag), which witnessed the formal integration of the far-right Alternative for Germany (AfD) into the country's official policymaking process. There can be no doubt that the AfD also supports the financial policy agreed on at the Jamaica talks. At its pre-election conference last spring, the AfD expressly declared its support for strict compliance to austerity policies together with its opposition to any increase in

taxes on the rich.

A closer look at the financial policy guidelines of the Jamaica Alliance makes clear they represent a considerable intensification of the anti-social policies introduced by the country's previous grand coalition of conservative parties (the Union) and the Social Democratic Party (SPD). It was these policies that led to a massive loss of votes for both the SPD and the Union parties in the September federal election.

Compliance with the debt brake means a continuation of Wolfgang Schäuble's brutal austerity policy. The debt brake was the most important instrument in Schäuble's finance policy. It has had catastrophic consequences for Germany's schools, hospitals, nursing homes and infrastructure. Introduced in 2010, it bans the federal government, states and municipalities from acquiring new debt, and commits them instead to carry out social cuts, redundancies and privatisations.

Schäuble has fought to impose this same stringent policy across the European Union (EU). His policies have led to economic and social devastation in countries such as Greece, Spain, and Portugal, and this is now the policy that the CDU-CSU, FDP and Greens intend to intensify.

The coalition proposals also envisage substantial tax cuts for big business and the rich, demanded in particular by the FDP on behalf of its business clientele. The depreciation of fixed assets is to be accelerated, tax support for research and development introduced, and the “solidarity” tax on incomes reduced—the measure introduced after capitalist reunification of Germany to provide some support to eastern Germany following the shutdown of most of its industry.

The Greens also stressed that they would be prepared to agree on tax relief for families and children, as well

as for low- and middle-income earners, plus support for those renting accommodations and building renovation. This is all smoke and mirrors, however. All policy decisions, which require fresh finance, are subject to strict financing requirements, such as the previously mentioned debt brake.

The *Handelsblatt* reports that Schäuble had sought to exert pressure on the finance ministry through his confidants, and in particular he agitated for a comprehensive programme of privatisation. State participation in more than 100 companies is to be reduced to a minimum. Plans had already been worked out by the previous government but had been blocked by the coalition partner, the SPD.

The consequences of such privatisations have already made themselves felt in the US, Britain and other countries, as well as from the example of the German Post. Major state companies have been broken up and the most profitable parts privatised and rationalised, with devastating consequences for employees and consumers.

The Greens are playing a key role in the massive attacks that will flow from these economic and financial proposals. The negotiating leaders of the Union and the FDP were surprised at the willingness of the Green delegation to nod their heads in agreement. FDP leader Christian Lindner wrote jubilantly on Twitter that a “major turnaround in financial policy” was now possible. His secretary general, Nicola Beer, spoke of a “surprisingly good result from the talks.”

Jürgen Trittin was the main representative of the Greens in the exploratory talks over economic and financial affairs. The former Maoist had already played a key role in the former SPD-Green federal government headed by Gerhard Schröder and Joschka Fischer. Trittin was environment minister in that government. As a representative of the party’s “left” faction, he developed the arguments to justify Germany’s military intervention in Kosovo, the social attacks bound up with the Agenda 2010 programme, and the dismantling of democratic rights.

He plays a similar role today. Trittin agreed with the financial policy guidelines and then declared on German television the next morning that nothing had been definitively decided. What had been agreed was only an “interim result...under the proviso we get a financial plan and everything is financially viable.”

The talks so far show very clearly that the Greens are striving for a Jamaican coalition because they agree with the FDP and the Union on all fundamental issues. They have already proved their boundless adaptability at a state level, where they are involved in governing 10 different states in eight different political constellations.

The agreement between the Greens, the FDP and the Union is not limited to financial policy. It is even greater in foreign policy, militarism and arming the state. The one-time green pacifists are experts when it comes to justifying brutal warfare on the pretext of defending human rights.

The Greens advocated military participation by Germany in both the Libyan war and Syrian conflict. In 2014, they actively supported the Maidan coup in Ukraine and accused the government of not being tough enough against Russia.

The Greens support the EU, the setting-up of a European army and the plans of French President Emmanuel Macron, who aims to realise his “European vision” through states of emergency and drastic labour market reforms. They have no inhibitions when it comes to financing the massive military rearmament agreed on by the last government.

The Greens are a party of the well-to-do, urban petty bourgeoisie, which closes ranks with the capitalist state when increased international and social tensions threaten their privileged status.

A Jamaica coalition would potentially extend Schäuble’s austerity policy across Europe, possibly with an FDP finance minister and a Green foreign minister pushing for the militarisation of the EU. In domestic and refugee policy, all of the establishment parties are basically in agreement with the AfD. For their part, the SPD and the Left Party, as the possible next official opposition, are preparing to suppress all resistance to these policies.



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