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THE STATE OF THE LEFT PARTY IN GERMANY AND CURRENT CHALLENGES

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SOCIO-ECONOMIC CONDITIONS IN THE FEDERAL REPUBLIC OF GERMANY

As is also the case in a number of other EU states, the current socio-economic landscape in Germany bears all the hallmarks of a neoliberal restructuring. The unique characteristics of the existing system can be traced back to the package of welfare reforms known as 'Agenda 2010', which were announced in the early 2000s and largely developed under the leadership of the then social democrat chancellor, Gerhard Schröder. This led to the introduction of the following key social projects.

1. Structural erosion of the position of employees and trade unions in industrial disputes

One of the most effective political projects was the Hartz reforms (named after Peter Hartz, the man who recommended the measures), which led to a radical deterioration of the situation facing those in unemployment. In essence, these reforms introduced a change whereby those without a job would automatically see their benefits slashed after a relatively short period of unemployment, leaving them reliant on welfare support. For millions of out of work Germans, this meant their income fell dramatically to the bare minimum, irrespective of how long they had been paying mandatory social security contributions through their previous employer. In order to receive this basic social support, unemployed workers still have to undergo stringent income evaluations, which effectively violate their right to privacy. What is more, job seekers are required to accept any form of employment regardless of their qualifications or the job's suitability. Workers faced with such a prospect have only been offered basic wage security since 2015, when Germany introduced a national minimum wage. In many companies, this radical deterioration in the support and options offered to the unemployed, and workers' anxieties about having to accept such a fate, effectively muted any resistance to steps taken to hollow out workers' rights: the fear of job loss was simply too great. This development was accompanied by further legal measures that helped

weaken the position of workers, e.g. by making it possible to apply fixed-term contracts without material reason as well as creating a temporary employment sector and allowing the privatisation of state corporations, the undermining of the collective bargaining model, and the introduction of 'Minijobs' (marginal employment without mandatory social security contributions where workers can earn a maximum of € 450/month), which have replaced standard employment contracts. This led to a significant reduction in the power unions had to defend workers and their rights.

2. Privatisation of social wealth, the state's relinquishing of responsibility

The professed aim of a reduction in government spending was justified with the argument that more private capital would create greater economic dynamism and that freeing certain economic actors from the burden of taxation – businesses in particular – would lead to more investment. However, this approach not only resulted in a fall in the tax and contribution ratio (combined tax and social security contributions) but a shift from direct to indirect taxation. In other words, while tax on corporate profit, high income and capital gains was slashed, excise duties were increased (e.g. VAT rose from 16 to 19%). This resulted not only in a direct redistribution from the bottom to the top, but also in a reduction in the state's ability to carry out its duties: decreased tax revenue and increasing limits on new borrowing meant the state was no longer capable of fulfilling its role. The impact can still be seen in Germany's neglected public infrastructure and understaffed services, e.g. in schools and the police force, as well as in the structural financial crisis suffered by local councils, which has led to the closure of many cultural and social institutions.

3. Privatisation of public services

One trend that had already begun before Agenda 2010 was rolled out – the transfer of public services to private hands – has been ramped up. This impacts many areas including the postal service, telecommunications, local public transport, rail transport, energy supply networks, local housing stock, parts of the education system, the care sector (almost in its

entirety), and a large number of hospitals. Today it is widely acknowledged that this process has almost always gone hand in hand with a significant deterioration in workplace conditions for employees in these sectors and that the logic of short-term profit fundamentally contradicts the very nature of public services and puts their long-term security at risk. In many areas, the quality of public services has suffered considerably as a result of these privatisations, meanwhile there has been no reduction in the costs charged to the state – and yet more often than not private investors are still guaranteed high returns.

