

Germany's new austerity and war budget

Johannes Stern
7 July 2024

At a joint press conference on Friday, Chancellor Olaf Scholz (Social Democratic Party—SPD), Economics Minister Robert Habeck (Greens) and Christian Lindner (Free Democratic Party—FDP) announced that the coalition government had reached an agreement on the 2025 federal budget. Although the exact figures will not be announced until 17 July, one thing is already clear: It is an austerity and war budget that intensifies the government's anti-working class and militaristic agenda.

In his remarks at the beginning of the press conference, Scholz explained that the issue of “security” was the most important issue for him in relation to the draft budget. He said: “It's about a strong defence, a strong Bundeswehr [Armed Forces], which offers protection against the aggressive tyrannies of our time.” That is why, he continued, “NATO's two percent target will be fully met every year.”

From 2028, he explained, after the €100 billion “special fund for the Bundeswehr” has been exhausted, “the regular defence budget will allot €80 billion in order to continue to ensure that the two percent [of GDP] target” for military spending is met.

Scholz repeatedly returned to the question of rearmament. As the special fund “will soon be used up,” he said, the government “will then guarantee 100 percent of the necessary funding for the Bundeswehr from the budget.” This is why “the increase to €80 billion for the Bundeswehr budget is necessary.”

He stressed that “we will have to finance this two percent... in 2028, 2029, 2030 and in all subsequent years of the 2030s from the federal budget, without special funds.” He said this was “very central for the Bundeswehr and the important support for all the procurement projects that now lie ahead of us.” It concerned “a lot of money and a major task that our entire country has to tackle.”

In the coming year, Scholz added, Defence Minister

Boris Pistorius (SPD) would receive “a lot more than was in the financial planning—for good, correct reasons, because he has to ensure that we equip the Bundeswehr better and make up for all the deficits of the past decades.”

It was only two days before, on Wednesday, that the Bundestag's Budget Committee approved further massive armaments projects at its last meeting before the summer break. These included 105 Leopard battle tanks, worth almost three billion euros. After the Wednesday meeting, Pistorius boasted that 42 so-called “25-million-euro proposals” totaling €27 billion had been approved in the last six months alone.

These plans, the budget and the chancellor's statements are a declaration of war on working people. The German ruling class is reacting to the deep crisis of capitalism, the escalation of war against Russia and in the Middle East, and the growing tensions between the imperialist powers by arming itself ever more aggressively and pursuing a militaristic great power policy.

“Germany must now be an anchor of stability in Europe,” demanded Scholz. “As a country at the heart of the continent, with its strategic importance, its economic power and its political weight, we must not turn our backs on the world in these times, we must not be preoccupied with ourselves.”

Habeck referred to the “challenge” of the “American election campaign” for Europe, saying, “Regardless of how it turns out, it will create a new task for Europe to position itself more independently in global politics.”

The “obligation to keep Germany stable in these turbulent times and to be a place of reliability on the European continent and perhaps beyond” had “always been a guiding principle” in the talks on the budget, he stressed.

The leaders of the three-party coalition left no doubt that the rearmament was aimed directly at Russia.

Scholz said:

This is a turning point, because Russia, with its imperial war and brutal aggression, has annulled the understanding in Europe that borders should not be moved by force. That's why we have to help Ukraine, but that's also why we have to make our Bundeswehr strong.

In fact, it is not Russia that is the “imperial aggressor,” but the NATO powers, which have been laying waste to entire countries since time immemorial, moving borders by force when it serves their geostrategic and economic interests. By systematically encircling Russia, NATO provoked the Putin regime's reactionary intervention in Ukraine in the first place. Since then, it has been pushing the conflict ever further in order to militarily defeat and ultimately subjugate the resource-rich country.

The aggressiveness of the German government's push to rearm and reestablish Germany as a major military power despite its historical crimes in the 20th century is matched by the aggressiveness of its drive to make the working class pay for these policies. In his remarks, Lindner boasted that the “debt brake” enshrined in the constitution in 2011 would be adhered to in 2025 and would be tightened further compared to last year.

While the budget for this year still amounts to €489 billion, “in 2025 we are planning a budget volume of €481 billion,” announced Lindner. This figure alone makes clear that there will be severe cuts in numerous departments.

It was already known that the government was planning to cut “citizens' allowance” welfare support by €2.6 billion. These attacks are linked to even more stringent controls to force workers into any job, no matter how bad. Habeck emphasised that the “monitoring of the acceptance of offered work will be made stricter, i.e., sanctions will be tightened.”

The few “social” announcements made by the government can only be described as a provocation. For example, Scholz, Habeck and Lindner boasted that child benefit and the emergency child allowance are to be increased by €5 (!) each in 2025. This is not even the

proverbial drop in the ocean and will do nothing to change the disastrous social situation millions confront.

According to the EU's statistical office (Eurostat), the proportion of people at risk of poverty and social exclusion in Germany has already risen by 3.6 percent in the last three years, and now stands at 20.9 percent. The rearmament orgy now planned will be accompanied by an enormous increase in poverty and the decimation of remaining expenditures on social welfare, education and health.

In concrete terms, the German government's plans to achieve the 2 percent military spending target by 2028 using the regular defence budget alone means it will have to increase by at least €30 billion per year. While Berlin has told NATO it estimates defence spending of €90.6 billion for the current year, the regular defence budget is currently “only” just under €52 billion.

The ruling class knows that its agenda of war and social devastation will not bring “stability,” but will fuel opposition among workers and young people. For this reason, the government is also increasing the powers and means of the state's repressive apparatus.

“Around one billion euros more than previously planned will be made available for the security authorities,” reads an initial government information paper on the new budget.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact