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## German government prepares frontal attack on the working class with 2024 budget



German Chancellor Olaf Scholz, center, German Economy and Climate Minister Robert Habeck, left, and German Finance Minister Christian Lindner arrive for a press conference during a closed cabinet meeting at the government's guesthouse Meseberg in Gransee, north of Berlin, Germany, Tuesday, Aug. 29, 2023. [AP Photo/Markus Schreiber]

In the middle of last week, the leaders of the German government met for the fourth time in a cabinet retreat at Meseberg Castle in Brandenburg. The meeting marks an escalation of the reactionary policies of the three-party coalition government of the corporations and German imperialism. At the halfway point of the legislative session, the Social Democratic Party (SPD), the Greens and the Liberal Democratic Party (FDP) are intensifying their policies of austerity and war. They came up the following resolutions:

—A so-called **Growth Opportunities Act** holds out the prospect of further relief of seven billion euros [\$US7.55 billion] for big business. The law is explicitly aimed at securing the profits of German capitalists in competition with international rivals and intensifying the attacks on jobs and wages.

The aim is to “strengthen the competitiveness of Germany as a business location,” according to the federal government’s draft law. Improving the “companies’ liquidity situation” was “important to accompany the transformation of our economy as well as to strengthen competitiveness, growth opportunities and Germany as a business location.”

What this means in concrete terms has already become apparent in recent months. In the public sector, at Deutsche Post and recently also at national rail operator Deutsche Bahn, the government and the corporations, in close cooperation with the trade unions, pushed through large cuts in real wages and a further deterioration of working conditions. In the name of “competitiveness” and “transformation,” further attacks are now being prepared. In the auto and supplier industries alone, hundreds of thousands of jobs are to be destroyed in the course of the conversion to electric vehicles (EVs).

—The **Future Financing Act** also exclusively serves the interests of big business. “It is necessary to strengthen the performance of the German capital market and to increase the attractiveness of the German financial centre as an important part of a strong financial centre in Europe,” asserts the first paragraph of the government draft.

The entire text of the law makes clear what is hidden behind the government’s dense phrases. Through “digitalisation,” “debureaucratisation” and “internationalisation,” “the German financial market and Germany as a business location should become more attractive for both national and international companies and investors.” This includes eliminating “competitive disadvantages for Germany as a financial location” and a “VAT exemption for the management of venture capital funds”.

—The government’s only social policy promise, the **Basic Child Allowance**, was *de facto* gutted in Meseberg. Thus, the €12 billion originally promised by the Green Minister for Family Affairs, Lisa Paus, was slashed to €2.4 billion. This is not even the proverbial drop in the ocean. The rampant levels of child poverty—one in five children in Germany grows up in poverty—will not change in the slightest.

In fact, it is questionable whether in the end an additional cent will reach families at all. The government wants to bundle existing benefits such as child benefit, child supplement and citizen’s allowance for children into the basic child allowance and pay them out

together. While it is clear that this will incur additional administrative costs, not a single concrete increase in benefits has been announced so far.

Nevertheless, Finance Minister Christian Lindner (FDP) declared that “with a view to the next few years, the basic child allowance is the last major social reform that still fits into the federal budgetary framework.” FDP Secretary General Bijan Djir-Sarai agreed with him. He said that “in the current situation, in the face of inflation and high interest rates, it cannot be about expanding the welfare state.”

In reality, the coalition is organising the most comprehensive social attacks since the end of the Second World War. The new **draft budget**, which Lindner and the federal government will present in the Bundestag (parliament) next week, is also a declaration of war on working people. At €445.69 billion, the planned total expenditure for 2024 is about 30.6 billion lower than this year. If one includes the projected inflation of six per cent for 2023, there will be cuts in the real budget of more than ten percent. To ensure compliance with the debt brake, new borrowing is limited to €16.56 billion.

