

Who runs Germany?

The intersection of politics and business interests

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“Money rules the world” is a well-known saying. However the exact role of the major companies and banks in political life is often hidden behind a veritable torrent of references to the “independence of the people’s representatives” who are responsible “solely to their consciences,” and “the people” who are, after all, the “supreme sovereign power in politics.”

Recent reports and studies by journalists now demonstrate, very concretely, how financial interests govern Germany and what interests are at stake. The fact that there exists a measure of corruption and nepotism in politics and business is not exactly new, but the new material gives a revealing picture of the extent to which business interests determine political policy.

In the German capital of Berlin, for example, many of the leading politicians have numerous additional jobs with which they are quite legally able to earn large sums of money, but are nevertheless reluctant to discuss. In addition, politicians frequently shift from their parliamentary activities into leading positions in business.

Former chancellor Gerhard Schröder (Social Democratic Party-SPD) is a prime example. After standing down as chancellor in 2005 he immediately took over the chairmanship of the German-Russian Baltic Sea gas pipeline on the payroll of the Russian energy company Gazprom. In addition, Schröder took up well-paid posts as an advisor to the Swiss publisher Ringier and the Ruhr Coal Company—alongside his former economics minister, Werner Müller.

Schröder’s state secretary in the Treasury, Caio Koch Weser, switched to the executive of Germany’s biggest bank, Deutsche Bank. During his period as treasury secretary in the SPD-Green Party government (1998-2005) Koch Weser was responsible for the sales of Russian debts to credit and finance institutes, including, predictably, the Deutsche Bank. Former economics minister Wolfgang Clement (SPD) has assumed posts on the executives of the RWE power group and the Dussmann group. Hans Martin Bury (SPD), state minister in the chancellery, took over as managing director of the banking house Lehmann Brothers.

The Green Party Bundestag (parliament) deputy and chair of the party group in the state of Hesse, Matthias Berninger, resigned his posts in February in order to take up a leading position with the animal fodder and chocolate manufacturer Masterfood (makers of Mars, Ballisto and Snickers bars). The list could be extended virtually without end.

The fusion of business and political interests in Germany has been considerably expanded in recent years through a worked-out system of lobbying, which provides big business direct access to the centers of political power. The number of such lobbyists has literally exploded within the past few years. According to broadcaster Joachim Wagner, writing in

in 2003, these lobbyists have more influence “than ever before in the history of the Federal Republic.” Virtually all of Germany’s 30 biggest companies represented on the German share index DAX have lobbying offices in Berlin.

Approximately 2,000 lobby federations are currently registered with the German Bundestag, and amongst other rights are permitted to participate in legislative procedures. Should a total of five deputies or a leader of the parliamentary group give guarantees for a lobbyist, then he or she is entitled to a so-called “parliamentary identification document” for admission to the Bundestag and the offices of deputies. Around 4,500 business representatives in Berlin possess such identification documents, amounting to seven lobbyists for every Bundestag deputy.

In his article for *Die Zeit* Wagner reports that a considerable proportion of the lobbyists are in fact former ministers, state secretaries, office managers, press spokesmen and journalists, who are using their established contacts in the service of their new masters.

Die Zeit reports on TUI (travel company) representative Wolf-Dieter Zumpfort, who proudly announced that he and his fellow lobbyists were able to reduce the taxes for the running of cost-free official cars—while in the same breath giving a nod to all of the prime ministers from German states where the automobile industry has large-scale interests: Edmund Stoiber (Bavaria), Erwin Teufel (Baden-Württemberg), Kurt Beck (SPD, Rhineland-Palatinate) and Sigmar Gabriel (SPD, Lower Saxony, and the current environment minister).

Not only do the lobbyists block laws, they also draft them. “Sometimes lobbyists receive the rough draft of proposed laws before the members of the Bundestag,” Wagner writes. “It is therefore not unusual for the Telekom representative, Maldaner, to draw up ‘alternative suggestions’ for draft laws on behalf of his company, which are then presented to the ministries and experts from parliamentary groups.” This is not the only case of such practices.

The barrister and independent lobbyist Anja Hollmann works in the “health sector.” For a price she will sell her list of the most important 50 or 100 partners in ministries, parliamentary groups and state parliaments to the main companies active in the German health sector. “When desired she also arranges lunch—for a price, naturally.”

Corporate lobbies are especially prevalent in the health sector. This is clear from other figures. Recently the Federal Audit Office criticized that ministries were not willing to reveal the names of their business sponsors. Between August 2003 and the end of 2004 German government ministries received more than €55 million in the form of sponsorship donations.

With €44.5 million, the Ministry of Health collected the largest share! According to German law such donations must be registered whether they are for “preventative measures for nonsmoking by

children and young persons” (€3.6 million), or just a party in the ministry. The names of the most generous donors, however, remain secret.

