PDS suffers severe loss in east German state election

Ulrich Rippert 3 October 2002

One of the most remarkable results of the German elections on September 22 was the severe loss recorded by the Party of Democratic Socialism (PDS) in the east German state of Mecklenburg-West Pomerania.

Nationally, the PDS lost heavily, failing to win the 5 percent necessary under German law for a proper parliamentary fraction. It has been reduced to a rump of two deputies in the Bundestag (German parliament). In the state elections held in Mecklenburg-West Pomerania, PDS losses were even more pronounced than on the national level.

The PDS is the successor organisation of the former Stalinist ruling party in East Germany, the Socialist Unity Party (SED). Mecklenburg-West Pomerania, which borders on the Baltic Sea and is largely rural, is the most northern of the five states that constituted the former German Democratic Republic (GDR).

Compared to state elections four years ago, the vote for the PDS dropped by a third, from 24.4 percent to 16.4 percent. According to an analysis by the regional state radio for North Germany, Norddeutscher Rundfunk, the PDS lost 30,000 votes to the Social Democrats, while 18,000 of its traditional voters abstained.

The Social Democratic Party (SPD) received 40.6 percent, an increase of 6.3 percent compared to 1998. The conservative Christian Democratic Union (CDU) gained just over 1 percent and received a total of 31.3 percent. The liberal Free Democratic Party (FDP) got 4.7 percent and, while gaining 3.1 percent, fell short of the 5 percent required by German law to enter parliament.

Mecklenburg-West Pomerania has been ruled for the past four years by a so-called "red-red" government, i.e., a coalition between the SPD and the PDS. In joining this coalition following the 1998 elections, the PDS assumed responsibility in a state government for the first time since the end of the GDR. Three ministerial posts were given to PDS members: Helmut Holter became minister of labour, construction and regional planning and, in addition, deputy minister president (heading the state government). Martina Bunge took over the ministry of social affairs, and Wolfgang Methling became minister for the environment.

The PDS record in state government was rewarded on September 22 with a massive rejection by voters. And quite

rightly so!

Living conditions in the state of Mecklenburg-West Pomerania—one of the poorest regions in Germany—failed to improve during the past four years. Quite the opposite, things got worse. The PDS ministers distinguished themselves by wooing businesses of all kinds, attempting to attract them to the state with generous concessions. At the same time, they displayed an extraordinary degree of arrogance towards the population when it came to enforcing social cuts and austerity measures.

To this day, labour minister Holter insists that the consolidation of the state's finances was his greatest success in office.

From 1990 to 1998, the state was governed first by a CDU/FDP coalition, and then by a coalition between the CDU and the SPD. By 1998, net borrowing had reached 660 million euros. Holter prides himself on having brought this deficit down to 332 million euros.

This turnaround was achieved at the expense of working people. Shortly after the SPD and PDS took office in the summer of 1999, the official unemployment rate was 16.8 percent. Today the official figure is 17.9 percent, the second highest of all German states. The district of Uecker-Ranow holds the national record in unemployment with 25 percent.

Increasing poverty in the state is also expressed in the growing number of social security recipients, which rose by 6,000 to 57,000 during the recent term of the SPD-PDS-government.

Holter's ministry pursued a rigorous policy of privatisation of state and community services. For example, no other state privatised as many hospitals over the last four years as Mecklenburg-West Pomerania—in the face of strong resistance by employees.

Even the trade unions, which had envisaged a close collaboration with the state government, were forced to call a number of protests. As far back as 1999, Gabriele Gröschl-Bahr, the press representative of the Northern District organisation of the Public Services and Transport Workers Union (ÖTV), complained that the government planned to privatise almost all hospitals in the state of Mecklenburg-West Pomerania, including the university hospital in Greifswald.

These privatisations, she said, were invariably bound up with job cuts, because this was the only way to reduce costs. In addition, the privatisations were harming research and teaching.

