

The euro crisis and the lessons of the Weimar Republic

Peter Schwarz
3 October 2012

In the final years of the German Weimar Republic, between 1930 and 1932, the austerity program implemented by the Brüning government in response to the flight of capital and the world economic crisis precipitated the catastrophe that followed: mass unemployment, Nazism and war. For years, this has been regarded as evident and was taught in schools. However, the present developments in Europe show that the ruling class is not capable of learning from history.

In recent days, the Greek and Spanish governments have agreed to austerity measures that far exceed the emergency measures implemented by the Brüning government.

Even though Greece has been in recession for six years, the Greek government has agreed a further round of austerity amounting to €11.5 billion. According to the government's own calculations, economic output will sink by 25 percent compared to 2008—a staggering decline. Most of the cuts are being made in pensions, health and social expenditure, impacting the poorest layers of the population.

Last week, the Spanish cabinet cut the budget for 2013 by an additional €40 billion. The five austerity packages passed by the Rajoy government in the last year now add up to €127 billion. This equates to a quarter of the annual national budget.

For broad sections of the population, these measures spell naked poverty. Nevertheless, for the European Union and, above all, the German government, they do not go far enough. The EU, with Germany leading the way, are pressing for additional cuts, even if these produce a social catastrophe.

The social attacks are not limited to the highly indebted countries of southern Europe. An enormous transfer of wealth toward those at the top is taking place

in the richer countries of the North. Private fortunes in Germany have risen by €1.4 trillion since the outbreak of the economic crisis five years ago, while poverty at the opposite pole of society is spreading like a cancer.

In light of the historical experiences of the last century, such a course might seem utter madness. Nevertheless, it is supported by all of the establishment parties, whether they call themselves conservative, liberal, Green, social democratic or “left.”

Social democratic parties like the German Social Democratic Party (SPD) under Gerhard Schröder, Britain's Labour Party under Tony Blair, and, more recently, Greece's PASOK under George Papandreou and Spain's PSOE under José Zapatero have championed the destruction of social conditions and all of the past gains of the working class. The same is happening in France under the Socialist Party following the recent election of François Hollande as president.

This alone shows that the present developments have deep objective roots. Marx was right when he wrote that “the history of all hitherto existing society is the history of class struggles”. It is not reason and noble ideals that determine the politics of the ruling class, but social interests.

In the past thirty years, fundamental socioeconomic changes have occurred that make a return to the policy of social compromise impossible. The globalisation of production has transcended national borders and the national market within the framework of which the trade unions had negotiated in behalf of compromise between the classes. National industries have been confronted with merciless global competition, driving each national bourgeoisie to attack its “own” working class.

During the stock market boom of the 1990s, the financial sector largely detached itself from the real

process of production and grew increasingly parasitic. Annual salaries and bonuses amounting to tens of millions, which would have been inconceivable thirty years ago, are now the norm at banks and corporations. An insatiable financial aristocracy has arisen, which, in the name of “saving the euro”, is attacking without restraint all of the social gains won by the working class over the last 65 years. The political parties and the media lie at its feet.

Without breaking the power of the financial aristocracy, a catastrophe cannot be avoided. What is called for is a social revolution. The major banks and corporations must be expropriated and placed under democratic control, the profits of the speculators must be confiscated, and huge fortunes must be massively taxed.

Such a radical social change is possible only through the mobilisation of the working class through the masses’ independent intervention into politics. The conditions for this are developing rapidly. Anger is visibly rising. The number of strikes, protests and demonstrations is clearly increasing, although the unions do everything they can to isolate and strangle them. Opinion polls find deep hostility towards the banks, even among sections of the middle class.

The unions and the social democratic parties fear such a mobilisation more than anything else. These bureaucratic apparatuses have long since severed any connection to the interests of working people. Their operatives belong to the ranks of the well-off middle class and are linked to the banks, corporations and governments by a thousand threads. They reject the socialist transformation of society and see their task as suppressing the class struggle and defending capitalism.

This also applies to parties such as Germany’s Left Party, France’s Left Front and Greece’s Coalition of the Alternative Left (SYRIZA). They attempt to contain the radicalisation of the working class and youth by making limited criticisms of capitalism and encouraging illusions in its potential for reform. At the same time, they collaborate closely with the unions in isolating and betraying working class struggles.

They simultaneously prepare to enter government in the event that control slips away from the other bourgeois parties.

Such “left-wing” governments would act only to prop up capitalism by brutally suppressing social resistance.

Moreover, the political disappointment generated by such right-wing politics in “left” garb works to the advantage of far-right tendencies, as seen in the election results for the National Front of Marine Le Pen in France and the rise of Fidesz and Jobbik in Hungary.

The building of a new, independent party of the working class that fights for an international socialist programme is the most urgent political task of the day.

Peter Schwarz



To contact the WSWs and the Socialist Equality Party visit:

wsws.org/contact