

# Unemployment and poverty on the rise in Berlin

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A debate is underway in political circles and the German media over the possibility of collaboration between Germany's oldest political party, the Social Democratic Party (SPD), and the recently formed Left Party. Such collaboration could take the form of coalition governments in the German states of Hesse and Saarland or agreements by which the Left Party supports SPD governments in those states.

The Left Party is currently presenting itself as a "left" pressure point on the SPD, but the disastrous consequences for the majority of the population of so-called "red-red" collaboration can be seen in Berlin.

The German capital has been governed by a coalition of the SPD and Left Party (formerly the Party of Democratic Socialism) since January 2002. Three functionaries of the Left Party determine policy in the city in essential areas: Harald Wolf, a former member of a "left" (Pabloite) grouping around the magazine *Commune! Revue of Revolutionary Marxism*, is senator for economics, technology and women's affairs; Heidi Knake Werner, formerly a member of the Stalinist party of West Germany (German Communist Party—DKP), is senator for integration, labour and social affairs; Katrin Lompscher, a member since 1980 of the East German Stalinist party (Socialist Unity Party—SED), is senator for health, environment and consumer protection.

After seven years of the SPD-Left Party coalition government in Berlin, the consequences have been catastrophic. Berlin has become the capital of poverty and the "working poor" in Germany. All of the efforts of the Left Party to conceal the true extent of social decline cannot hide the facts.

According to trade union statistics, approximately 244,000 unemployed persons are registered in Berlin. A further 110,000 employed persons require state support to compensate for their meagre wages. Compared to all other German states, Berlin has the highest ratio of full-time and self-employed workers dependent on supplementary social security benefits.

Between 2003 and 2006, the number of temporary workers in the city rose by 111 percent. Over the same period, the number of those earning a minimal income of between 400-800 euros per month rose by 105 percent. Some 363,000 workers, i.e., a quarter of the workforce in Berlin, earn less than 900 euro per month. The Berlin Senate used a decision by the European

Court of Justice on European guidelines for investment to undermine minimum wage guarantees in the allocation of public tenders.

The main characteristic of the Left Party senators in Berlin is their opportunism, justified by repeated pleas that "there is no alternative."

Senator Heidi Knake Werner, for example, has frequently described Berlin as "the capital city of precarious employment," i.e., temporary or casual labour without any social security provisions. However, she fails to note her own role creating these conditions.

At the end of July, the *Berliner Zeitung* reported that the senator had initiated a study to investigate "the extent and structure of precarious employment in Berlin, its causes as well as political courses of action" to address it. After the study was completed, the office of Knake Werner declared that the document was for internal purposes only and its results would not be published. Evidently, the study had drawn the link between the pro-business policy pursued by the Senate and the resultant social consequences in such a manner that the Left Party preferred not to publicise its findings.

In fact, the study makes clear the deliberate policy of the "red-red" Senate in upholding the interests of employer and business associations against the wishes of the population. In its role as public service employer, the Senate curtailed the right of shop stewards to participate in employment policy. This was aimed at increasing the number of workers with low-paid temporary contracts in public service. Over the past seven years, the Senate has slashed 15,000 full-time contract jobs in the public service.

One of the main demands raised by the Left Party before coming to power was the creation of a public employment sector. Now it bases its labour policy on a new EU regulation for "publicly promoted employment." This allows the Senate to receive funds from the EU via its Personnel Service Agencies in order to allow companies to take on low-paid workers on the basis of temporary contracts.

The Berlin Senate has boasted of creating one-euro-per-hour jobs, which are used to lower the city's unemployment rate but only serve to spread the problem of poverty. These low-wage jobs also serve as an effective means of pressuring workers

with regular contracts and wage levels to accept lower wages and harsher working conditions. In the past few years, the growth of low-wage jobs has been so rapid that Berlin and Germany as a whole have witnessed the emergence of a three-tier job market.

Increasingly, the problem of unemployment is regarded as an individual rather than a social problem. Responsibility is shifted onto the backs of the unemployed, who are increasingly being cut off from state support.

Those hardest hit in Berlin are children and youth. A total of 4,700 unemployed people under 25 have been denied any possibility of further training and have instead been shifted into one-euro jobs. In July of this year, the number of unemployed youth totalled 24,000.

The percentage of youth without work from immigrant families is much higher. The answer of the Berlin Senate to this problem is to prepare measures whereby young people from immigrant backgrounds who are unable to obtain school degrees or professional training can be deported to their countries of origin, even if their employed parents remain in Berlin.

The current level of social welfare assistance for children up to 15 years of age is just 208 euros per month. This includes a miserly provision of 2.28 euros per day for meals and drinks. Parents in Berlin have no legal rights to claim funds for basic school materials. The Senate abolished such funding despite a series of protests from parents and pupils. As a result, poor children in Berlin are increasingly dependent on soup kitchens and hand outs from churches and aid associations.

The Berlin Senate in 2003 became the first in Germany to quit the state employers' association. It did so in order to free itself from any contractual obligation towards its work force.

This move allowed the Senate to reduce wages for broad groups of workers by between 8 and 12 percent. While the Senate promised in exchange to avoid compulsory redundancies in public services until December 2009, it is holding in reserve a wide range of powers to slash the city's work force.

The Senate has also moved to close a number of public facilities in the German capital, including swimming pools and local libraries.

Rents are increasing, while the rate of affordable new housing construction has drastically declined. Tenants associations have demanded the Senate take action to limit rent increases, but the latter's response has been to privatise state-run housing associations instead.

Poverty amongst senior citizens is also on the increase. A new regulation allows authorities to force the unemployed, beginning at age 60, to draw on their old age pensions, resulting in benefit cuts of up to 18 percent.

As a result of high unemployment and low wages, Berlin has the third highest rate of state funding for its residents, behind the city-states of Bremen and Hamburg.

The Berlin finance senator, Thilo Sarrazin (SPD), has made a series of cynical proposals for tackling poverty. According to Sarrazin, the poor can easily tackle the lack of vitamins in their diet by consuming half a cabbage daily, and can compensate for their inability to heat their apartments by wearing sweaters indoors. He has attacked unemployed people who perform voluntary work by suggesting they should go out and get a proper job.

The mayor of the city, Klaus Wowereit (SPD), is no better. At a press conference called to promote the publication of his autobiography, Wowereit declared he was opposed to any increase in the basic rate of unemployment benefits despite rapidly rising prices for food and energy, since unemployed people would not know what to do with the extra money.

Alongside its onslaught on jobs and social provisions, the Berlin Senate has worked to undermine democratic rights. The Berlin constitution was changed by popular vote in the autumn of 2006, after which the Senate hailed such initiatives as expressions of direct democracy.

However, when in the spring of this year over 66,000 Berlin residents supported a referendum demanding better provisions for the city's nurseries, the Senate declared it would ignore the result. The additional cost of better qualified staff and more teachers would represent a "substantial interference in the right of the parliament to decide the city's budget," the Senate said.

All of these attacks on the working population of the city have been backed and implemented by the Left Party. In a number of cases, such measures originated directly from their offices. With regard to its contempt for the democratic rights of the population, the Left Party draws directly from the tradition of its predecessor, the ruling Stalinist party of East Germany, the Socialist Unity Party (SED).



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