The cuts affect almost all departments. The most drastic cuts are planned in the Federal Ministry of Health budget: instead of €24.48 billion as in the current year, only €16.22 billion is planned for expenditure in 2024. This corresponds to a decrease of 33.7 percent! In the previous year, the health budget, which in 2021 still contained considerable expenditures for the pandemic measures, now completely terminated, was already cut by almost €40 billion.

The trend is similar in other areas. The education budget will shrink by €1.2 to €20.3 billion next year, and the family budget will also be cut. The same applies to support services for job seekers and the long-term unemployed. Thus, ten billion euros alone, which have so far flowed from the budget into unemployment benefit (“Bürgergeld”), will be completely cut.

The list can be continued indefinitely. Funds for the Federal Office for Civil Protection and Disaster Relief will be cut by 23 percent, for the Commissioner for Migration by 20 percent and expenditure for the Mothers’ Convalescence Agency and family holiday centres by 93 percent each. Expenditure for youth education and youth meeting centres will be cut by 77 percent, for independent youth welfare by 19 percent and student grants by 24 percent.

The other side of this historic social austerity is the biggest rearmament offensive since the end of the Second World War. The military budget is to rise to a record high of €70.97 billion in 2024. According to the draft submitted by the federal government, the sum will

be nourished by the regular budget of €51.8 billion (plus 1.68 percent) and €19.17 billion drawn down from the “Bundeswehr [armed forces] special fund.” This “special fund,” worth a total of €100 billion, was launched by the government last year with the support of the opposition parties.

All the official phrases about defending “freedom” and “democracy” cannot hide the fact that the government’s plans are all bound up with the old goals and appetites. The renewed drive of German imperialism towards the East and a third “grab for world power” (echoing the German title of historian Fritz Fischer’s work analysing Germany’s aims in the First World War). Significantly, the German government has stepped up its war offensive against Russia in the very week that marks the 84th anniversary of the German invasion of Poland and thus the beginning of World War II.

Shortly after the end of the meeting in Meseberg, the German government announced that it had delivered ten more Leopard battle tanks, 16 reconnaissance drones and 13.12 million rounds of small arms ammunition to Ukraine last week alone. Behind the scenes, preparations are also being made for the delivery of Taurus cruise missiles. These have a range of 500 kilometres, which would enable Kiev to carry out extensive attacks on Crimea and even Moscow.

The escalation of war, which is increasingly acutely evoking the danger of nuclear escalation, is accompanied by massive attacks on democratic rights. In Meseberg, cabinet members agreed on a bill by Federal Interior Minister Nancy Faeser (SPD) that also classifies Georgia and Moldova as “safe countries of origin,” thus creating the basis for new mass deportations. “More than every tenth rejected asylum application comes from these two countries,” Faeser stated. Here, therefore, “irregular migration can be effectively reduced very quickly.”

The decisions at Meseberg and the planned 2024 budget show with what ferocity the coalition government, despite internal conflicts, is organising a frontal attack on the working class. At the same time, resistance is developing. This is shown by the massive opposition in workplaces, which is coming together with strikes and protests all over Europe and internationally.

After two years in office, the present coalition government is widely hated. According to the latest ARD-Deutschlandtrend poll, satisfaction with the work of the federal government has reached a record low. Currently, only 19 percent are “very satisfied” or “satisfied” with the work of the SPD, the Greens and the FDP. Four out of five Germans (79 percent) are less satisfied or “not at all satisfied.” At the same time, the proportion of

those who do not trust any establishment party to solve the burning social and political problems is growing.

The Sozialistische Gleichheitspartei (Socialist Equality Party, SGP) predicted as early as December 2021 that the working class would “inevitably come into conflict with the coalition government and all the parties in the Bundestag.” This point has now been reached. But to beat back the reactionary plans of the ruling class, workers need their own independent organisations: rank-and-file action committees that take the struggle against social attacks, layoffs and war into their own hands independently of the capitalist parties and the trade unions, and network internationally. And they need their own party that consistently stands up for an international and socialist orientation and perspective.

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