4. Weakening of the statutory pay-as-you-go insurance model

Here in Germany, this model includes the statutory pension system, statutory health insurance, long-term care insurance and unemployment insurance. These schemes are mostly financed through ongoing contributions by employees and employers that are based on the employee's salary. These payments are transferred directly to the respective pot to fund service provision. During the rollout of the Agenda 2010 reforms, public services – pension schemes in particular – saw a reduction in contributions and an overall decline in the number of employees paying into such schemes, which weakened these systems to the extent that most average earners can only expect entitlement to a basic pension from the age of 67. Efforts to undermine unemployment benefits were outlined earlier in point a). In terms of healthcare, preferential treatment is now being given to privately insured patients. A whole host of services are now either not (or only partially) covered by the state-provided insurance. Meanwhile, capital-based (and state-subsidised) schemes are being promoted (e.g. the voluntary Riester pension, a scheme which matches defined contributions). However, in spite of the substantial subsidies provided by the government, the situation on the capital markets is such that these schemes offer few participants sufficient income in their old age, especially those on average wages, while they often remain a lucrative business for investors.

IMPACT ON THE POLITICAL SYSTEM

This large-scale redistribution from the bottom to the top has resulted in social polarisation. In Germany the lower half of income earners suffered a real-terms drop in purchasing power between 2002 and 2015. The only segment to see significant wage increases were the top 10%. Recent years have subsequently also seen greater inequity in wealth distribution. Many of those in the relatively large middle class that existed in pre-unification West Germany lost their social safety net and with it their long-held allegiance to the political system. A small percentage managed to move up the social ladder. In response to this overall development, a leading member of the Social Democratic Party (SPD) commented, "We have created existential anxiety amid the very core of our workforce."

Unsurprisingly, this then had an impact on the political landscape of the Federal Republic. While the SPD was able to win just under 41 % of the vote in the 1998 parliamentary elections, by 2017 the party stood at just 20 % and continues to see its voter share decline. The Christian Democratic Union (CDU), which initially benefited hugely from these changes,

also enjoying around 40 % of the vote, has slumped to just 27 %. Before this development took place, the two parties collectively accounted for roughly three quarters of the vote; now this figure has fallen to less than half. Meanwhile, the longstanding centre-left majority (made up of the SPD, the Greens and the Left Party) has also lost support, falling from approximately 55 % to a minority of just under 40 %. This process has also resulted in heavily fluctuating support for the Free Democratic Party (FDP), who hover between 5 and 13 %. The same can be said of the Green Party, who only won 8 % of the vote at the last parliamentary election but are now polling at over 20 % and translating this electoral surge into votes at the federal state level. Then there is the union between the Party of Democratic Socialism (PDS) with a voter initiative that had considerable union backing (Labour and Social Justice – The Electoral Alternative, or WASG) to form the Left Party, which accounts for 10 % of the vote, and the rapid rise of the nationalist Alternative for Germany (AfD) since 2015, which now holds over 13 % of the vote.

These five parties appear to have cemented their parliamentary power and their place within Germany's present political landscape. However, in political terms, they also embody the country's ever worsening social and cultural divides. The move away from the old welfare state model during the post-industrial period has led to a socio-economic fragmentation of society and a polarisation that is encapsulated by this five-party system.

However, in recent years social issues have undergone an 'ethnicisation' in German political debate. Although the loss of faith in the political system is undoubtedly a direct response to the redistribution from the bottom to the top, controversies surrounding ostensibly national interests, particularly regarding refugees, are gaining ground. Those who profited from Agenda 2010 are not being blamed for the population's newfound fears of social exclusion, migrants are – be they refugees or economic migrants. The latter two are also often held responsible for threats both real and perceived. This is true not only for some of those who have ended up on the losing side of the ongoing social polarisation but also those who have profited from this redistribution and who have taken advantage of this misplaced blame to hinder a proper debate on the real causes of this trend.

