

Germany's Council of Economic Experts demands "U-turn" on care, health and pensions

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The German Council of Economic Experts, which advises the government, presented its spring report on Thursday. The two female and three male professors are paid to translate capitalist class interests into the seemingly neutral language of scholarly discourse.

They have done this with the report. They are demanding deep cuts in social spending to pass the economic consequences of the Iran war, the horrendous costs of rearmament, the mass destruction of jobs and the enrichment of the rich onto the weakest in society.

According to their report, contribution rates for social insurance, which are borne half by employees and half by companies, will rise from the current 40 to almost 50 percent by 2040 if nothing changes in the existing legal situation. This is to be prevented at the expense of those in need of care, the sick and pensioners.

According to the chairwoman of the Council of Economic Experts, Monika Schnitzer, the state of the social security systems was so serious that "we now have to tackle reforms that also lead to burdens." Schnitzer praised the austerity measures proposed by Health Minister Nina Warken, which will dramatically worsen care and working conditions in the health sector, with the cynical words: "If everyone protests, then you've done everything right."

Business daily *Handelsblatt* rejoiced that the report came "right on cue": "Because the economic experts have taken the red pen to everything. Hospital closures, higher taxes on alcohol and sugar, weakening of care levels, cancellation of flat-rate care remuneration, end of non-contributory co-insurance. Without impositions for some, the imbalance in the social systems will not be resolved—and that would ultimately harm everyone."

The report offered "the government the cover it

needs," according to the *Handelsblatt*. It could use it strategically for public debate: "Look here, the experts are demanding this, we are orienting ourselves on this—but remain a little nicer about it."

If the Council of Economic Experts has its way, the 2017 care reforms, which introduced two additional care levels and improved support for dementia patients, are to be reversed. Long-term care insurance must increasingly "concentrate on its core tasks," justified Council member Martin Werding. It had "always been intended as partial benefit insurance."

The Council of Economic Experts proposes that so-called "benefit supplements," with which care insurance funds the rapidly rising personal contributions in care homes, and which increase with growing length of stay, are completely abolished. Health Minister Warken previously only wanted to delay the increase. For home residents in need of care and their relatives, accommodation in a home would become even more expensive as a result. The savings of home residents, even if they amount to only a few thousand euros, are also to be completely used up before the supplements are paid.

Even Warken's health reforms do not go far enough for the economic experts—for all the praise they lavish on it. For example, they demand a much higher contribution from previously co-insured family members than Warken's reforms provide for.

1,100 more super-rich in Germany in one year

At the same time as the Council of Economic Experts published their paper, a report appeared on Thursday that strikingly refutes it. Boston Consulting Group (BCG) published its “Global Wealth Report.” This shows that there is no lack of the necessary funds to finance social spending, but that this money—if it is not put into war and rearmament—ends up in the bank accounts of the super-rich.

According to the BCG report, the number of super-rich living in Germany rose by 1,100 last year. There are now 5,000 people with financial wealth of more than \$100 million (around €86 million). They own 27.3 percent of all \$12.4 trillion of financial wealth, i.e., just under \$3.4 trillion. If one adds the more than 700,000 multimillionaires, a rich elite of less than 1 percent of the population owns 52.8 percent of Germany’s financial wealth.

Financial wealth grew by almost 18 percent last year, which corresponds to an increase of \$1.7 trillion (just under €1.5 trillion), well over half of which is accounted for by the super-rich and multimillionaires. This increase would be enough to pay the €74 billion in total expenses of long-term care insurance for 20 years. The deficit in the long-term care insurance system, which the Council of Economic Experts estimates at a combined €22.5 billion for the next two years, could even be covered 67 times over with this.

Tangible assets such as real estate are not even included in these figures. At \$13.4 trillion, they are even slightly higher than financial wealth and similarly unequally distributed.

In its *Klartext* newsletter, the German Trade Union Confederation (DGB) draws attention to the discrepancy between the demands of the economic experts and the growth in wealth of the super-rich and raises a few tame demands: more employment subject to social security contributions, broadening of the contribution base, moderate increases in contributions, increasing the federal subsidy and paying for tasks affecting society as a whole from tax revenues. A “fair contribution from the mega-rich—with a wealth tax and levy as well as a fairer inheritance tax, for example”—is also demanded.

What a mockery! Many of these demands would distribute the burden on the same shoulders in other ways. In addition, the DGB knows perfectly well that both the Christian Democrats (CDU/CSU) and the

Social Democrats (SPD) in the federal government will never agree to a tax increase for the rich. They are already whining that excessively high taxes would drive capital out of Germany.

The DGB, which is closely linked to the SPD, shares this point of view. For over 20 years, since the Verdi strike in the public sector in the spring of 2006, no DGB trade union has led a major all-out strike. As social partners of the corporations and governments, they organise the dismantling of jobs, wages and social rights and nip any serious resistance against this in the bud.

Capitalism, which subordinates all social interests to the accumulation of profit, has reached a level of decline and decay worldwide that no longer permits any social compromises. Everywhere, social achievements that were won decades ago are under fire. Technological advances, such as computerisation, robots and Artificial Intelligence, which could enormously ease human life, serve to destroy jobs, increase profits and perfect weapons of war. The struggle for raw materials, markets and world power is once again being waged violently.

The relapse into war and barbarism can only be stopped by an independent movement of the international working class that fights for the overthrow of capitalism and the reorganisation of society on a socialist basis.

The defence of old-age care, pensions, healthcare and other social achievements are an important part of this struggle. It is not social spending that society can no longer afford, but the super-rich. They must be expropriated, and the factories and corporations brought under social ownership and placed under democratic control.



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