## German Social Democrats, Greens, Free Democrats' coalition paper: A declaration of war on the working class

Peter Schwarz 17 October 2021

The contours of a future German government coalition are emerging. Under the slogans of modernization, innovation and climate protection, the Social Democrats (SPD), the Greens and the Free Democrats (FDP) are planning "a comprehensive renewal of our country," at the end of which nothing will remain of the rights and gains for which the working class fought in the post-World War II decades.

On Friday, the leaders of the three parties of the so-called "traffic light" coalition, named after the party colours, as well as the designated candidate for chancellor, Olaf Scholz (Social Democratic Party—SPD), presented a twelve-page paper summarizing the results of their exploratory talks of the past few days.

"We are convinced that we can conclude an ambitious and sustainable coalition agreement," the paper states. Following the approval of the relevant party bodies over the weekend, which is considered a mere formality, the actual coalition negotiations are to begin on Monday.

The exploratory paper consists largely of non-binding phrases, nebulous avowals, evasions and plain lies. For example, at the very end of the document, the coalition partners commit themselves to "humanitarian responsibility" in refugee policy.

There is not a single syllable about the coronavirus pandemic and its 95,000 fatalities in Germany—apart from paying lip service to "more nursing staff." Nor is there any mention of either the farright terrorist networks or the fascistic Alternative for Germany (AfD).

Despite its barren platitudes, the exploratory paper does make a few things clear. When read in the context of social and economic reality, it is a declaration of war on the working class that far eclipses the Agenda 2010 welfare and labour "reforms" of the last SPD-Green federal government, headed by Gerhard Schröder.

This is most evident in the chapter on "sustainable public finances." The paper explicitly commits the prospective government to adhering to the debt ceiling, which strictly prohibits new borrowing by state or local governments and tightly limits that of the federal government. Only the billions that the European Central Bank pumps into the financial markets every month to drive up share prices are not affected.

At the same time, the paper rejects any taxation of the vast fortunes and incomes amassed during the pandemic. "We will not introduce new taxes on assets and will not raise taxes such as income, corporate or value-added taxes," it says.

What this means is easy to discern. The federal budget will face huge additional expenditures—repayment of the large debts resulting from the "Corona bailouts" to big corporations, numerous new cash gifts to companies, described as "investments in the future," and a massive increase in defence spending. Without new debts or higher taxation of the rich, this can be financed only by drastic cuts in social spending.

Here the exploratory paper remains extremely vague and confines itself to hints. For example, the current basic welfare support (Hartz IV) is to be replaced by a "citizen's income" that "respects the dignity of the individual, enables him or her to participate in society" and focuses on a "return to the labour market." Twenty years ago, similar words were used to justify the replacement of social welfare by Hartz IV, which turned out to be a lever for forced labour and low wages.

In health policy, the traffic light coalition wants to provide more nursing staff, but at the same time wants to "further develop" the system of flat rate, per case funding for hospital financing, which has contributed significantly to the misery in hospitals and nursing care. Statutory pension insurance is to be partially converted from the previous pay-as-you-go financing system to investments in the capital markets, which will provide the finance industry with additional income and further undermine pensions.

Even climate protection, which is high on the agenda in the paper, is placed entirely at the service of profit accumulation. The exploratory paper states that "great opportunities for our country and for Germany as an industrial base" lie in overcoming the climate crisis. "New business models and technologies can create climate-neutral prosperity and good jobs."

The paper promises energy companies that "all hurdles and obstacles" that hinder the accelerated expansion of renewable energy will be removed. Germany is to become "the lead market for electro-mobility." In the interests of the automotive lobby, the traffic light coalition partners will refrain from introducing a general speed limit on Germany's autobahns.

The central axis of the paper is the transformation of industry and the world of work. Under the cynical title "Respect and Opportunities in the Modern World of Work," the paper advocates complete flexibility, forcing workers to be available to the company around the clock.

"Flexibility allows a creative climate for innovation to flourish," the paper says. Among other things, "flexible working time models" are to be promoted, and "possibilities to deviate from the currently existing regulations of the Working Hours Act with regard to maximum daily working hours" are to be created.

