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Germany

# Merz-Klingbeil government is Trumpism lite

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**Germany's latest variant of the GroKo** (*Grosse Koalition*, Grand Coalition), with Friedrich Merz (CDU/CSU) as Chancellor and Lars Klingbeil (SPD) as Vice-Chair, aims, according to the coalition agreement, to represent "responsibility for Germany". Translated from political newspeak, this means that the amount of profits is untouchable.

After the elections, the CDU/CSU and SPD, with the support of the Greens, pushed through amendments to the Basic Law on the "debt brake" in the former Bundestag. A federal government that is not even in office has thus created enormous financial leeway for rearmament and for supporting the interests of capital.

## Gifts for capital

The suspension of the "debt brake" for arms spending and the nebulous 500 billion euro investment package will undoubtedly bring a lot of money into the coffers of most major corporations. Weapons of war are not only deadly and environmentally destructive, they are also dead capital with no social or economic utility.

Admittedly, the Merz government has not yet gone as far as Trump in the USA in "cutting red tape", but it does want to cut 8% of administrative posts and "remigrate" refugees, in line with the far right AfD.

Companies are expected to pay even less income tax, corporate income tax and electricity tax, as well as benefiting from a massive 30% annual increase in depreciation. According to initial calculations, the state stands to lose at least 30 billion euros in annual revenues. Of course, there is no question of the coalition agreement reactivating the wealth tax provided for in the Basic Law.

## Attacks on social rights

The new coalition is preparing further attacks on the social and democratic rights of the working class. While pensions are to be "stabilized" initially at their current low level, the enormous financing needs of health and long-term care insurance are not being met.

As a result, benefits are likely to be significantly reduced and contributions increased. Health care will become even more expensive. What's more, the new government wants to abolish the "Bürgergeld" and further restrict entitlement to basic social security. [1] With "job placement priority" and even harsher sanctions, it wants to force the unemployed to accept any job, no matter how poorly paid. This increases wage pressure on workers and reduces their bargaining power.

The term "placement priority" refers to the job centre's task of placing the benefit recipient in a job, i.e. any available job. Benefits must be discontinued as quickly as possible, whether or not this placement in the available job means permanent integration into the labour market. Opportunities for further training, development or education are not used when priority is given to placement.

# Anti-worker policy

The Merz-Klingbeil government is announcing an anti-worker policy. It wants to abolish the historic achievement of the eight-hour working day. The length of the working day is to be replaced by a maximum working week. The planned new law on working hours opens the door to all kinds of abuse. Tax exemption for overtime will further undermine health protection for workers.

Although the coalition partners are talking about a minimum wage - already far too low - of 15 euros from 2026, it is the Minimum Wage Commission that will decide on this wage floor, and the employers have blocking power. The adoption of a "federal law on collective agreements" should ensure that only companies that have signed a collective agreement are awarded public contracts.

The coverage rate of collective agreements, which is already far too low, will only increase. The coverage rate of collective agreements, already far too low, will not be significantly increased. What is missing, of course, is the introduction of compulsory collective agreements, the extension of the right to strike (which is very limited in the FRG), and the strengthening of the rights of workers and their representative organizations.

## Adaptation or resistance?

The government program contains no plans to really improve the situation of the working classes, especially the most precarious, who have long been excluded, and no thought is "wasted" on the coalition contract to combat poverty, which continues to grow. On the contrary, the rich and super-rich are becoming ever richer. Union leaders are only timidly criticizing certain government projects. And the leaders of the industrial unions are apparently delighted at the forecasts for the economic and military strengthening of German capitalism.

Protest or even resistance against this threatening development, which further strengthens the fascist AfD, will have to be developed by the rank and file.

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Translated by **International Viewpoint** from [l'Anticapitaliste](#).

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[1] The Citizen's Benefit (*Bürgergeld*) is the minimum benefit for the unemployed in Germany (*Grundsicherung für Arbeitslose*). With the introduction of the Citizen's Income in 2023, the German government has replaced the controversial Hartz IV (or *Arbeitslosengeld II*) system, which came into force in 2005. Today, around 5 million people are covered by this basic unemployment benefit.