THE SITUATION FACING THE LEFT PARTY

Since the party was founded in 2005, its nationwide voter share has fluctuated between 8 and 11 %. However, there remains a disparity (albeit declining) between eastern and western Germany. While the party notches up general election results between 7 and 10 % in western Germany, its voter share in eastern states fluctuates between 15 and 25 %. The impressive organisational capacity enjoyed by the PDS and the party's established position within local councils give it a decisive edge among voters in eastern states. Still, fundamental shifts in the party's support base have led to a reduction in this gap over the last three to five years. In western Germany, a certain differentiation has also become more apparent in recent years. While in some of the west's urban centres (e.g. Hamburg and Bremen) the party has surged into double figures, in rural areas (primarily in federal state elections) the voter share has been well below 5 %, which is associated with the party's structural weakness in

many of these regions. Whereas the Left Party has significant representation in federal state governments in the east of the country, for example in Brandenburg and Berlin, and has even managed to elect a Minister-President in Thuringia (and is the largest party in a coalition with the SPD and the Greens), in western Germany we continue to be merely a minority parliamentary party in the aforementioned city-states, Bremen and Hamburg, and in Hesse and Saarland (where Oskar Lafontaine has given election results a boost). In North Rhine-Westphalia, Lower Saxony and Schleswig-Holstein, we have meanwhile gained over 5% in federal state elections, allowing the party to enter state parliament, but poor results since then have wiped out these gains. In other west German states, there is still no Left Party representation in federal state parliaments.

At the national level, the Left Party's only realistic path to power is through a coalition with the SPD and the Greens, but this would require the will of all three partners and both a parliamentary and popular majority. The latter remains elusive. There were times in recent years when these three parties held at least a parliamentary majority, but policy differences and diverging interests made cooperation at the national level impossible. The main obstacles to a coalition were the political legacy of the SPD's Agenda 2010 and the Green's gravitation towards the CDU in terms of policy. But within the Left Party itself, there continue to be fundamental reservations about a partnership with the SPD and the Greens as well as some who would prefer not to play a part in any ruling coalition.

Although the election results for the Left Party seem, on the whole, to have remained relatively stable, recent years have seen a considerable shift among the electorate. The ever-louder debate surrounding Germany's need for stronger borders, fuelled by the spike in refugee numbers in 2015, has created new faultlines that have also arisen in other industrialised countries. From the perspective of the Left Party, this gives rise to a specific problem. On the one hand, the party traditionally appeals to those voters who have been most severely affected by the dismantling of the old welfare state model. This concerns mainly older workers and those at risk of losing their jobs, i.e. all those who rely heavily upon a proper functioning welfare state. Yet it is not just individuals who are affected, but entire regions, such as those left behind by the economic boom of recent decades, specifically in eastern Germany. It is precisely these voters who would have put their faith in the Left Party, trusting that a vote for us will bring about visible improvements in their everyday lives. But many have seen this hope dashed, primarily because the power to change social security systems and employment rights lies at the national level, and, as previously discussed, the Left Party continues to have limited options to gain control here. One alternative option today for these voters is the nationalist AfD. Although this party often has significantly greater neoliberal leanings than the CDU and the FDP when it comes to social issues, they are supposedly a voice of protest against those at the top who are allowing 'so many foreigners' into the country. If their interpretation of the situation is to be believed, Germany's welfare state is not under threat from privatisation and the state's abdication of its social responsibility, but from all sorts of migrants, particularly refugees from Africa and Asia. Moreover, it is worth noting that this group of voters has a history of boycotting elections as they do not feel that any of

the political parties represents their views (e.g. during local elections, voter turnout in these districts stands at 20%, whereas more well-off regions see turnout between 60 and 70%). The crushing losses suffered by most parties, the Left Party included, among this swath of voters saw election results fall by, on average, a quarter in recent years to 16–18%, primarily in eastern Germany.