Stern magazine discovered that over the same period the European armaments and aerospace company EADS donated €87,000 to the German armed forces and the Ministry of Defense. On one occasion €15,000 was donated for the fiftieth anniversary of the Air Force, on other occasions a few thousand euros were made available for other “receptions, celebration balls and meals for officials, the German armed forces and their guests.” Michael Hauger, a spokesman for EADS, said he could not understand the fuss about such petty amounts: “€87,000 for 20 different events—that makes €4,350 per meeting. There could be no question of influencing policy or politicians,” he concluded. Sponsoring is a “completely normal procedure” and “nothing secret.”

A program on German television devoted to political exposures recently dealt with a new variety of lobbyism, which, according to *Monitor*, can hardly to be bettered in terms of effectiveness for business enterprises: “Lobbyists try to influence policies in order to benefit their employers ... in order to do so they call by at the ministries. For some lobbyists, however, that is no longer necessary—they are already there.”

According to *Monitor*, “temporary workers” from the most important German enterprises are active in virtually all German government ministries. At least 100 of them are sitting in the same or neighboring offices as Bundestag officials, busy drafting laws, peering into secret documents, and even undertaking important state functions.

“Siemens or DaimlerChrysler, Lufthansa or the Deutsche Bank, nearly all the big players are there,” *Monitor* reports, and then gives details in a number of cases. An employee of DaimlerChrysler, for example, works in the German Transport Ministry. In 2002 he had his own desk in the ministry and evidently enjoyed access to internal documents, which he had “also evidently taken home.”

The man from DaimlerChrysler was director of his company’s department for corporate strategy and transport policy and sat in the German Transport Ministry between April and May 2002, a period when a tender was announced for a €1 billion contract for a new highway tracking system. DaimlerChrysler belonged to the consortium, which subsequently won the order. This could hardly be a coincidence.

The political scientist Nils Ehlers, who was working on a separate project at the ministry at the time, told *Monitor*: “I also got wind of how he telephoned and said things to the effect that we evidently cannot not get this or that measure through.” Ehlers is convinced that the representative from DaimlerChrysler passed information from the ministry to his bosses at the auto company.

Since then the German government has admitted that four company representatives were directly involved in drafting laws. Two other representatives were even employed as section chiefs, with senior executive powers.

Monitor also gave other examples. In 2004 electricity companies cooperated in the revision of energy laws. According to internal documents of the Ministry of Economic Affairs made available to *Monitor*, the representatives from private sector energy companies “proposed formulations, which were copied word for word into the government law—literally taken over from RWE (energy concern).”

A similar procedure took place during the formulation of a new law regulating the noise from aircraft. Plans for a ban on all night flights were stymied because of the cost for increased protective measures for

companies such as Fraport AG, which is responsible for construction at one of Germany’s busiest airports in Frankfurt. An initial draft for a law drawn up by the Ministry of Environment was subsequently revised by the Transport Ministry in line with the interests of Fraport AG.

“And a manager of this stock market registered company has been resident at the Transport Ministry for years.... Paid and sent by Fraport. With responsibility for issues relating to air travel law.”

Research reveals that Fraport AG is well acquainted with the inside of the German government ministry and parliamentary offices. *Monitor* showed a file containing a resolution on air traffic drawn up for the Bundestag. “A click by an expert, and the code-protected file reveals the name of the true author. Bundestag deputies are not the authors, but rather Fraport AG.”

In the Transport Ministry in Hesse, Fraport employees have even assumed responsibility for according special permits for night flights. Last year alone a Fraport employee awarded his own company permits for no less than 300 such flights. Working not far away in the Ministry of Economic Affairs in Hesse is a woman who draws her wages from the German stock exchange. Her job at the ministry is to regulate and control the affairs of the German stock exchange—i.e., her own employer!

Susanne Vollrath has been sent to work in the German Ministry of Transport by her employer—the German Building Industry Federation. For four days a week her job consists in securing public orders for the building industry. She assigns these orders to private contractors on the remaining day of the week. At the ministry she is employed for the working group—Public-Private Partnership (PPP).

Her building industry boss is Heiko Stiepelmann. He openly admits: “Formerly we were involved in the hearings into the preparation of decisions. That was often too late. Today we are involved much earlier in the development of measures in connection with PPP. For us this is a much more efficient way of working. We have a contract with the ministry, our employee is working in the interests of the Federal Republic of Germany.”

The logic of such an argument is that the interests of the Federal Republic of Germany are identical to the interests of big business. Stiepelmann has not the slightest doubt about the connection and thereby makes clear what modern German business leaders and company executives really think of the constitutional “independence of the people’s representatives.”



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