Germany: Ex-Chancellor Schröder launches corporate career

Peter Schwarz
15 December 2005

The speed with which ex-Chancellor Gerhard Schröder has moved into top corporate jobs may well break all previous records.

Schröder was barely two days out of office when news agencies announced he was joining the payroll of Swiss publisher Ringier Verlag. Ringier is not just any company; it is Switzerland's largest publisher and could be compared with Germany's Springer Verlag. It publishes *Der Blick*, the largest Swiss tabloid, as well as several popular magazines, and is planning to expand its operations internationally. The company presently produces some 100 different publications in ten countries and is active in the television sector.

Then, on December 9, it was announced that Schröder was taking over the presidency of the supervisory board of the Northern European Gas Pipeline Company (NEGPC). The consortium, in which the Russian state-owned company Gazprom controls 51 percent and German energy companies Eon and BASF each own 24.5 percent, is responsible for building and operating the Baltic Sea pipeline. The line brings Russian natural gas directly to Germany without traversing states such as Ukraine and Poland. According to press reports, it will pay Schröder up to a million euros a year, a claim he has called "nonsense."

But regardless of how large Schröder's wage packet may be, it is clear that this Social Democrat is joining the ranks of those politicians who are able to cash in on the knowledge and connections they established in high public office. The Social Democratic Party (SPD) leader, who as chancellor was responsible for the Hartz labour "reforms" and Agenda 2010 welfare cuts, is leaving behind his chancellor's annual salary of €180,000 to join the elite fraternity of million-plus earners.

One would have to be blind to see no connection between Schröder's ascent to the society of the super-rich and the attacks of his government on social security and workers' rights, not to mention its substantial cuts in corporate taxes.

Schröder's predecessor Helmut Kohl (Christian Democratic Union—CDU) went on to receive €300,000 annually to act as "advisor" to media mogul Leo Kirch once he had left the chancellor's office. Kohl was only receiving his just deserts, after his government had ensured the growth of Kirch's media empire by passing favourable legislation. Schröder's move to cash in on his government activity is even more brazen than Kohl's.

Publisher Michael Ringier explained Schröder's appointment by saying the ex-chancellor would accompany him on journeys throughout Eastern Europe and Asia, where he could "certainly open a few doors." Schröder does not have a "40-hour-week contract," having merely to work one or two days a week for the company.

In other words, Schröder will operate as a lobbyist, using his experience as head of government to open up markets in Eastern Europe and Asia for Ringier.

While Schröder's employment by Ringier Verlag received hardly any public criticism, his new post at the pipeline consortium was met with a wave of indignation. Here, the incestuous relationship between high public office and big business is so obvious that it discredits official politics.

Together with Russian President Vladimir Putin, Chancellor Schröder had championed the building of the pipeline. The contract was only signed on September 8 this year, just before Germany's federal elections. "Shouldn't the ex-chancellor have waited at least for a certain time, to put a little distance between his political office and business dealings? A qualifying period, a grace period, as it were?" groaned the editorial in the *Süddeutsche Zeitung*, which otherwise regards the gas pipeline project "as a good thing."

Similar criticism came from all political parties, including the SPD, and above all from the Free Democratic Party (FDP), which usually exhibits no inhibitions in mixing political and business interests. FDP leader Guido Westerwelle even called for a "Code of Honour" for former government politicians. Green Party Chairman Reinhard Bütikofer said Schröder's actions had astounded him. And SPD parliamentary deputy Stephan Hilsberg accused Schröder of making personal gain from his own political decisions.

There is much hypocrisy in this criticism. Schröder's involvement in the pipeline consortium is not just a matter of personal interest. The building of the Baltic Sea pipeline forms a central plank of a foreign policy strategy—developing Germany as an independent imperialist great power—that is supported by broad sections of the ruling elite.

As chancellor, Schröder openly supported this aim. During a foreign trip in March he said, "The reality is that we are the largest national economy in Europe, we are the world's largest exporter, with a population of 82 million, and we therefore have to play the role of a medium-sized power in the world."

The long-term securing of energy supplies plays a crucial role in this strategy. Control of energy sources in the Middle East was the main motivation for the US invasion of Iraq. The building of the Baltic Sea pipeline should guarantee Germany's ability to secure a significant part of its natural gas requirement for the next thirty years, without being completely reliant on the US-dominated Gulf region and US-friendly states in Eastern Europe. To a certain extent, it forms the material backbone of the "strategic partnership" with Russia, something Schröder has long championed.

The six billion-euro project goes into operation in 2010, and once finally completed will be able to transport 55 billion cubic meters of gas annually from the Russian coast via the Baltic Sea to Germany.