On the other hand, the Left Party has managed to gain significant ground among younger, highly educated voters, predominantly in Germany's major cities. This is mainly due to the party's principled defence of humanism and solidarity in the face of rising immigration since the autumn of 2015. They see the Left Party as the party of social justice, a party that fights against discrimination on the grounds of background or ethnicity. They also see a party that tackles discrimination against women as well as against the LGBT community. While the former group of voters views the post-industrial transformation with a degree of scepticism and fear, and generally find comfort in the idea of a nationhood that can shield them from these modernisation processes, the latter sees the 'nation' as a suffocating concept, and nationalism, together with its close ally authoritarianism, as a major threat to their way of life. Both of these potential voter groups thus have very different expectations of the Left Party in a number of political issues. In spite of these difficulties, it is imperative that we find common ground between modernisation's sceptics and its optimists. Indeed, there are two key issues that connect these two groups: firstly, their fundamental desire for social justice, more social cohesion and a redistribution of wealth and resources from the top to the bottom. Secondly, both fundamentally reject Germany's decision to use military force as part of its foreign policy both as an independent nation state and as a member of NATO and the EU.

KEY PROJECTS OF THE LEFT PARTY

The Left Party's main political focus is inspired by its origins. The Left Party is a pluralistic party whose members see themselves as socialists, communists or social democrats and are committed to pursuing a fundamentally humanistic course of action; they are individuals who support migrants, they are church members, advocates for a socio-ecological restructuring of society, campaigners for gender equality and against discrimination on the basis of sexual orientation. All these groups are united in their fight against the militarisation of politics, military aggression and arms exports. The trade unions and their fight for workers' rights were key during the days of the heavily east-German-influenced PDS and played a more central role in the nascent left-wing party that emerged in western Germany. Against this history of plurality, which encompasses such different world views and political objectives, the party's key areas of focus are the result of intense discussion. At present, our focus lies on the following projects:

1. The fight to improve workers' rights

Here our aim is to give greater agency and power to workers who are faced with the end of the neoliberal welfare state model and to equip them with the tools necessary to adapt to the 21st century. This includes the fight for a sanction-free basic income in the case of job loss that still enables social

participation for the affected individual and their family. This objective also includes fighting against precarious employment conditions (fixed-term contracts, involuntary part-time contracts, temporary work, un- or poorly paid internships, pseudo self-employment, etc.), reinforcing collective wage agreements, helping prevent discrimination against women and migrants on the job market as well as improving workplace representation for employees.

2. Improving statutory social insurance systems

The Left Party is fighting for a stable, fit-for-purpose pension, healthcare, long-term care and unemployment insurance model financed through current contributions. The goal is to integrate as many individuals into these systems as possible, especially those on higher incomes, in order to guarantee dignity and social participation for all those who are reliant upon these social benefits.

3. Publicly used services must remain in public hands

Public services such as healthcare, education, security, mobility, the provision of electricity and water, together with a sufficient supply of housing and an administrative system that is fit for purpose, must be protected through public ownership, public management and public resources. Whenever such projects involve private ownership (e.g. housing), legal frameworks must be put in place that enable sufficient access to the services/property in question. Within this context, the Left Party has discussed the idea of the remunicipalisation of public infrastructure that is already in private hands (e.g. energy and water providers) or even a privatisation 'cap', e.g. in public housing and transport infrastructure. Here the aim is to ensure all individuals have an appropriate degree of access to these goods/services and to free these areas of society from the motive of profit.

4. Transferring profit, not risk, to the wider population

The tax-driven redistribution of wealth that has been taking place in recent decades needs to be reversed. Higher taxation on corporate profit, financial speculation, amassed wealth, inheritance and high incomes, as well as the closing of tax loopholes, should enable the state to deliver better quality public services for years to come. Our aim is also to reduce the tax burden on those on low or average incomes.

5. Socio-ecological transformation

The Left Party also perceives the impending climate crisis, the rapid decline of species and the irresponsible consumption of natural resources as a global threat to humanity. The Left Party is advocating production forms and lifestyles that allow for sustainable development and is thus taking aim at short-term profit-making interests that threaten humanity's natural resource base.

