

German government plans massive cuts to health, pensions and social benefits

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German military spending rose by 24 percent last year. At €97 billion (\$114 billion), Germany ranks fourth in the world behind the US, China and Russia. This is according to the latest report from the Stockholm International Peace Research Institute (SIPRI). And the increase continues, from currently 2.3 to 5 percent of economic output. That amounts to more than €200 billion a year, about 40 percent of the current federal budget.

The bill for this massive rearmament programme is being presented to the working class in the form of falling social spending, poorer healthcare, lower pensions, lower wages and mass unemployment. Not a day goes by without business associations and leading media outlets demanding that the government must finally “deliver,” decide on “bold reforms,” “break the resistance” and “withstand the anger.”

The government is doing its best to meet these demands. Against the background of economic stagnation that has lasted for four years, the jobs massacre in the car and chemical industries and rising prices as a result of the Iran war, it is planning social attacks that will leave only a pile of rubble of existing social benefits.

As early as Wednesday, the federal cabinet wants to decide on the cornerstones for the future budget and pass healthcare reforms that will cut the spending of the statutory health insurance funds by €20 billion next year. The consequences will be poorer care and more expensive medicines for patients and even more unbearable working conditions for healthcare personnel.

Before the summer holidays, the “Old Age Security Commission” will then present its proposals for pension reforms, which are to be decided upon in the autumn. Chancellor Friedrich Merz has already announced drastic cuts. “Statutory pension insurance will at best still be the basic security for old age,” he said last week at an anniversary event for the German banking association. “It will no longer be sufficient to secure the standard of living in the long term.”

Additional “capital-funded elements of occupational and private old-age provisions” were necessary, said the former

BlackRock manager Merz, “and on a much larger scale than we currently have, largely on a voluntary basis.” This not only means old-age poverty for everyone who cannot afford such capital-funded insurance, but it also provides banks and investment funds with additional money and hands over old-age provisions to the whims of the financial markets.

The government is also taking a sledgehammer to social spending. It has already abolished *Bürgergeld* (basic welfare payments) and replaced it with a “New Basic Security Benefit,” which is tied to much harsher requirements and enables the state to force the unemployed into any job, no matter how poorly paid. But that was only the beginning.

The *Paritätischer Gesamtverband* (Equality Welfare Association) recently published a secret, 108-page document in which representatives of the federal, state and local umbrella organisations compiled cutback proposals affecting people with disabilities, children, young people and their families. To the extent they are quantified, they amount to €8.6 billion annually. However, two-thirds of the proposals do not contain a cost estimate, so total savings are likely to be significantly higher.

The *Paritätischer Gesamtverband* commented on the document with the following words:

What is being negotiated here in secret directly affects millions of people: Children who rely on school support assistance. Young people who would end up on the streets without youth welfare. People with disabilities who cannot participate in social life without individual assistance. Single parents who receive maintenance advances. Institutions that work for these people and whose existence depends on the statutory entitlements that are being put up for disposition here.

What distinguishes this paper from a normal austerity debate is the complete lack of any balanced considerations. Not a single proposal asks what the proposed cuts mean for the people affected. Not a

single proposal considers whether the saving justifies the damage. The document treats social benefits like budget items. The people who depend on them do not appear in it.

The cutback plans have triggered considerable tensions within the government. The reason is not that they disagree on the goals. The Christian Democrats (CDU, CSU) and Social Democrats (SPD) unconditionally support rearmament and the austerity targets. As Finance Minister, SPD Chairman Lars Klingbeil bears primary responsibility for the austerity policy.

But the government parties fear for their political future. The coalition has only a slim majority in the Bundestag (federal parliament) and is standing at 37 percent in the polls. If an election were held now, the government would lose its majority. The SPD in particular is in free fall. In the last state election in the car-producing state of Baden-Württemberg, it almost failed to re-enter the state parliament, only securing 5.5 percent of the vote, barely above the 5 percent hurdle.

While the government parties agree on the basics, the question of how exactly the cuts are to be formulated is leading to fierce conflicts. In particular, Finance Minister Klingbeil and Economics Minister Katherina Reiche (CDU), an unscrupulous lobbyist for the gas industry, clash repeatedly.

Chancellor Merz and Vice Chancellor Klingbeil have been meeting in private for weeks to coordinate the austerity measures. Nevertheless, according to a report in newsweekly *Der Spiegel*, an open conflict occurred on March 12. At a meeting of the coalition committee at Villa Borsig, the two shouted at each other.

However, it would be a dangerous illusion to hope that the conflicts within the coalition—or occasional objections from the trade unions, Labour Minister Bärbel Bas (SPD) and the so-called “CDU Social Committees”—would prevent or even slow down the austerity measures. The objections serve exclusively to dampen resistance against the austerity policy.

The trade unions also stand unreservedly behind the government’s war and austerity policies. Yasmin Fahimi, chairwoman of the German Trade Union Confederation, was formerly general secretary of the SPD. Her husband, the chairman of the chemical union IG BCE Michael Vassiliadis, has been an SPD member for 45 years and is a vehement advocate of collaboration with the corporations.

The crisis of the coalition, which is also reflected in growing criticism of Merz in the bourgeois media, has resulted in sections of the ruling elites orienting ever more openly towards the Alternative for Germany (AfD). This far-

right and partly fascist party, similar to Trump’s MAGA movement in the US, uses the anger at the ruling elites to present itself as an opposition, while simultaneously representing the interests of the most greedy and corrupt elements of capital.

In nationwide polls, the AfD is now neck and neck with the CDU/CSU at around 25 percent. The SPD is far behind at 12 to 14 percent, roughly level with the Greens and the Left Party. After the latest state elections in Saxony-Anhalt and Mecklenburg-Western Pomerania in September, in which the AfD is currently far ahead and could under certain circumstances even win a majority of seats, the question of cooperation with the right-wing extremists will become acute. Within the CDU, there is much support for this.

The struggle against militarism and war, against social cuts and unemployment, as well as against fascism, come inseparably together under these circumstances. The AfD cannot be stopped by an alliance with the allegedly “democratic” pro-war and social cuts parties, as the Left Party claims. In reality, the Left Party is itself a bourgeois, pro-capitalist party. It supports the massive rearmament of the Bundeswehr (armed forces) and carries out social cuts itself wherever it is in government.

The struggle against militarism, social cuts and fascism requires a movement of the working class that is independent of all bourgeois parties and the trade unions, and fights for the international unity of the working class, as well as for a socialist programme to overthrow capitalism.

The ruling class and its lackeys in the media claim that society can no longer afford social spending, pensions and decent wages. In reality, it can no longer afford the billionaires and millionaires who senselessly squander vast sums, are plunging the world into war and misery and use groundbreaking technologies like Artificial Intelligence to destroy jobs instead of improving the living conditions of all.



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