

Germany's 2025 war budget dictated by big business

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On July 17, the German cabinet approved a new budget, which is to be discussed in parliament after the summer break and adopted by November.

According to its architects—Chancellor Olaf Scholz (Social Democrats, SPD), Finance Minister Christian Lindner (Liberal Democrats, FDP) and Economics Minister Robert Habeck (Greens)—the new budget is intended to ensure “Germany remains an important anchor of stability in Europe.” It should “strengthen its own defence capability and that of its allies” and “support Ukraine for as long as necessary.”

In fact, it is a war budget dictated by big business and the working class will be made to pay for it. It is the response of the ruling class to the deepening capitalist crisis and the escalation of war, both in Ukraine against Russia and in the Middle East.

Over €53 billion has been earmarked for the Bundeswehr (Armed Forces) and rearmament and billions more for domestic security, while—as Lindner boasts—it adheres to the debt brake. At the same time, the overall budget, which has been reduced by almost €8 billion, will cut the “citizen’s allowance” (welfare payments) and postpone the promised basic child protection allowance to the distant future, while the child benefit will be raised by just €5 (!).

The defence budget will increase by €1.25 billion to €53.25 billion this year. However, the government is actually spending far more on armaments and war. A government overview of the budget states that “taking into account the relevant shares of other individual plans,” the NATO target of military spending of at least 2 percent of gross domestic product will be achieved. With a GDP of €4.122 trillion, this means at least €82.4 billion in military spending.

The sum is probably even higher, as Scholz has already boasted of defence spending of €90 billion to NATO. In addition to the central defence budget, the government has already announced “defence-related expenditure” of €14 billion from other budget areas in the current year. Further projects totalling €20 billion will be paid from the Bundeswehr “special fund,” which totals €150 billion. In addition, there is military aid for Ukraine, currently estimated at €4 billion in the 2025 budget. This year, the government plans to support Kiev to the tune of €7.48 billion.

In 2028, when it is expected the Bundeswehr special fund will be exhausted, the defence budget is set to rise by a huge increase of almost €30 billion to around €80 billion.

None of this is enough for the military leaders and warmongers. “The result is not what we had imagined,” wrote Defence Minister Boris Pistorius (SPD) and the military’s top brass, Inspector General Carsten Breuer, in an internal daily communication to the troops. In particular, they are dissatisfied that the increase compared to this year is only €1.25 billion (not €6.7 billion as requested).

However, Pistorius and Breuer also confirm in their letter, as *Der Spiegel* writes, that “operational readiness already enjoys absolute priority and, like exercises and manoeuvres, is ‘exempt from savings in the 2025 budget implementation.’”

It is fitting that Pistorius is currently travelling to selected Bundeswehr locations in the country. He leaves no doubt that the rearmament spending and war offensive will continue unabated in all their dimensions. On Thursday, he visited the Space Command established in Uedem on the Lower Rhine in 2021 and announced it would be expanded further. “We need military control for satellite operations, and we need to position ourselves more strongly in space,” said Pistorius.

On the same day, he visited Büchel Air Base, the air force centre where US nuclear weapons stationed in Germany are stored. Pistorius boasted that preparations for the nuclear-capable F-35 fighter jets ordered by the Bundeswehr were “completely on schedule so far.” “The site here was being made fit” at an “unprecedented speed.”

When asked by the media whether the military budget, which he considered to be too small, would have any impact on the procurement of the F-35, he replied, “It won’t have any impact because these projects are fully financed, will be fully financed until the end, and therefore it has no impact at all.”

It is already becoming apparent that the new military budget will be further inflated in the course of the parliamentary debate. “I have not given up on the goal of obtaining even more funds in the upcoming parliamentary process,” Pistorius assured the *Rheinische Post* and *General-Anzeiger* newspapers. He was sticking to his “figures so that the soldiers can fulfil the requirements of the coming years in the interests of the security of us all.”