6. The fight for demilitarisation and peace

While Agenda 2010 fulfilled its mainly socio-economic purpose, Germany's foreign policy was subtly undergoing a paradigm shift. After the end of the ideological battle between East and West, the CDU, FDP and also the SPD (followed later by the Greens) supported military intervention with the involvement of the German armed forces as a normal and legitimate means of pursuing foreign policy. This was conducted in alliance with a number of international organisations, e.g. interventions led by NATO, the EU and the

UN, as well as in order to fulfil other, supposedly imperative obligations. However, in almost every scenario, these actions were ultimately taken in pursuit of the strategic economic interests of large corporations. The Left Party opposes the normalisation of war as a basis to conduct international relations as well as the deployment of the German army abroad. We are also the country's only political party to stand against arms exports and the expansion of Germany's military capabilities.

In addition to these specific areas of policy, the Left Party is also tackling the considerable rise in radical right-wing, nationalist and brazenly fascist forces in the country. The party works together in partnership with other democratic parties, unions, religious groups and initiatives to defend traditional democratic rights. Given the atrocious events that have taken place in Germany's history, the Left Party is also fighting to protect the humanist foundations of our society from attack; if we do not shore up these basic principles, it will be impossible to pursue more ambitious goals.

CURRENT DEBATES WITHIN THE LEFT PARTY

The main issue dominating recent social debate – migration – has also been widely discussed within the Left Party. There may be a few dissenting voices, but the overwhelming majority in the Left Party agree that those in need should have the right to asylum and safety. Unlike the Greens, who have nurtured a similar public image, the Left Party has never lent its support to proposals to tighten asylum laws. The party advocates legal routes into the EU for refugees and supports civil society initiatives that offer support to refugees in Germany or save lives, such as rescue operations in the Mediterranean. There is, however, some disagreement within the Left Party concerning how best to deal with economic migrants: how many of those coming to Germany in search of better employment opportunities and a better life should be allowed into the country? A frequent argument put forth by opponents to such economic migration in Germany is that it might lead to greater competition, not just for jobs, especially in the low wage sector, but for basic services such as affordable housing and kindergarten places. Another argument is that it sees less economically developed countries losing vital skilled workers. Meanwhile, those in favour of fewer or no restrictions on economic migrants argue that people have the right to move freely and to escape the lack of prospects and the brutal exploitation that persist in their native countries. They also believe that such migration benefits the whole of society and can open people's eyes to the problems faced by developing countries, to the impacts of climate change and to the unjust trade relations between the rich Global North and the poor Global South. It remains to be seen how we will reconcile both sides of this debate.

In the run-up to the next European parliamentary elections in May 2019, an intense debate has been ongoing within the Left Party concerning how it should approach the EU. This question has occupied the minds of the entire European Left, with individual parties and groups delivering a wide variety of answers. There are essentially three basic options. First, should the Left Party advocate for the nation state and oppose an EU still single-mindedly obsessed with creating a single market and doing far too little to safeguard the

well-being of those citizens in its member states? Another option is to concentrate on transforming the EU into a place where the modern welfare state and the rule of law are cherished and protected, with the organisation taking on a pioneering role in the transition to more sustainable modes of production and becoming a demilitarised force for peace throughout the globe. The third option acknowledges that while to focus too heavily on the nation state in a 21st-century world where everyone is globally connected would neither offer much promise nor would it be in the spirit of the Left, the overall construct of the EU is considered immutably neoliberal and militaristic: backing it is not an option. They thus feel the Left Party should support movements across Europe that oppose the EU.

Another long-standing debate is how to design social welfare systems. On the one hand, the issue is whether such models should continue to be financed through current contributions taken from employee salaries and company

payments or whether tax revenue might be a more appropriate source of funding in future. Within this context, there is a discussion about whether a universal basic income should be considered that would enable everybody to participate in society regardless of whether they are, have been or wish to be employed. Other comparative models under discussion include a reduction in working hours and sanction-free basic social security for those not in employment. What is ultimately being considered is nothing less than the role of gainful employment in the post-industrial society.

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