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Germany

Germany: government breaks up

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On 6 November, Germany's governing coalition comprising the Social Democratic Party (SPD), the Greens and the Free Democrat Party (FDP) broke up. The break-up came as no surprise, as the three parties are defending totally different concepts for tackling the economic crisis.

The global capitalist crisis has taken a particularly acute form in Germany. Firstly, the war in Ukraine has pushed up energy prices more than in most other economies. This is having a greater impact on employees, but also on capital operating in Germany than in many other countries. Secondly, the German state - not capital! - is bearing a large part of the burden of Ukraine's military and economic support, which reduces the German government's room for manoeuvre in mitigating the consequences of the economic crisis. Finally, the global crisis in the automotive industry, which is of key importance to the German economy, is currently the most serious factor.

Worsening economic crisis

Against this backdrop, the question has arisen as to how the government should respond to the recent worsening of the economic crisis. A few weeks ago, Volkswagen announced a major reduction in car production in Germany. Three out of ten factories are to be closed, tens of thousands of people are to be made redundant, wages are to be cut by 10% for all Volkswagen employees, and so on. The FDP and the right wing Christian Democratic Union (CDU) want an 'economic turnaround', i.e. an intensified attack on workers' living standards (dismantling of social security systems, restrictions on the right to strike and so on). The SPD wants to support industry with substantial state resources: by capping network tariffs for industry, introducing investment bonuses, strengthening tax depreciation, and subsidising the car industry with purchase bonuses for electric cars. All of this requires massive state intervention, for which the 'debt brake' must be lifted.

CDU will lead next government

So far, the Christian Democrats are still demanding compliance with the 'debt brake', but when they are soon in government, the CDU will also borrow more and - at the very least - relax the brake. At the same time, the attacks on the social gains and rights of the working class will intensify: on pensions, on the right to strike, on health care and so on. In so doing, it will be following in the footsteps of the current government, which need only continue in a consistent manner.

The date of the new elections (in January or March) will be decided in the next few days. The result will be a government led by the Christian Democrats, either in coalition with the SPD or the Greens, or both.

There will be a further strengthening of the far-right Alternative für Deutschland (AfD) party, which is pushing for the closure of borders to refugees, reinforcing the racism rife among the population. Its refusal to supply arms to Ukraine also enjoys strong support among the population. The BSW (Bündnis Sahra Wagenknecht), the right-wing splinter group from Die Linke, could emerge stronger from the elections. Die Linke will certainly find it very difficult to enter the Bundestag (it needs 5% of the vote or at least three direct mandates). The party is in the grip of a profound organisational and political crisis.

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There is no alternative to the left of the reformist Die Linke party, apart from mini-groups that have no social resonance. The trade union bureaucracy will support the SPD - albeit only indirectly - and will under no circumstances take advantage of the crisis to fight for the reconversion of the car industry.

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