

German finance minister declares war on the working class

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Last Friday, Liberal Democrat (FDP) Finance Minister Christian Lindner published an 18-page document calling for an “economic about turn with a partial fundamental revision of key political decisions.” Since then, speculation has been rife that the coalition government of the Social Democrats (SPD), FDP and Greens may be coming to an early end.

Lindner’s document is being compared to the infamous paper with which the then FDP economic affairs minister, Otto Graf Lambsdorff, collapsed the SPD-FDP coalition of SPD Chancellor Helmut Schmidt in 1982, ushering in the 18-year rule of Helmut Kohl (Christian Democratic Union, CDU). It is a deliberate provocation—not so much against his Social Democratic and Green coalition partners, as against the working class.

After decades of social redistribution favouring the rich, of austerity in education, healthcare and infrastructure, and of falling real wages, the finance minister is calling for massive tax cuts for the wealthy, a frontal attack on social services, social rights and environmental regulations, and strict austerity measures.

Lindner wants to halve the “solidarity surcharge,” which has been in place since German reunification in 1991 and now only applies to very high incomes and profits, in the coming year and abolish it altogether in 2027. Corporation tax, the most important levy on corporate profits, is also to be reduced by 2 percent in 2025 and even further in the following years. Both measures will mean substantial additional profits for the super-rich and corporations and a corresponding decline in tax revenues.

The “debt brake,” which restricts annual structural deficits to 0.35 percent of GDP, is to be strictly applied, and Lindner also rejects further “special funds” that could be used to circumvent it. Instead, the falling tax revenues and rapidly growing military expenditures—which, according to the paper, are to be “prioritised”—are to be

financed through cuts in social spending.

In the name of “reducing bureaucracy,” Lindner wants to put all legislative proposals that protect employees’ social rights on hold.

Under the heading “Mobilisation of the labour market,” he calls for a significant increase in working hours and a substantial reduction in the “citizen’s income” welfare benefit to “strengthen work incentives.” The citizen’s income cut alone is expected to save €3 billion a year. “Individual disadvantages compared to the status quo are unavoidable, but also to be welcomed in the sense of activation and incentive orientation,” the paper states.

For example, the cost of accommodation and heating is no longer to be recompensed according to the actual expense incurred, but replaced by a region-specific flat rate, which, in view of the explosion in rents and heating costs, would mean homelessness for many. The federal contribution is to be reduced and benefits for asylum seekers are to be cut by €800 million.

Lindner also has his sights set on pensions. Through “genuinely flexible retirement” and high deductions for early retirement, employees are to be forced to work into old age and relieve the pension funds accordingly. The paper envisages savings of €4.5 billion in comparison to the already adopted draft budget.

Lindner also wants to stop climate targets that have already been agreed. “It does not help climate protection if Germany, as a supposed global pioneer, tries to make its economy climate-neutral as quickly as possible, and consequently [suffers] with avoidable economic damage and political upheaval,” the paper states.

Lindner and his FDP, which once called itself the “high earners’ party,” embody like no other party the arrogance of those parasites who have acquired their wealth through exploitation, real estate and stock market speculation and inheritances, and look with scorn and contempt on workers who, despite working hard, are just making ends

meet.

The FDP is now so hated that it received only between 0.8 and 1.1 percent of the vote in the last three state elections in eastern Germany and, if federal elections were held today, would have little chance of meeting the 5 percent threshold for remaining in parliament. If Lindner is nevertheless so arrogant, it is because he knows that he not only has the support of the business elite and the CDU under its leader and former BlackRock manager Friedrich Merz, but also of his coalition partners, the SPD and the Greens.

The dispute in the coalition government over fiscal policy is not about whether, but only how upward social redistribution and attacks on the working class will be carried out. While Lindner is provocatively going on the offensive and paving the way for the attacks, the SPD and the Greens are proposing different methods to avoid open class confrontation for as long as possible and to suppress the resistance of the working class with the help of the trade unions.

The Green Party vice-chancellor and economics minister, Robert Habeck, wants to continue to support corporations and banks with billions of euros of state money, as was already the case during the 2008 financial crisis and the coronavirus pandemic. This money will then be squeezed out of the working class through corresponding austerity measures.

To this end, Habeck wants to set up a “German fund for investment” that subsidises company purchases by 10 percent. So if a firm buys a machine for €1 million, it will get €100,000 in tax money. Energy costs, electric cars and investments in infrastructure and digitisation should also be subsidised accordingly.

The SPD and Chancellor Olaf Scholz also have similar ideas, albeit somewhat different in detail. Above all, they want to support large corporations and subsidise the price of electricity and the sale of electric cars. The SPD’s assurances that it would not allow any cuts in social spending are a blatant lie. The SPD had made the same claim before it passed the “Agenda 2010” and “Hartz” laws implementing welfare cuts and worsening labour protections 20 years ago—the most comprehensive social cuts in the history of post-war Germany.

The SPD and Greens, like the FDP, reject higher taxes for the rich. All parties represented in the Bundestag (parliament) agree that the time when the class struggle could be ameliorated through social concessions is over. The enormous costs of military rearmament, the financing of the wars in Ukraine and the Middle East, and the

intensification of trade war and protectionism no longer allow for social compromises.

The imperialist struggle for world power, raw materials and markets is being fought out on the backs of the working class, just as it was a hundred years ago. This is made unmistakably clear by the announcement of the VW Group, which for decades was considered the epitome of “social partnership,” that it would lay off tens of thousands of workers, close entire plants and cut wages by 20 percent.

The presidential election in the US will further accelerate this development. Green Foreign Minister Annalena Baerbock travelled to Kiev just yesterday to assure the Zelensky regime that Germany will continue to support it financially and militarily even if Trump wins the election.

Unlike in 1982, the FDP cannot simply change the coalition today. The FDP and CDU do not have enough representatives in the Bundestag to overthrow Scholz through a no confidence vote, unless they rely on votes from the far-right Alternative for Germany (AfD). The only way to replace the government would therefore be early elections, which would endanger the FDP’s existence.

But which parties are in the government is ultimately secondary. They all agree on the fundamental issues—military rearmament, support for the war in Ukraine and the Middle East, austerity and upward social redistribution. The only way to stop these dangers is to build an independent movement of the international working class that fights for the overthrow of capitalism and a socialist perspective.



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