

PDS leader Gysi takes over posts in Berlin cabinet

Drastic budget cuts planned for the German capital

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Following drawn-out negotiations between the SPD (German Social Democratic Party) and PDS (Party of Democratic Socialism—formerly SED, the governing Stalinist party of East Germany—the division of ministerial posts for the new Berlin senate has been decided upon. For the first time since German reunification the PDS has been accepted as a coalition partner in the German capital and PDS leader Gregor Gysi is to take over the important posts of economics senator and deputy mayor in the new Berlin cabinet.

New state elections were held in Berlin last October following a huge banking scandal in which prominent Berlin Christian Democratic Union (CDU) leader Klaus Landowsky played a leading role. The elections resulted in a debacle for the conservative CDU, electoral victory for the SPD and a demonstrably increased vote for the PDS (22.6 percent in Berlin as a whole and nearly 50 percent of the vote in the east of the city).

Following the elections and under pressure from the national SPD and Chancellor Gerhard Schröder, the Berlin SPD, under its head Klaus Wowereit, initially began negotiations on a new coalition senate with the Green Party and the liberal FDP (Free Democrats). With an eye on national elections due to take place later in 2002, and a preferred alliance on their part with the conservative union parties, the liberals withdrew from coalition talks. Wowereit then turned to the PDS as a potential coalition partner. The decision by the SPD to work together with the PDS in the German capital means that variations of a SPD-PDS coalition now govern in half of the states which constituted the former East Germany.

In contrast to the friction which characterised prior talks with the FDP, SPD and PDS leaders emphasised that recent discussions between the two parties took place in a friendly and harmonious manner. Ritual statements included in the official coalition declaration, in which the PDS apologised for abuses committed by its predecessor the SED, were cursorily wrapped up and the division of posts in the new coalition finalised. The SPD takes over a total of five ministries and the PDS three. Included in the PDS ministries is the post of economics senator, a strategically important position in the council. The PDS also

takes over responsibility for the ministries of culture, science and health.

Leading the PDS negotiating team, Gregor Gysi briefly considered accepting the job as culture minister. His father, Klaus Gysi, was for many years minister of Culture in Stalinist East Germany. In the event, the younger Gysi decided to take over the posts of economics senator and deputy mayor.

In his election campaign statements last October, Gysi accused the existing Berlin senate (a CDU-SPD coalition) of corruption and declared that the PDS was prepared to take over the Herculean job of cleaning out the stables. Having assumed the post of economics senator and deputy mayor, Gysi is now called upon to play a leading role in developing close links with business and finance capital and at the same time politically defend the drastic budget cuts planned for the city in an effort to pay off debts incurred by the Berlin banking collapse. Over the past weeks further details have emerged of the extent of the budget measures being planned by the new coalition.

In order to balance the books, the coalition is planning cuts of over 2 billion euros in personnel costs through redundancies and wage cuts by the year 2006. Half this sum is to be achieved through the destruction of 15,000 of Berlin's 140,000 public service jobs. The rest of the deficit is to be recovered via a "solidarity pact" with the trade unions involving increased working hours and wage cuts for those retaining their posts.

Following years of job cutting and attacks on wages in the decade since German reunification (the city has a current unemployment rate of more 16 percent), in which local trade unions played a leading role, Berlin union leaders have complained of difficulties in selling further severe cuts to their members. However, Berlin SPD Chairman Peter Streider has already threatened to implement compulsory redundancies should the trade unions refuse to toe the line.

In addition to massive job cuts in public services, the SPD-PDS has also put forward plans for stringent cuts in credits for the unemployed and those dependent on social welfare. Based on a model introduced in the city of Cologne, and similar to measures already introduced by the Blair government in Britain, unemployed persons will be offered cheap labour

employment. In the event that they refuse, their unemployment benefits will be cut. Recipients of social welfare will also be hit, with the senate announcing plans to cut special payments to the very poor, such as grants for warm clothing during the winter. Such measures are all in line with Gysi's proposals to "make Berlin attractive for business and capital."

