

# Germany: Social Democrats modernise austerity

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Fourteen years ago, the Social Democratic Party (SPD) passed the so-called Hartz IV laws, implementing welfare “reforms” and laying the foundations for a huge low-pay sector and widespread poverty. Now, it has developed and tightened up the conceptions underlying the Hartz laws.

On Sunday, the SPD party executive unanimously passed a 17-page paper at a retreat in Berlin, with the pleasant-sounding name “A new welfare state for a new era.” Party leader Andrea Nahles then announced, “We are leaving Hartz IV behind us.” The *Süddeutsche Zeitung* headline read, “SPD breaks with Hartz IV.” Christian Democratic Union (CDU) vice chair Volker Bouffier and Christian Social Union (CSU) boss Markus Söder even warned that the SPD was taking a “strict left-wing course.”

This is all utter nonsense. Bouffier and Söder know that very well. Their parties have governed for 10 years in an alliance with the SPD and have carried out all the attacks against the unemployed, pensioners and workers. The attempt to portray the new course as a turn to the left is meant to improve the reputation of the SPD, which is hated among workers because of its right-wing politics and which has stagnated in the polls for weeks at 15 percent, running head to head with the far-right Alternative for Germany (AfD).

The parties represented in the Bundestag (parliament), and the mainstream media, fear that the outrage over poverty, work speedups and low wages will gain traction, regardless of the SPD and its affiliated unions, if the decline of the social democrats continues—as is already the case in France with the “yellow vests,” in Mexico with Matamoros car parts workers and in the United States with teachers. For this reason, Left Party parliamentary leader Dietmar Bartsch has also praised the SPD’s concept as a step in the right direction.

In fact, the SPD concept is a mixture of false labels, false promises and new social attacks, all cooked up in a sticky sauce of hollow phrases about “solidarity,” “humanity” and “opportunities,” which cause nausea even in those with the strongest stomach.

The SPD’s “future concept” pursues the goal of adapting the instruments of austerity that were developed with the Hartz “reforms”—temporary work, bogus self-employment, subcontracting, one-euro jobs, compulsion to accept any work, etc.—to a situation in which regular jobs are increasingly displaced by computers and artificial intelligence, and human labour is only sporadically employed, under conditions of extreme exploitation.

The SPD is aiming to create a legal and institutional corset that enables the state to control and discipline workers on this unbearable treadmill. “We have to adapt the system and the apparatus to the flexible, ever-changing conditions of the working world,” it says right at the beginning of the document.

The paper describes at length the new forms of exploitation that are taking place and strives to idealize them as “opportunities,” “work-life balance” and “answering the desire for more flexibility for family, caring, but also for training and social commitments.”

It says: “The change in the world of work promotes new forms of employment and makes individual careers more diverse. This opens up new perspectives, new opportunities and new design options.” For example, “in the field of the highly qualified ... flexible temporary project work could not be counted out, as well as mixed teams of internal and external employees, independent experts, such as in start-ups and/or in the field of innovation and ICT [Information and Communications Technology].”

The so-called “internet platform economy” is also welcomed by the SPD, as long as the business models aim for “sustainable economic success.” They could be “understood as a harbinger of new economic structures,” says the paper.

In the platform economy, workers are often connected to the employer only through their computer, need to be available around the clock, and are paid only for the work they do, which is billed by the minute, or paid so poorly that the hourly rate is only cents.

The SPD paper states, “New self-employment, contract

work, temporary work or fixed-term employment are increasingly gaining ground in the platform industry. At the same time, we are experiencing the increasing merging of work and life, creating new burdens in the workplace. As a result, the protective function of labour law no longer functions in these highly flexible company and work organizations.”

However, the SPD does not want to prevent this form of exploitation, but seeks rather to promote it. Under the slogan of “work-life balance” it advocates an expansion of home working, which forms the basis of the platform economy. This concerns “more freedom for workers to combine life and work,” says the paper. According to DIW, 40 percent of employees in Germany could theoretically work from home, but only 12 percent can fulfil their wish for flexible work. The SPD would therefore “legally anchor a right to mobile work and home office so that more workers can benefit from the digital benefits.”

What that means could be recounted by hundreds of thousands of those affected: no finishing time, no weekend, no security, no social benefits, no social security. To protect these modern slaves, the SPD promises only to implement some legal guardrails and to ensure that they do not have to be reachable by the employer by phone for a few hours a week.

The SPD explicitly opposes an “unconditional basic income” that would give those affected some protection against the constant pressure to work. It counterposes this to the “right to work,” which on closer inspection turns out to be rather work-related.

For example, the “community of solidarity”—i.e., the contributing workers—will in the future finance “work instead of unemployment.” By this, the SPD understands an extension of the “social labour market,” where unemployed people have to do work at starvation wages subsidized by the Employment Agency, and additional training measures that reduce the training costs of companies.

The SPD paper attaches great importance to strengthening the trade unions, which it needs as a factory police force to suppress the class struggle. The paper states that social partnership is a public good, that strengthens “social cohesion and economic stability.” The SPD expressly welcomes “the clarifying ruling of the Federal Labour Court that union members are basically better off as a result of collective bargaining.” This is an incentive to join a union. “Social partnership is in the economic and social interests of our country.”

The rest of the paper is a pure fraud. For example, the hated term “Hartz IV” should be replaced by “citizenship money,” without anything changing, except for a few cosmetic details. The new term stands for “a new

understanding of an empathic, supportive and citizen-friendly welfare state,” says the paper.

Hartz IV recipients will still be subjected to the same social pressures as before, only the language would change. “Of course, we need obligations to cooperate,” says the paper, “because rights and responsibilities in a community of solidarity are two sides of the same coin.” Even the infamous sanctions remain—unless they are “foul and unworthy,” whatever that means.

The increase of the minimum wage to €12, which is constantly cited in the media as evidence of the alleged “left-wing turn” of the SPD, is only a “perspective,” i.e., to be implemented over a longer period in which the minimum wage would rise anyway to this level. This sum, which amounts to just under €2,000 a month for someone employed full-time, is insufficient to live on in German cities, with their horrendous rents today, not to mention those on part-time work and the pre-programmed poverty of those who retire.

It is significant that Finance Minister Olaf Scholz, who insists on a balanced budget, has agreed to the SPD paper. Additional social spending is obviously not to be provided for. There is no mention of taxing the rich at a higher rate. When the SPD introduced the Hartz laws in 2005, it also cut taxes massively for the wealthy. The top tax rate fell from 53 to 42 percent. Two years later, the grand coalition increased VAT (sales tax), which is mainly paid by the poor, from 16 to 19 percent.

Since then, the gulf between rich and poor has widened at a rapid pace. The SPD does not want to change that. On the contrary, its “welfare state” concept is the prelude to a new round of social attacks, which also serves to finance the huge costs of arming the military and the state security apparatus.



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