© World Socialist Web Site

This corresponds to about half of Germany's present yearly consumption. Other countries, including France and England, will then be supplied from Germany. In the east, the pipeline will be linked to the Siberian gas fields.

At present, Germany obtains 35 percent of its gas needs from Russia. Almost 30 percent of the German supply comes from Norway, 20 percent from the Netherlands and about 13 percent from domestic production. However, the capacity of the European sources is limited. On the other hand, Russia has approximately 40 percent of the world's gas reserves.

For Schröder, it is a logical move to take personal responsibility for monitoring this project. As chancellor, the "bosses' comrade" not only implemented the interests of big business against the workers, but also aggressively represented the interests of German companies in foreign policy matters. Now he has made it his main occupation, with the appropriate remuneration.

Schröder told the *Süddeutsche Zeitung* recently that it was for him a "matter of honour to be involved in the pipeline project." He rejected accusations of corruption as "nonsense."

Big business welcomed Schröder's appointment to head the pipeline supervisory board. "Business is secretly relieved, because it concerns massive business interests and national interests... a bit more of Germany's energy supply has been secured," commented *Die Welt*.

German companies Eon and BASF, which allegedly only found out afterwards about Putin's decision to appoint Schröder, reacted with enthusiasm. "We believe that in this post Gerhard Schröder can contribute to representing German and Western European interests concerning future energy supplies," a spokesperson for BASF said.

The chairman of the Eon board stressed the "outstanding significance" of the pipeline for Europe, because the continent has to compete for supplies with fast-growing and energy-hungry economies such as China and India.

Schröder also received support from the new SPD chairman, Matthias Platzeck, and his predecessor, Vice Chancellor Franz Müntefering. The latter justified the appointment expressly on the grounds of the strategic significance of the pipeline for German and Western European energy supplies. "It is a good sign and benefits this international project that Gerhard Schröder has the confidence of the shareholders to play a leading role in this enterprise," he said.

The chairman of the service sector trade union Verdi, Franz Bsirske, also defended Schröder against his critics. He could see nothing wrong with the former chancellor using his new position to uphold German interests in the field of energy supply.

The recently elected chancellor, Angela Merkel (CDU), was somewhat more reserved. She had "a certain understanding for the questions being raised in the current discussion," according to government spokesman Thomas Steg. But Steg added this should not be understood as disapproval of Schröder's plans.

Economics Minister Michael Glos (Christian Social Union—CSU) travelled on December 9 to witness the beginning of construction of the pipeline in Babayevo, 800 kilometres east of St. Petersburg, where he praised the project as "a further milestone in German-Russian cooperation."

The Baltic Sea pipeline has met with sharp opposition in Eastern Europe, especially in Poland and Ukraine, which fear they could become victims of such "German-Russian co-operation."

Approximately 80 percent of Russian gas exports to Western Europe presently flow via Ukraine, with a smaller segment coming by way of Poland. Both countries are dependent on Russian energy supplies.

Once the Baltic Sea pipeline is in operation, supplies to Ukraine and Poland will be uncoupled from those to Western Europe. The two countries stand to lose income from transit charges, and Russia could turn off their supply at any time, or use this possibility as a threat.

Russia and Ukraine, which, since the "Orange Revolution" last year, has strongly turned to the US, now find themselves locked in an aggressive "gas war." Russia wants to increase the price of gas for Ukraine next year from $50 to $160 per 1,000 cubic meters. Although this is still $95 below the price charged to Western customers, it means an annual additional charge of $2 billion for the financially weak country.

Schröder's new job heading the supervisory board has also come under criticism in the American press. The *Washington Post* wrote that German voters should now think about the relationship of their country with Russia, since Schröder has taken over a job paid for by the Russian government.

The *Post* wrote: "During his seven years as chancellor, Mr. Schröder went out of his way to ignore the gradual suppression of political rights in Russia and to play down the significance of Russia's horrific war in Chechnya. Throughout his term in office, Mr. Schröder thwarted attempts to put unified Western pressure on Russia to change its behavior. We can only hope that Germany's new chancellor, Angela Merkel, uses this extraordinary announcement as a reason to launch a new German policy toward Russia, one based on something other than Mr. Schröder's private interests."

This may be wishful thinking. The foreign policy establishment in Washington hopes that the new German government will move further away from Russia and closer to its favourites in Eastern Europe. The reference to Schröder's standing with Putin by a newspaper like the *Washington Post*, which supports the Iraq war, is pure cynicism.

Nevertheless, there is a kernel of truth in the *Post*'s assertions. Schröder's close personal relationship with the former secret service man Putin, who has now become his de facto employer, and his tacit support for Putin's authoritarian methods express a contempt for democratic norms, once they clash with the interests of German imperialism. In this, Schröder retains the full support of his party.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site