

Germany: Berlin city legislator gets his reward, joins Bundesbank

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On May 1 this year, Thilo Sarrazin, the finance senator of the Social Democratic-Left Party Berlin city government will join the board of Germany's Bundesbank (Federal Bank). His appointment is on the recommendation of the city's governing mayor, Klaus Wowereit (SPD). This lucrative post is Sarrazin's reward from the SPD for his successful service over the past years on behalf of the rich and powerful. His annual salary will rise, according to press reports, to €228,000.

Born in 1945, Thilo Sarrazin studied economics, attained a doctorate and joined the SPD. He was active for many years in prominent positions in the federal Department of Finance. In 1990-91, he worked for the Treuhandanstalt, charged with selling off the state-owned property of the former East Germany. Until 1997, he was a state secretary in the treasury of Rhineland Palatinate. Subsequently, he was a leading member of the Treuhand-Liegenschaftsgesellschaft (TLG), whose major task consisted of privatising public property.

In 2000 and 2001, Sarrazin worked temporarily on the board of state railway company Deutsche Bahn AG, the year following becoming finance senator in the Berlin city government. Already at that time he had a reputation as a tough enforcer of "budget discipline," calling for social cuts, even in the face of popular resistance. But that has never prevented him from ensuring he always received maximum remuneration. In making the move from the board of Deutsche Bahn AG to become a senator in Berlin, he insisted on receiving full payment from his contract at the state railway company. For several months he received a double salary-as both a former Deutsche Bahn board member and a Berlin senator.

In January 2002, when Sarrazin was appointed finance senator, Berlin faced a mountain of debt valued at almost €60 billion. This was inherited from the former grand coalition of the Christian Democratic Union (CDU) and SPD, which had operated a form of unrestrained clientele politics under mayor Eberhard Diepgen (CDU) in the 1990s. From the outset, Sarrazin's task consisted of implementing a series of harsh austerity measures in the administration and in public expenditure, particularly in the sphere of social programmes.

Furthermore, he was tasked with rescuing the Berlin Bankgesellschaft, which faced imminent collapse as a result of

glaring mismanagement and involvement in criminal activities. When he took office, the Berlin city government had a budget deficit of €5.2 billion.

The catastrophic financial situation of the previous CDU-led Senate, with the SPD as junior partners, led to a substantial gain in votes for the Party of Democratic Socialism (PDS, the predecessor to the Left Party) in the 2000 elections for the city legislature. The party received 22.6 percent of the vote in Berlin as a whole, and almost 50 percent in the Eastern part of the city.

But from the beginning, the PDS was intent on forming a coalition with the SPD in order to pull "Berlin out of the mud." Since merging with WASG (Election Alternative) to form the Left Party, the party has shown no qualms in pushing through brutal cost-cutting measures at the expense of ordinary working people. In order to participate in government the party dispensed with all its pre-election promises and was even prepared to swallow abusive slogans dreamed up by Sarrazin such as "dumb, dumber, PDS."

The division of labour between the PDS/Left Party and Sarrazin has played an important role in pushing through drastic austerity measures over the past seven years. Sarrazin laid down the line, while his brazenly stupid utterances served as a kind of political lightning rod. The Left Party would criticize and attack him every now and again, trying to preserve its "left-wing" image, while at the same time supporting and implementing all the important decisions of the Senate. Not infrequently, Sarrazin would insult the delegates and Senate members of the Left Party, knowing full well that this party played a key role in keeping resistance to the Senate's anti-social policies under control.

One of the first measures undertaken by Sarrazin and the SPD-PDS Senate was to rescue the Berlin Bankgesellschaft. This financial institution was formed as a result of a legally dubious union of the state-owned Berlin Landesbank and several private banks. It offered wealthy real estate investors-above all prominent political figures in Berlin and in the federal political scene-the prospect of incredible profits.

To protect confirmed deposits and profits the Senate took on a risk valued at €21.6 billion. Furthermore, the Senate paid €1.7 billion directly to the Berlin Bankgesellschaft as a capital

investment, at the expense of the city, with budgetary appropriations being cut back in other places. The Berlin city budget was reorganized over the past years at the expense of working people and the poor.

