

Germany is preparing for economic war

By Peter Schwarz
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The “National Industrial Strategy 2030,” presented to the press by Economics Minister Peter Altmaier (Christian Democratic Union, CDU) on Tuesday, is the economic policy counterpart to the 2016 “White Paper on Security Policy.” In the White Paper, the grand coalition of Christian Democrats and Social Democrats had committed itself to a massive rearmament of the *Bundeswehr* (armed forces) to impose Germany’s worldwide interests by military means. Now Berlin is putting economic policy on a war footing.

Altmaier’s strategic guidelines break with the mantra of “free competition,” which had previously characterised the policy of the German bourgeoisie. While the paper still references the “market economy,” it makes significant exceptions.

“Industrial policy strategies are experiencing a renaissance in many parts of the world, and there is hardly a successful country that relies solely and invariably on market forces to accomplish its tasks,” it states. “There are strategies of rapid expansion with the clear aim of conquering new markets for one’s own economy and, wherever possible, monopolizing them.”

This is what the Germany government is also aiming for. A German and European policy that suppressed these economic policy challenges and left them unanswered, “would leave one’s own companies weakened and alone in a difficult phase,” the paper states, which pursues the megalomaniacal goal of contributing to “industrial leadership at the national, European and global level in all relevant sectors ... together with big business players.”

This is to be achieved mainly by two means:

On the one hand, the government wants to promote the emergence of financially powerful, market-leading monopolies that can counter their American and Chinese competitors “on an equal footing.” To this end, German and European competition law should be “reviewed and, if necessary, amended.”

“National and European Champions: Size Counts!” runs a subheading in the Altmaier paper. “The emergence of a comprehensive world market in more and more

sectors raises the question of the critical size required for an industrial player to compete successfully internationally.” Examples include the construction of large commercial aircraft, the creation and modernization of railway systems, major Internet platforms, plant construction and international finance and banking. They all demand “large and strong players who stand as equals with competitors from the US or China.”

It was cause for concern that hardly any new companies of this size had been created in Germany for years. In the US and China, however, “in the last 20 years, many new large world market corporations have emerged, in particular in the field of telecommunications technologies, the Internet and digitization.”

On the other hand, the German government wants to promote and protect certain sectors of the economy, regarded as key technologies. These are, “Internet Companies of the Platform Economy,” “Artificial Intelligence (AI),” “New Biotechnologies,” “Autonomous Driving Innovation” and “The Creation of Novel Mobility Concepts” in the automotive industry.

“Almost all innovation-driven areas, notably those of digitization and AI, are creating new, large and globally successful companies possessing tremendous capital resources and market power beyond that of any single Dax company. This development has so far evaded Germany,” states the paper.

The fact that this also means trade-war measures against international competitors is only hinted at in the paper; after all, one does not want to alarm one’s opponents. But discussion about the exclusion of the Chinese company Huawei from the billion-dollar construction of the G5 mobile network makes more than clear that this is the case.

Up to now, criticism of Altmaier’s industrial strategy has mainly been drawn from business-related circles, who fear the state is interfering too heavily in their affairs. For example, the economics professor Lars Feld was critical that it was “at best, about French economic tradition, and at worst, planned economy.” He hoped “that this concept

disappears as quickly as possible,” said the member of the Council of Experts on the Assessment of Macroeconomic Development.

Altmaier’s concept of “planned economy” has absolutely nothing to do with this in the socialist sense. The bourgeois state does not intervene in the economy to stifle the profits of the capitalists, to siphon off their gigantic assets, and to reorganize the economy in the interest of the whole society; it stands at the service of the most powerful corporations and banks to support them in the battle for markets, raw materials and spheres of influence—a development that inevitably leads to trade war and war.

Many passages in the Altmaier paper read like a modern illustration of the book *Imperialism, the Highest Stage of Capitalism*, written by Lenin in the midst of the First World War. He pointed out, “It is proved in the pamphlet that the war of 1914-18 was imperialist (that is, an annexationist, predatory, war of plunder) on the part of both sides; it was a war for the division of the world, for the partition and repartition of colonies and spheres of influence of finance capital, etc.”

Lenin demonstrated that imperialism is not merely a wrong policy to which there are alternatives, but that it arises directly out of the developmental tendencies of capitalism: the replacement of free competition through monopolies, the dominance of finance capital, and the merging of the state with the tops of the economy. Therefore, the First World War could only be ended by the socialist revolution, by the overthrow of capitalism by the working class.

We are experiencing a similar development today, but at a much higher level. The tremendous potential of modern technologies and the global integration of production do not make the burden of labour any lighter, nor do they raise the cultural and material levels of humanity, and solve urgent societal problems—exploitation, poverty, health, education, the environment. Rather, they lead to the formation of monopolies that fiercely combat each other, to the immeasurable enrichment of a small financial aristocracy, to increasing poverty for the masses, and to the growing danger of a war between the major powers.

Just two years after Donald Trump entered the White House to cries of “America first!” the German government now shouts out, “Germany (and Europe) first!”—and will only accept a Europe that is dominated by Berlin. This is the significance of the Altmaier paper.

This is enthusiastically supported by the Social

Democratic Party (SPD) and the trade unions, which will not be outdone by anyone—not even the far-right Alternative for Germany (AfD)—when it comes to fuelling nationalism.

In a press release, Bernd Westphal, political spokesman for the SPD parliamentary group, welcomed Altmaier’s initiative. “We support a readjustment of European competition law,” he wrote. “The emergence of European champions, which should exist on the world market, must not be prevented by a too narrow European market view.”

Wolfgang Lemb, an executive board member of the IG Metall union, also backed the Altmaier paper. The idea of an industrial strategy was “correct and important.” The federal government must be “more involved than before in the debate about a common European industrial strategy,” he said. It was important to “extend national industrial policy leeway in competition and procurement law, identify key European industries and promote them with industrial and structural policy instruments, such as structural funds or a European Investment Bank.”

The union functionary understands very well that this means further attacks on workers’ wages and working conditions. This is also evident from the Altmaier paper. The “great advantage of German industry in terms of technology and quality,” it says, which has offset the “advantage of much lower labour and manufacturing costs in important emerging markets,” was melting away “slowly but clearly.” As a result, “competitive pressure is increasing, even where German companies have so far been unrivalled.”

Workers can only defend their wages, jobs and living conditions by rejecting the government’s nationalist policies, breaking with the unions and joining forces internationally to fight for a socialist programme to overthrow capitalism.

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