

Profits before lives: German parliament passes emergency package for large corporations and the rich

Johannes Stern
27 March 2020

“I see no more parties, only Germans”, was the infamous saying of Kaiser Wilhelm when Germany entered World War I in 1914 and the Social Democratic Party (SPD) voted for war credits. The national concord with which all the parliamentary groups in the Bundestag (federal parliament) yesterday whipped the grand coalition’s multi-billion-euro corona emergency package through parliament follows in this tradition. Faced with the spread of the pandemic, which threatens the lives of millions and exposes the political and moral bankruptcy of the entire social system, the ruling class is closing ranks.

During the Bundestag debate, representatives of all parliamentary groups repeatedly rose from their seats together and applauded. “There are many insights in government policy that we believe are right and that we share,” said the leader of the far-right Alternative for Germany (AfD) parliamentary group, Alexander Gauland. The leader of the Left Party, Amira Mohamed Ali, also backed the grand coalition, “The German government’s aid package to tackle this unprecedentedly serious crisis contains many good regulations with which we agree. The talks we have had with the federal government in recent days have been very constructive.”

The message is clear: all parties in the Bundestag, from the Left Party to the extreme right AfD, are working closely together and agree to defend capitalism by all means and to shift the burden of the coronavirus crisis onto the working population. At the end of the “debate” 469 members of parliament voted for the measures of the federal government, with only three votes against and 55 abstentions. The package they approved is ultimately aimed at continuing the policy of enriching a small, super-rich elite at the expense of the large majority of the working population.

The class character of the measures adopted is obvious. Their main purpose is to safeguard and increase the wealth and profits of the large corporations and financial oligarchs. All the cynical lip service paid by Finance Minister Olaf

Scholz (SPD) in his speech in the Bundestag on the “protection of health” and the “livelihood of citizens” cannot hide this fact.

For example, the bulk of the money provided by the government—600 billion euros—benefits large corporations, and only 50 billion euros benefits small companies and the self-employed, even though these account for 58 percent of all employees subject to social security contributions in Germany (just under 18 million). The short-time working allowance (60 percent of the previous wage), praised by Scholz, serves the companies primarily to fob off workers with a starvation wage and to push through long-planned restructuring. Yesterday, steel giant Thyssenkrupp announced the reduction of 3,000 jobs. Mass layoffs are also being prepared in the automobile industry.

A large portion of the precariously employed workers, such as the eight million “mini-jobbers”, are not even entitled to the short-time work allowance, which is financed by unemployment insurance. In the coming weeks, all that remains for them and many self-employed people is the humiliating trip to the social welfare office, the application for Hartz IV welfare and the plunge into abject poverty. “Anyone who currently has temporarily no income, for example as a self-employed person, should make use of this basic provision,” Scholz provocatively explained.

The government’s indifference to the fate of millions casts a spotlight on the essentially fascist character of the German bourgeoisie. While workers face a social and medical catastrophe, the big corporations, which chuck tens of millions in bonuses into the craws of their top managers and shareholders every year, are being showered with money without any strings attached. With a volume of 600 billion euros, the planned “Economic Stabilization Fund” (WSF) even surpasses the Soffin bank support fund, which was used to rescue the banks in the financial crisis of 2008/09.

In comparison to the gigantic sums for big business, which will have to be squeezed out of the working class through

further brutal austerity measures, the planned spending on medical care for the population is a mockery.

Scholz boasted that “now another 3.5 billion euros” would be made available for the “procurement of protective equipment and the development of vaccines. In addition, he said, they wanted “the number of intensive care beds—in Germany, after all, 28,000—to double”. Of the agreed supplementary budget of 122.5 billion euros, a total of 55 billion euros is earmarked for “immediate pandemic control” and “its consequences”. In view of the severe cuts in the health sector in recent years and the massive social and economic crisis that is about to hit, this is at most a notorious drop in the ocean.

Indeed, the debate in the Bundestag showed that the ruling class is prepared to sacrifice not only the health, but also the lives, of millions of workers on the altar of profit. Although the pandemic continues to spread—yesterday there were over 4,300 new cases of the disease and 47 deaths in Germany alone—it is openly discussing sending millions of people back to work as quickly as possible.

The current state of affairs is “a danger to our economic life, because at some point the economic damage could be irreparable,” lamented Free Democratic Party (FDP) parliamentary faction leader Christian Lindner. “As of today,” the government and the authorities in the federal states and municipalities must therefore “do everything possible to ensure that people can return to freedom as quickly as possible”.

In other words, while the “freedom” of the working population consists of the compulsion to toil to death, the ruling class claims the freedom to enrich itself unrestrainedly and to use all “state possibilities” (Lindner) to do so. Representatives of all parties in the Bundestag repeatedly invoked the “strong state” in their speeches. To the applause of the Left Party and the Greens, the leader of the SPD parliamentary group, Rolf Mützenich, for example, demanded “a return to the state, yes, to the strong state”.

It is obvious that the fight against the corona pandemic and its economic consequences requires massive state intervention. Like the crash of 2008 and earlier crises in the 20th century, it has destroyed the myth of liberal capitalist entrepreneurship. It has shown that banks and corporations cannot exist without massive state intervention. This, however, immediately raises the question: who holds state power and who controls the available resources—the financial oligarchy, which increasingly relies on dictatorship and fascist methods to defend its assets, or the working class?

The Sozialistische Gleichheitspartei (Socialist Equality Party, SGP) strongly rejects the government’s emergency package and all measures associated with it. In our statement “No bailouts for banks and corporations! Direct financial

resources to the workers, not to the capitalist elite!” we demand “that the banks and monopolistic corporations that control assets worth tens and hundreds of billions of euros be transformed into public and democratically controlled organizations. The investments of small and medium-sized shareholders, many of whom have invested their savings for retirement, and the wages and jobs of millions, must be fully protected.”

The statement continues, “The urgent and absolute priority of the economic response to the pandemic must be emergency financing to fully cover the loss of wages and salaries of all working class and middle-class families. Mortgage and rent payments, car loans, medical costs, insurance premiums, and education and training expenses must be suspended for the duration of the health crisis. At the same time, small and medium-sized enterprises must receive financial support so that they can avoid bankruptcy and reopen their businesses as soon as medical conditions allow. Money must also be provided to ensure the survival of educational, cultural and other socially important institutions”.

The realization of this programme, which puts the needs and interests of the working class above the drive for profits of the corporations, requires the independent political mobilization of the working class on the basis of an international socialist perspective. This has been underlined once again by the capitalist and nationalist frenzy in the Bundestag. We call on all workers and youth who no longer want to accept the deadly dictates of the banks and financial markets to become members of the Socialist Equality Party and join the necessary struggle for a socialist transformation of society.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact