

Germany's draft budget: More military spending to be paid for with social cuts

Peter Schwarz
4 July 2023

After weeks of delay, the coalition government of Social Democrats (SPD), Greens and Liberal Democrats (FDP) agreed the 2024 draft federal budget on Monday. On Wednesday, the cabinet will adopt the harsh austerity budget. At €445.7 billion, total expenditure is €32 billion less than in the current year. In order to comply with the debt brake, new borrowing will be limited to €16.6 billion.

The savings are mainly concentrated in the social sector, while the military budget is exempt from all restrictions. The military budget is designed to reach NATO's 2 percent of GDP target in 2024. That is over €70 billion, more than twice the figure from 10 years back, when the German military budget amounted to €32.4 billion.

This is the biggest rearmament since Hitler. Last year, with the support of the opposition, the government passed a so-called "special fund for the Bundeswehr" amounting to 100 billion euros.

Nineteen of the 70 billion euros are to come from the military's "special fund" in the coming year. In the following years, further increases in arms expenditures will be financed in full from that year's budget. For 2028, this will mean an additional requirement of at least €25 billion.

In order to transform Germany into the leading military power in Europe, social spending will be slashed and all areas of society will be subordinated to war policy. For example, the federal government's subsidy of one billion euros for long-term social care insurance will be cut, the federal subsidy for statutory health insurance will be frozen at the 2023 level, and the federal subsidy for pensions insurance and parental allowances will be reduced.

The anti-social thrust of the budget is most evident in the area of basic child support. Only two billion euros

are earmarked for this in each of the coming years, instead of the 12 billion estimated by the family ministry. The fight against child poverty is thus falling victim to armaments spending.

The Greens, and to some extent also the SPD, had promoted the basic child allowance as a central social policy project in their election campaign. Above all, the Green candidate for chancellor and current foreign minister, Annalena Baerbock, had campaigned for it. The Greens, long since a party of the affluent middle class, thus tried to give themselves a "social" fig leaf.

After 25 years in which the SPD has been in government, with one interruption, more than one-fifth of all children and young people in Germany, a total of 2.8 million, live in income poverty. According to the election promises, the combination into a basic child allowance of all existing family support measures—the child benefit, citizen's allowance, child supplement and housing benefit—together with additional benefits for poorer families and changes in the application process, would counteract child poverty. In fact, this would have been a drop in the ocean. But now, even this drop is being cut in the interests of rearmament.

The Greens and the SPD are, in fact, at the forefront of the push for Germany's rearmament. Foreign Minister Annalena Baerbock is among the hawks on the Ukraine war and the confrontation with China.

Even if Family Minister Lisa Paus, a Green, tries to pass the buck to Finance Minister Christian Lindner of the FDP (who is supported by his predecessor at the Finance Ministry, SPD Chancellor Olaf Scholz), that will not alter the fact that the Greens never seriously intended to fight child poverty. Nineteen months after the coalition government took office, the Family Ministry has still not presented a concept of what precisely the basic child allowance is supposed to look

like. Instead, an inter-ministerial working group (IMA), which meets very infrequently and is itself divided into six sub-groups, is dragging the matter out endlessly. It is obvious that the SPD and the Greens have only been waiting for a favourable opportunity to bury their election promises.

War and rearmament are not compatible with a progressive social policy. The costs of militarism are brutally dumped on the working class. The 2024 federal budget is only the beginning.

Although all ministries together have already cut €20 billion, Finance Minister Lindner is calling for further savings of €14.4 billion for the years 2025 to 2027. Added to this are the effects of inflation, low wage settlements, exploding rents and rising energy prices, which decimate the income of average earners.

When it comes to bailing out the banks and giving money to the rich, on the other hand, there are unlimited sums available. For example, the federal government is subsidising the semiconductor giant Intel with the record sum of €9.9 million to build a chip factory in Magdeburg, which will bring a maximum of 3,000 jobs.

Workers and youth have all parties represented in the Bundestag as opponents if they want to defend their past social gains, their incomes and their democratic rights. All of these parties—including the Left Party—stand behind the war and austerity policies of the federal government. The same applies to the trade unions, which ensure that no open resistance develops in the factories and conclude wage agreements far below the inflation rate.

What is needed is a new perspective that unites the international working class and youth in the struggle against social cuts and militarism and mobilises them for the overthrow of capitalism and the building of a socialist society. This is what the Sozialistische Gleichheitspartei (Socialist Equality Party) and the Fourth International stand for.



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