As the WSWs has already stated, the coalition presenting “an austerity and war budget for the coming year that further exacerbates the government’s anti-working-class and militarist agenda.” At the same time, the new federal budget betrays the signatures of lobbyists from the top floors of the German banks and corporations.

This can be seen not only in the austerity measures of around €8 billion to comply with the debt brake, or in the consistent refusal to tax the super-rich and top capitalists worth billions more. Their “solution” to the pension crisis also bears the hallmarks of finance capital.

In order to continue financing pensions, the coalition is investing €12.36 billion in a new “Generation Capital Foundation” and intends to increase this investment by 3 percent every year going forward. This taxpayers’ money is to be invested in a “yield-orientated” manner on the capitalist market. In this way, the government wanted to build up “a capital stock with a total volume of €200 billion” by the mid-2030s, as Lindner explained, in order to finance annual disbursements to the statutory pension scheme.

This “paradigm shift” is intended to free the government from having to underwrite the pay-as-you-go statutory pension with larger contributions from the budget in future. It is telling that the government is completely turning a blind eye to the risks of price fluctuations and even stock market crashes such as 2008.

The thoroughly reactionary nature of the budget is also evident when it come to climate change. The government wants to withdraw more and more from the promotion of renewable energy “as soon as the electricity market is sufficiently flexible,” i.e., profitable. In order to reduce the costs of this support in the short term, the government wants to sharply lower the threshold from January 1, 2025 onwards at which time renewable energies must market their electricity themselves.

It is clear that rearmament, meeting the interests of the super-rich and compliance with the debt brake inevitably come at the expense of working people and the environment. In particular, the socially disadvantaged are being targeted.

Not all of the savings associated with the €8 billion in cuts compared to the 2024 budget are yet known in detail. They will hit welfare, the care sector, housing, infrastructure, environmental protection and climate protection measures hard.

In the social sector, the plan to cut €2.6 billion from citizen’s benefits (welfare) has been leaked. In this context, the burdens on the unemployed are to be tightened. Scholz, Lindner and Habeck have drafted a downright spiteful “agreement paper” on this. According to this, in future it will be deemed reasonable to commute three hours a day in order to find work. Unemployed people are to be forced to take up any job within a radius of 50 kilometres of their home.

Anyone who refuses or is otherwise uncooperative will have their citizen’s allowance partially or completely withdrawn by

the government. This should save €900 million in the budget. The already underfunded job centre branches are to yield savings of €1.6 billion.

Families Minister Lisa Paus (Greens) attempted to distract attention from the provocative intention to increase the emergency child allowance and child benefit by a meagre €5 each by saying that this, together with a number of other measures, should be seen as “preparation for the first step towards basic child protection.”

As the WSWs wrote, the measures in the draft budget “are not even the proverbial drop in the ocean.” In any case, they will not improve the untenable situation of millions. In Germany, almost one in four children is now poor or at risk of poverty, and pensioner poverty is also on the rise, while at the other end of the scale there are more and more super-rich.

Of course, the government and the ruling class are aware that their pro-war policy and the associated severe cuts in social spending are provoking resistance from the working class. This is the reason why the government is further strengthening the state’s repressive apparatus.

In order to beef up “domestic security,” an additional €1 billion is to be channelled into the Federal Police, the Federal Criminal Police Office and the Federal Office of Civil Protection and Disaster Assistance. However, there will be cuts elsewhere in the area of “integration and migration,” where the government wants to more than halve the money for language and integration courses for immigrants from €1.1 billion to €500 million.

As the new draft budget shows, the government is doing everything in its power to arm itself against an impending social uprising by not only strengthening the state apparatus, but also, with its anti-immigrant policies, bolstering and supporting the far-right Alternative for Germany (AfD). To fight poverty and social inequality and stop the turn by the ruling class to fascism and war, workers must unite independently and internationally and fight for a socialist programme.



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