Immediately on assuming control of the finance department, Sarrazin pushed through a €600 million cut-back package in the Senate with the full support of the Left Party. For those employed in the public service, these measures brought longer working time, and job and wage cuts. Sarrazin ridiculed city employees, saying they were "running around ashen-faced and smelling bad because workloads are so high."

Since Sarrazin took office some 23,500 full-time public sector posts have gone. In the next two years, another 14,000 are to follow. By 2012, public spending in Berlin is to be reduced to the level of Hamburg, even though the city is only half as large as Berlin.

Under Sarrazin, fees for day nurseries have been sharply increased. He countered protests by parents saying people were acting "as if the Senate wanted to send children to the concentration camps." Budgets for cultural facilities and universities were cut back; ticket prices on public transport were increased. When students occupied his office in protest, Sarrazin said they were "all assholes."

Berlin's state schools are ailing, many swimming pools and libraries have been closed, the supplying of free schoolbooks has been abolished. The construction of public housing was stopped and many public housing associations were privatized. As a parting gift, Sarrazin is now refusing to specify upper limits for rents in public housing. People in Berlin who voted for a senate of the SPD and Left Party in order to preserve social conditions in the city are bitterly disappointed by their policies.

Sarrazin is also notorious for his cynical and contemptuous utterances about the city's poorest inhabitants: "There's nowhere else where you see so many people shuffling about publicly in track suits as in Berlin." He also said: The least problem of those on welfare is being underweight, and a full and balanced diet is possible on four euros a day. It is enough to drink Berlin tap water; that is healthy. Sarrazin obviously believes he should prescribe how those receiving a pittance should live and with what they should be content: "If energy costs are as high as the rents, people will have to consider whether they can't live reasonably wearing a thick sweater when the room temperature is 15 or 16 degrees."

When minimum wages were being introduced, Herr Sarrazin said, "For five euros, I would go to work at any time. That's 40 euros per day." Sarrazin holds voluntary work in low regard: "Those who have enough energy for volunteer work while on welfare should use their energy to find work." Sarrazin himself is no slouch; in addition to his job as finance senator he holds 46 part-time posts, among them as supervisory board chairman for Berlin's public transport corporation BVG, the Berlin Real Estate Holding BIH and Berlin Real Estate Management BIM.

For each extra job, a permitted annual income of €6,135 is allowed.

Sarrazin was always very conscious about the role and critical support of the Left Party. Despite the party's election campaign speeches, it has supported and implemented his economic measures. The party's feigned concern for the poor and disadvantaged has long been exposed as a lie. Its policies serve to uphold the existing conditions and even to profit from them—otherwise it would have quit the Senate long ago.

It therefore comes as no surprise that the Left Party's regional chairman Klaus Lederer has extolled his appreciation for Sarrazin's work in the Senate: He was the counterpart to those who might have tried to protect certain areas from the savings measures. "In particular in the first legislative period of the SPD-PDS government, where we directed our view to Karlsruhe (to the Supreme Court), it was good that Thilo Sarrazin was there," Lederer said.

Sarrazin's reputation as a tough enforcer of "budget discipline" grew during his years as a Berlin senator. He has said about himself: "I'm not in politics to annoy people, but to achieve goals."

For the first time in its post-war history, the Berlin city legislature recorded a surplus of nearly €100 million in 2007 and 2008, and this year it is anticipated to reach €940 million, reducing its mountain of debt to approximately €59 billion. This has happened exclusively at the expense of the social standard of living of the Berlin population.

Sarrazin leaves behind a scorched earth. His successor will be Ulrich Nussbaum. From 2003 to 2007, this non-party 51-year-old lawyer and entrepreneur from Bremerhaven was finance senator in Bremen. Like Berlin, this city-state has been highly indebted for years. During his time in office in Bremen, Nussbaum, like Sarrazin in Berlin, has pursued austerity measures that were met with much protest.



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