

The legacy of 10 years of SPD-Left Party rule in Berlin

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Over the last 10 years, social conditions in Berlin have become more desperate than anywhere else in Germany. This is a direct result of the policies of the government of the Social Democratic Party (SPD) and Left Party.

Since taking office in January 2002, the SPD-Left Party Senate has pursued policies in direct opposition to the interests of the majority of the people in Berlin. Having agreed to underwrite losses incurred in the Berlin bank scandal to the extent of €21.6 billion, the SPD and Left Party have relentlessly enforced strict austerity measures, aimed almost exclusively at working people. This has affected all areas of life.

Unemployment and poverty

Last month, the number of unemployed people in Berlin was 233,403, corresponding to a rate of 13.5 percent. This makes the German capital the region of highest unemployment in all the 16 federal states. Although unemployment has declined in all the other states over the last 12 months, it has marginally increased in Berlin.

Many of the unemployed have been left without any prospects of gaining a livelihood. More than four of five unemployed people rely on the miserly Hartz IV state benefits system, meaning they have been without a job for at least a year. Half of those officially registered as unemployed also have no vocational training qualifications—partly due to the SPD-Left Party cuts in education.

The funding of universities has been drastically reduced, and the schools have not been spared. In 2003, the SPD-Left Party administration abolished the provision of free teaching materials, resulting in parents having to pay €100 a year for the textbooks of each of their children. The Berlin city-state's expenditure for school textbooks was reduced by almost a half within a period of one year, during which the school population remained relatively constant.

About 300,000 Berlin households with a total of about 441,000 people were affected by the Hartz IV welfare regulations this year. Because educational levels are so directly

a consequence of social position, there are countless families where unemployment and a future without prospects or opportunities are virtually inherited.

But it is not only the unemployed who are affected. Every third child in Berlin—170,000 in all—is poor, according to a report in the *Berliner Morgenpost*. However, only a third of these come from families dependent on welfare benefits. In fact, it is the working poor—people who are poor despite having a job—who have been particularly hard hit by deteriorating conditions in recent years.

The social welfare report published in January confirmed that general poverty and child poverty increased despite falling unemployment in 2010. As one of the authors of the study, urban sociologist Hartmut Haussermann, emphasised, “Finding work doesn’t mean escaping poverty.”

This comes as no surprise, when one observes the increase in temporary work contracts in Berlin. The number of temporary workers reached a new high of 30,308 in the summer of 2010. Compared to the situation in 2000, this represents an increase of 118 percent. Prompted by the European Union, the Berlin Senate established a “public employment sector” engaging temporary and low-wage workers, whose labour is now being exploited to the benefit of private employment agencies.

This development is closely connected with the sweeping public services cuts, pushed through by the SPD and Left Party Senate. In 2003, Berlin was the first federal region to exit from the Employers’ Association of the Federal and State Governments, doing so specifically in order to reduce public sector wages. Employees’ pay was reduced by up to 12 percent. In line with this, there were to be no compulsory redundancies until the end of 2009—a provision circumvented by the Senate with job cuts elsewhere.

According to a report in the *Tagesspiegel* newspaper, the number of public service employees in the period from 1998 to 2010 was reduced by one third. It is young people in particular who now find hardly any jobs in this sector. As noted in the article, only 0.5 percent of employees in administrative posts are under 25 years of age. The average age is 49. When a worker retires, the post he held often disappears. When former Finance Senator Thilo Sarrazin (SPD) called for further job cuts in 2008, the Left Party merely said that the city administration

should not be allowed to collapse completely.

The practical consequences of widespread poverty and cutbacks in public services are clearly illustrated by the example of Berlin's Social Security Court. Three out of four cases there involve lawsuits on the part of Hartz IV benefits recipients relating to rulings made by the job centres. The court is overburdened with such claims from year to year. In 2010 alone, the number of suits against Hartz IV assessment notifications increased by about 5,000 or 20 percent, a figure similar to previous years. The court has ruled in favour of the plaintiff in about half of all these cases.

The court president, Sabine Schudoma, made it clear that the complaints did not arise out of emotional frustration, but were objectively supported grievances. A Reuters report quoted her as saying: "Cases of benefit fraud are extreme exceptions". According to Schudoma, the fact that so many claims are successful constituted a signal to politicians: "Less bureaucracy, better computer software, more time for individual cases—these would be steps in the right direction". However, many job centres are obviously hopelessly overburdened and making more and more mistakes under the increasing pressure—only to land before the equally overtaxed Social Security Court.

The aforementioned welfare report identifies another problem, affecting an increasing number of people from low-income levels: the dire housing situation. While the district of central Berlin is becoming more popular among the more affluent social layers, rents are rising everywhere. From 2009 to 2010, average rent prices rose by 6.2 percent.

Subsidiary residential costs have also reached new heights—thanks to, among other things, the privatisation of the Berlin Water Company, whose investors enjoy a legal guarantee of profit. Since 1999, the company has raised the consumer price of drinking and waste water by 25 percent, while reducing the workforce by 5,300 jobs.

Socially vulnerable sections of the population are thus forced to move to outlying suburbs. Last year alone, some 2,000 Hartz IV welfare recipients were forced to leave their flats because the job centres deemed the rental costs too high. Most of these people moved to Spandau, Marzahn-Hellersdorf or Reinickendorf, which are demonstrably becoming areas of increasing social unrest. Sociologist Häussermann noted that the "concentration of living space (had) apparently crystallised from social problems".

Senator for Urban Development Ingeborg Junge-Reyer (SPD) made reference to the social stabilising of inner-city zones Neukölln and Berlin-Mitte. At the same time, however, the report reveals increasing child poverty and its concentration in large housing estates such as Gropiusstadt and the Märkische district. The problem is therefore only being moved to another area, and thus growing more and more critical.

In the process, it is becoming increasingly difficult to find suitable accommodation in Berlin. Again, the main reason is

the politics of the SPD-Left Party Senate, which has privatised countless flats under the pretext of "constraints" and "debt reduction". According to a report in the publication *MieterEcho*, only 250,000 flats—of the 400,000 originally in public ownership at the beginning of the SPD-Left Party coalition—were still in use in 2009. Most of them were sold to private financial investors—some at a price 25 percent below their true value. These real estate sharks regard housing provision only as an opportunity to maximise profits.

Attempting to defend itself, the Senate generally points to the number of remaining free-standing flats, where sufficient residential space is available. The number currently stands at more than 100,000, but only 50,000 of them are suitable for immediate rental, according to a study by the Investment Bank of Berlin. The rest are completely useless, or would only be inhabitable after extensive renovations—at higher rentals, of course. Many of the flats also fall far short of offering the size and layout of rooms that people require. The Berlin Tenants Association therefore spoke of an imminent housing shortage in 2009.

Added to this is the precarious relation between rental costs and the average disposable income. It is true that rents in Berlin are still lower than in some other German cities. However, the average income in Berlin is also much lower. It stood at just under €16,000 in 2009, while the nationwide average was nearly €19,000. It is therefore the case that about 29 percent of one's income is spent on rent in Berlin, but only 20 percent in Munich and 21 percent in Frankfurt.

In view of this social record the past decade has clearly revealed the true character of the SPD and Left Party. There is nothing left-wing about either of them. They represent not the interests of working people, but the banks and corporations. This is evidenced by their unbridled privatisation of public utilities and implementation of austerity policies in the name of "debt reduction". The role of the Left Party in particular must be emphasised in this respect. Far from preventing deepening cuts by the Berlin administration, it has proved itself in recent years to be a driving force behind every kind of social devastation inflicted on the city.



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