The coalition partners are counting on the support of the trade unions: "A historically developed social partnership and the ability to compromise based on it are central prerequisites for this process of change to succeed." The paper affirms that "We will continue to develop co-determination," referencing Germany's system by which trade union functionaries sit on company boards.

While workers are to enable this "transformation" through unlimited "flexibility," the three parties promise generous aid to corporations. "Industry is facing a far-reaching transformation, and we will support it in this," the paper says. The "competitiveness of Germany as a business location" is to be increased, "innovation" is to be promoted, and "new confidence in entrepreneurial spirit, innovation and entrepreneurship" is to be created.

Representatives of the business community reacted enthusiastically. "Overall, a good package," tweeted Ifo [Institute for Economic Research] President Clemens Fuest. He pointed to the adherence to the debt ceiling, the renunciation of tax increases and the promise to promote investment. ING Bank Chief Economist Carsten Brzeski spoke of an "auspicious start," saying it was "definitely a step in the right direction."

The SPD, Greens and FDP are well aware that their government programme will face fierce opposition from the working class. And while they are sure of the trade unions' support, they are less sure that the unions can keep that resistance under control. That is why they have agreed to "a general overhaul of the security architecture."

"We want to make our secure country even more secure," the paper says. "Everyone in Germany should feel safe—whether on the street, at home or online. To achieve this, what matters most is more preventive security. To achieve this, we need motivated, well-trained and well-equipped police officers. Their presence and proximity to citizens make them an indispensable partner for us... We want to make sure they get the recognition and respect they deserve for the important work they do."

The final chapter of the exploratory paper is titled "Germany's Responsibility for Europe and the World." It advocates a European great power policy under German leadership, as well as accelerated military rearmament. It ties in directly with the policies of the outgoing grand coalition of the Christian Democrats and Social Democrats.

"We want to strengthen the European Union in order to strengthen Germany," it says. "We will therefore define German interests in light of European interests."

The partnership with France and Poland and the "cooperation of the national European armies" are to be strengthened. The transatlantic alliance is "a central pillar in this regard, and NATO is a more indispensable part of our security."

In future, German foreign policy is to "act as a single entity and develop joint strategies across all ministries." To this end, "a national security strategy" is to be drawn up.

Internet censorship is also to be tackled across Europe. "We are empowering Europe's liberal democracies to better fend off disinformation, fake news campaigns, propaganda and manipulation from within and outside the country," the paper states.

And former Finance Minister Wolfgang Schäuble's infamous European Union austerity policies are to be revived: "We want to ensure that Europe emerges from the pandemic economically strong together, based on sound and sustainable public finances."

The exploratory paper is viewed positively not only by representatives of the business community, but also by most of the media. Most representatives of the ruling class currently consider a traffic light coalition best suited to push through attacks on the working class and carry out military rearmament.

The FDP and the Greens, who once expressed mutual antipathy, are suddenly the closest of friends. Both draw on wealthy upper-middle-class layers that are responding to the growing anger of the working class with a shift to the right. The SPD is closely tied to the unions and is an expert on welfare cuts and other social attacks.

The Left Party is indirectly involved in a possible traffic light coalition. It is significant that the SPD has opted for a governing alliance with the Left Party in both Berlin and Mecklenburg-Western Pomerania, where new state parliaments were elected at the same time as the Bundestag (federal parliament). In Berlin, it continues the coalition with the Left Party and the Greens, although the SPD's top candidate, Franziska Giffey, said she would have preferred a traffic light coalition. In Mecklenburg-Western Pomerania, the SPD has governed along with the Christian Democrats for the last 15 years and is now forming a two-party coalition with the Left Party.

Like the grand coalition before it, a traffic light coalition will in all essentials put into practice the program of the far-right Alternative for Germany (AfD), which is increasingly coming under the influence of its openly fascist wing following the withdrawal of its long-time leader, Jörg Meuthen. Significantly, the exploratory paper denounces "left-wing extremism" as a "form of misanthropy" and puts it on a par with "anti-Semitism, racism and right-wing extremism."

The working class will inevitably come into conflict with Scholz's traffic light coalition. This confrontation must be prepared for politically. Therein lies the significance of the election campaign of the Sozialistische Gleichheitspartei (Socialist Equality Party—SGP), the only party to advocate an international socialist programme.



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