

German government wants to cut welfare payments by 5.55 billion euros

Marianne Arens
31 July 2024

A pro-war policy inevitably goes hand in hand with attacks on social rights. In the 2025 federal budget, Germany's coalition government is planning to cut the "citizen's income" welfare payments by a total of €5.55 billion or almost 11 percent.

Instead of €50.5 billion this year, Finance Minister Christian Lindner (Liberal Democrat, FDP) only wants to spend €44.95 billion on social welfare next year. In a summer interview with broadcaster ARD, he said he would not be in favour of any further redistribution or tax increases, but that there would be an "ambitious structural reform and a growth-friendly policy."

Lindner insulted welfare recipients as "free riders" and threatened them with "new sanctions and reporting obligations, new waiting-time regulations." In January 2025, he announced a "zero round" (i.e., benefits freeze) for all recipients of the citizen's allowance, denying them the usual annual adjustment of their payments in line with constantly rising prices.

In order to achieve the savings target of €5.55 billion, the government—a coalition of the Social Democrats (SPD), Liberal Democrats and Greens—wants as many people as possible who receive citizen's benefit to join the large and growing army of low-wage workers. Hundreds of thousands are to be forced to accept any job, no matter how bad.

According to the Ministry of Labour, every 100,000 recipients of the citizen's allowance cost the state around €780 million a year. This means that saving €5.55 billion would require forcing over 700,000 (!) people in need into work. This would affect almost one in five of the current 3.9 million adult recipients of citizen's allowance.

The last time such a high number was registered was in 2007, after the introduction of the Hartz IV "reforms," when the Social Democratic-Green coalition government under Gerhard Schröder and Joschka Fischer sealed the end of the welfare state.

Significantly, the goal now is not to be achieved (as promised by the coalition last year) through higher subsidies for further training, retraining and necessary procurement to

make it easier to find work. On the contrary, the job centres, which are responsible for the citizen's income, will also see massive cuts next year: €1.6 billion is to be cut from the job centres and €900 million from further vocational training and rehabilitation benefits.

As the WSWS has already stated, the budget for 2025 is "a war budget dictated by big business, and the working class will be made to pay for it":

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 (!).

From the outset, the WSWS has pointed out that the 2025 federal budget is an austerity and war budget that is to be tightened even further. The major media outlets now take this for granted.

In the interview with Lindner, the presenter's very first question to the finance minister was: "How do you explain to the soldiers that the Defence Minister and the Bundeswehr are not receiving the funding they requested, but five billion less?" To which Lindner replied that after all, it was he, who, as Finance Minister under SPD Chancellor Olaf Scholz, initiated the 100 billion euro "special fund for the Bundeswehr."

In fact, the defence budget in Germany has been increasing more than in almost any other country for several years. This year, the government is spending a total of up to €90 billion on weapons, ammunition and fuelling the wars in Ukraine and the Middle East.

In order to meet NATO's military spending target of 2

percent of GDP, the government has already decided to increase the defence budget by almost €30 billion to around €80 billion in 2028. At the NATO summit in Washington, Scholz and Defence Minister Boris Pistorius (SPD) recently promised to station long-range weapons on German soil again. This was previously unthinkable due to the mass protests of the 1980s, and entails a huge risk of nuclear war.

The working class and, first and foremost, its most vulnerable section, the recipients of citizen's income welfare payments, are to pay for this. They should either work or starve to death, as is being said more and more frequently.

Christian Democratic Union (CDU) Secretary General Carsten Linnemann has also recently called for those who "refuse to work" to be completely deprived of the citizen's income. He could imagine this affecting "a six-figure number of people." Related voices are also being raised in the SPD. Hubertus Heil, who heads the Ministry of Labour, already announced in May that he would completely cancel the benefits of recipients of the citizen's allowance for two months if they were caught working illegally.

The attacks come at a time of extreme social polarisation. For the super-rich, 2023, the year of inflation, meant a great orgy of enrichment, as the Global Health Report revealed. According to this, Germany now has 2.8 million millionaires, four times as many as 20 years ago, placing it in sixth place in the world's millionaire rankings. As far as the super-super-rich are concerned—so-called "ultra-high net worth individuals" in financial jargon—Germany is in third place behind the US and China, despite having a much smaller population. The ranks of the 3,000 super-rich in Germany were joined by 300 more last year.

Finance Minister Lindner is guaranteeing them all that there will be no tax increases; after all, he is one of them himself. Two years ago, the finance minister's three-day luxury wedding on the island of Sylt became infamous when taxpayers had to pay for the entire personal security of the invited politicians and the official vehicles.

Today, Lindner is pointing the finger at the recipients of the citizen's allowance. In the ARD interview, he arrogantly threatened: "We will have to talk about our welfare state... Anyone who doesn't work, who deliberately turns down [job] offers or who is staying in Germany irregularly, illegally and actually has to leave the country, these people cannot live off our welfare state."

Even now, the citizen's income is barely a pittance, although the long-term unemployed, the needy and people in precarious living situations have a constitutionally guaranteed right to it.

The citizen's income currently amounts to €563 per month for single people and €502 for people living with a partner.

This is less than the cost of a single overnight stay in a luxury hotel on Sylt or a single dinner in a top restaurant or a golfing or sailing trip. Citizen's income recipients have to cover all their living costs except for housing for 30 days from the meagre amount they receive—an almost impossible endeavour.

Lindner is deliberately fuelling resentment against immigrants and refugees in order to divide the working class. He said, "We don't have too little money, we have too much. ... We have sharply rising social security contributions; this is also linked to irregular immigration to Germany since 2015." For Lindner, it is immigrants, not the super-rich parasites, who are therefore to blame for the fact that the welfare state needs to be "reorganised."

This all makes clear how much the coalition government's policies are paving the way for the far-right Alternative for Germany (AfD), especially in view of the upcoming state elections in Thuringia, Saxony and Brandenburg. The federal government knows that it is sitting on a powder keg.

When Thomas Kemmerich (FDP) was elected in Thuringia three years ago with the votes of the AfD, the social protest was so great that the new state Premier had to resign after three days. Today, the federal coalition government is doing everything in its power to promote the AfD. In order to intensify its pro-war policy and nip any resistance in the bud, it is strengthening the police state and enforcing more and more raids on anti-war protestors and banning Muslim organisations. Its social policy is an orgy of austerity that workers can only understand as a direct provocation.

It is high time to mobilise the working class against such attacks, to unite them in independent rank-and-file action committees and to build the political force that will successfully oppose these policies with an international and socialist programme: the Sozialistische Gleichheitspartei (Socialist Equality Party), the German section of the Fourth International.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact