

German economics expert compares bank managers to persecuted Jews

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In an interview in the Monday edition of the Berlin newspaper *Tagesspiegel*, the Munich-based economics professor Hans-Werner Sinn compared the current widespread criticism of bank managers with the persecution of Jews under the Nazis.

Sinn told the paper, “In every crisis there is an attempt to identify those guilty, for scapegoats.” In the world economic crisis of 1929, he said, “It was the Jews in Germany, today it is the managers.”

The pre-print of these remarks last weekend had already evoked fierce criticism. The Central Council of Jews in Germany expressed its indignation, and Stephan Kramer, the group’s general secretary, called on Sinn to withdraw his comments “unconditionally, as fast as possible, and apologise.” The comparison was “infuriating, absurd, and absolutely out of place, a defamation of the victims,” Kramer said.

Social Democratic (SPD) politician Sebastian Edathy commented, “In view of such remarks, one has the impression Mr. Sinn lacks any sense” (Sinn translates to “sense” in German). Lutheran Bishop Margot Kaessmann told the *Neuen Presse* in Hanover, “The Jews were the victims; banks are quite rightly being held to account today. It is irresponsible to draw any such comparison.”

“Absurd,” “abstruse,” “tasteless,” “irresponsible”—the indignation over Sinn’s statements is diverse and also justified. More important, however, than merely reacting with anger to Sinn’s remarks is to work through the logic of his argument. Hans-Werner Sinn is not just anybody. For the past 10 years, he has headed the Institute for Economic Research in Munich, which is described as the most influential “economic think tank in Germany” and advises the German government on economic questions.

On midday Monday, Professor Sinn responded to the

widespread criticism, withdrew his comments and apologised to the president of the Central Council of Jews in a hastily written open letter. But his original intent was quite clear—to defend bank managers against increasing public criticism by any means possible.

In fact, Sinn has undertaken a similar campaign in a series of interviews and statements in the business press in recent weeks. He is determined to defend the financial elite’s grip on power under conditions where the current financial crisis threatens to expand into a worldwide recession. Sinn is one of the main representatives of an ideology that subordinates all aspects of social life to the material and political interests of Germany’s finance aristocracy.

For years, Sinn has criticised “exaggerated wage claims” by ordinary workers and claimed that their allegedly high wages were responsible for growing unemployment. He demands a “restriction of trade union power” and a thorough reorganisation of the welfare state. In his opinion, unemployment pay and other state benefits are still too high and prevent the unemployed from taking the most menial forms of work.

Sinn is not fundamentally opposed to state intervention in the economy, but such intervention must be directed strictly at defending the interests of the financial elite. According to his way of thinking, the state exists to serve the economy, not the other way round.

Under his leadership, the Institute for Economic Research developed a detailed “combination wage model,” which would allow companies to pay wages far below subsistence level. The state then has the responsibility for financing “individually measured wage subsidies.” Sinn calls this process, whereby the taxpayer subsidises the low paid, “active social welfare

assistance.”

Sinn also proposes that in addition to the introduction of new forms of low-wage labour, working times be generally increased by 10 percent—without any corresponding increase in pay. He also favours the abolition of sickness pay and laws protecting workers against summary dismissal. In his 2003 book, *Can Germany Be Saved?*, he writes that such measures are absolutely necessary. Only then, he argues, can “Germany’s workers become more productive and therefore more competitive on the worldwide job market.”

While demanding drastic social cuts for both the employed and unemployed, Professor Sinn defends the exorbitant amounts paid to managers. His only criticism of the German government’s €500 billion rescue plan is that the managers of those banks taking advantage of the rescue package may have to accept some limits on their incomes. Such a move would be false and dangerous, Sinn told the magazine *Focus* last week. This would mean that the banks would refrain from utilising the rescue programme—with completely unpredictable consequences.

Sinn’s comparison of managers and Jews is not only thoroughly inappropriate because of its anti-Semitic undertones, it also inverts the relationship between the Nazi dictatorship and the German financial elite. The subordination of society to the profit interests of the financial aristocracy has an inexorable political logic. The extreme forms of exploitation, which Sinn favours, can only be implemented with the aid of a dictatorship.

At the end of January 1932 and one year before taking power, Hitler made his notorious speech at the Düsseldorf Industry Club. He convinced the assembled business leaders to support his cause by expressing his vehement opposition to democracy and his support for private property and social inequality. He promised them he would smash the workers’ movement. Afterwards, as Fritz Thyssen explains in his book *I Paid Hitler*, donations for the Nazi movement clearly increased after Hitler’s speech.

Hitler’s own anti-Semitism was directly bound up with his opposition to the workers’ movement and the prominent role played by Jewish socialists. The destruction of the workers’ organisations in 1933 meant that nothing more stood in the way of the Nazi campaign for the persecution and annihilation of the

Jews.

The most important lesson of the 1930s is to comprehend the links between the world economic crisis at that time, mass unemployment, the smashing up of the workers’ organisations and fascist terror.

In its own way, Sinn’s bizarre “Freudian slip” points to a more profound relation between his own reactionary economic nostrums and the striving for dictatorial forms of rule.



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