"We had of course hoped," Gröschl-Bahr said, "that privatisations would not be so easy under a 'red-red' state government and that it would be compelled to collaborate with the unions. However, we experienced instead that privatisations were carried out more radically than in other states. And the ministry for social affairs did not intervene.... Prior to the state elections, the PDS declared they would support employment in the public sector, but now hospitals are to be privatised under a PDS government."

Mecklenburg-West Pomerania has the lowest wages of all states in the east of Germany. Forty-one percent of all workers are covered by collective wage agreements. According to a recent study, it is not uncommon for workers in the state to earn as much as 300 euros a month less than their counterparts doing similar work elsewhere in Germany. Labour minister Holter used the generally low wage level to drive down pay in the so-called Publicly Supported Employment Sector (where businesses receive state subsidies towards wages if they take on new workers). Holter and the business associations agreed that workers employed in such jobs should receive only 80 percent of the standard wage.

When the coalition between the PDS and the SPD was formed four years ago, the two parties agreed that the state government would abstain from voting in the Bundesrat if they could not reach agreement. (The Bundesrat is the second chamber of parliament and represents the individual states.) Even so, the PDS readily agreed to a tax reform introduced by the national government, which cut taxes for large corporations by 40 billion euros per year.

The PDS also supported the reform of the old age pension system, which was the first step towards exempting employers from their financial contributions. And in March the PDS agreed to the new immigration law that curtailed the right to asylum and worsened the living conditions of refugees and foreigners. Against a background of protests by refugee aid organisations such as ProAsyl, 1,500 people seeking asylum were deported from Mecklenburg-West Pomerania during the past four years.

In February 2002, the state audit office raised serious accusations regarding Holter's conduct in office. The press had uncovered a closely-knit web of private, business and political relationships bound up with mutual favours.

Holter had appointed Joachim Wegrad to the post of undersecretary in the labour ministry. Wegrad is an old friend of Holter from the days of the SED and had formerly headed the Department for State and Law of the central leadership of the SED youth organisation. His wife, Veronika Wegrad-Paul, is not only vice president of the employers association Norddeutschland Mecklenburg-Schwerin e.V., but also managing director of the Society for Education and Advanced

Vocational Training for Business and Administration (SBW) in Schwerin, where the labour minister's wife, Karina Holter, was employed as a lecturer. This Society had an annual operating budget of 4.1 million marks, more than half of which stemmed from subsidy payments from the labour ministry for various projects.

On the initiative of undersecretary Wegrad, the head of the public utilities authority for the city of Rostock, Winfried Regner, was appointed to manage the Department for Professional Qualification and Advanced Vocational Training in the labour ministry in Schwerin without having to give up his job in Rostock. According to the *Spiegel* news magazine, Regner emphatically supported the granting of finances to the SBW, a claim that is denied by Regner, a former teacher at an East German school for military officers.

In an attempt to save his skin, Holter has meanwhile sacked his undersecretary along with the latter's head of department. These are purely cosmetic changes, however, aimed at preserving the old corrupt working relationships.

The 50-year-old Holter is a typical East German turncoat. After 25 years in the SED, he seamlessly continued his career in the PDS. The SED had sent him twice to Moscow for training—the last trip was just two years before the collapse of the GDR. His training imbued him with the typical Stalinist contempt for ordinary people and democratic traditions. His sickening arrogance is bound up with his readiness to repress any independent initiative of the working class.

With this attitude, he embodies the essential continuity of Stalinism from the SED to the PDS. When Holter became the first state minister from the PDS four years ago, the daily *Frankfurter Rundschau* described him as follows: "A man representing the interests of the state with prospects for a career. When the state he represented ceased to exist, he went on to represent a new one—not only with composure, but also with great energy and with an unbroken sense of his career."

On September 22, the voters clearly rejected Holter and his party, which calls itself socialist but in fact stubbornly defends the bourgeois order.



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