In similar a vein, Gysi has also made it clear that his party will agree in collaboration with the SPD to the closure of 12 swimming pools in the city, substantial cuts in the culture budget, the slashing of teaching jobs as well as the closure or privatisation of public facilities, including hospitals such as the Benjamin Franklin clinic.

As SPD members met last weekend for a special conference to agree the coalition partnership, they were confronted by a hostile picket line of doctors and workers from the Benjamin Franklin clinic protesting the loss of their jobs. Police measures to exclude the demonstrators from entering the building hall also prevented some SPD members from entering the conference hall for the discussion and vote on the coalition.

Following years of declining funding, the budget for culture and science in Berlin is also to be further slashed from the current level of 766 million euros to a planned budget for 2002 of just 714 million euros. Responsible for the Culture and Science Ministry is the lesser known Thomas Flierl, a longstanding SED-PDS member who has held council posts in the Berlin districts of Prenzlauer Berg and Mitte.

As is the case with all the various Berlin ministries, Flierl is required to implement drastic budget measures in order to pay back losses incurred through the banking scandal. Following recent theatre closures in Berlin it is expected that Flierl will be forced to close at least three more.

The third PDS post, the position of health senator, will be taken by Heidi Knake-Werner, a longstanding member of the Stalinist West German DKP until she joined the PDS in 1989.

Nearly two years ago in April 2000, and following a defeat at the PDS party conference in Münster, Gregor Gysi announced his intention to quit politics. PDS delegates had staged a revolt against his conference resolution calling for changes to the party's traditional critical position on military interventions abroad by German troops. At the time he declaimed the influence of "left-wing sectarians" inside the party. Now, two years on, the PDS has taken over a number of the most important political posts in the German capital.

Even prior to taking over as chairman of the PDS in 1990, Gysi had made a name for himself as a so-called "reformer" and "moderniser" of the party. From the very beginning Gysi sought to refute the argument by established parties in the west of the country that the SED-PDS was incapable of introducing pro-market economic policies. In 1989, in his first speech to the special party conference of the SED prior to its transformation into the PDS, Gysi argued vehemently that the party should drop its traditional criticism of capitalism, encourage small business interests (especially in the east of the country) and

embrace competition and the free market.

Using his own brand of political opportunism and social demagoguery honed over years of political activity, as well as experience garnered in his profession as a lawyer, Gysi continually sought to orient his party towards pro-business and increasingly right-wing policies. In typical fashion, after the terror attacks of September 11 he originally argued that the PDS should support the belligerent line of the Schröder government in backing Bush's measures against terrorism. Following opposition inside the PDS to uncritical support for Schröder (the PDS traditionally favours a pro-United Nations/Russian axis), Gysi changed tack and sought to profile himself and his party as opponents of the American-led war in Afghanistan.

His advocacy of pro-market and pro-business policies has often brought him into conflict with layers of the ageing PDS who over the years saw little improvement in their own lives through the introduction of the market economy in the east of the country. At the same time, however, Gysi was able to ease a new layer into leading political positions in the party who basically shared his own convictions. The muted political reaction by German business and political circles to the integration of the PDS and Gysi into official politics in Berlin is above all recognition of the role played by the PDS in other eastern German states in implementing pro-market policies at the expense of the broad layers of the population. One of the eastern states governed by the PDS in a "toleration" pact with the SPD has the highest level of unemployment in all of Germany (Sachsen-Anhalt—19.1 percent).

At the same time, despite its own declining membership, the PDS remains the only organisation with a genuine broad-based party apparatus in the east of the country. In the state elections prior to the vote of last October the SPD had recorded its lowest poll in Berlin since the end of the war. Like all the main German political parties, the SPD has been losing members in the East.

Under the impact of recession and rising unemployment throughout Germany, the SPD has now decided that collaboration with the PDS is essential to retain some sort of stability in the east of the country. Although leading members of the SPD and PDS have denied that the Berlin coalition should be seen as a prediction of the direction of national politics, the entry of the PDS into the governing coalition in the capital provides the SPD with a further potential alliance partner as national elections approach.



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