

# “Understanding Berlin”: The election campaign of the Social Democrats

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1 September 2011

Despite the economic malaise and the crisis of the Merkel government, the Social Democratic Party (SPD) has decided to run a campaign in the Berlin Senate elections that is devoid of politics.

The SPD's campaign posters feature black-and-white photos of the party's leading candidates and the current mayor, Klaus Wowereit, together with the slogan “Understanding Berlin.” The same slogan is emblazoned on the posters of individual SPD candidates. These are supplemented by small-format posters with vacuous slogans such as “Hertha and Union” (the two football clubs in the capital city) or “Kotti and Ku'Damm” (a social problem area and a major shopping street), aimed at emphasising the cohesion of the city.

In his campaign appearances, Wowereit largely refrains from addressing political issues. Instead, the focus is on his persona, with the SPD trying to present him as a pop star. Instead of leaflets on programmatic issues, SPD helpers distribute roses and stuffed animals, nicknamed Wowi Bears. Whoever sends a particularly beautiful picture of his Wowi Bear to the SPD headquarters can win another bear signed by the mayor. The cost of this ludicrous campaign is reckoned at about €1.7 million.

By stripping its campaign of any political content, the SPD is attempting to divert attention from its disastrous record in the Berlin Senate, where it has been in power since 1989. Contrary to the central motif on the SPD posters, social divisions in the city have deepened continuously.

Currently, one third of all children in Berlin live in poverty. Rents have risen in the last two years by an average of 7.6 percent, and 441,000 people are dependent on miserly Hartz IV welfare benefits. At the same time, the Senate bailed out the bankrupt Berlin Bank Society (BBG) and secured billions in profits for major corporations such as RWE and Veolia.

It is these connections with big business and the banks

that constitute the political reality behind the SPD's election slogan of “Understanding Berlin.” The party is boasting that it understands the power structures in the capital better than any other party.

Since the Kreisel and Garski scandals in 1974 and 1978, in which tens of millions in taxpayers' money was funneled to construction companies, the Social Democrats have been identified with corruption in Berlin. In the subsequent period, the conservative Christian Democrats (CDU) were involved in their own share of kickbacks, but the Berlin SPD remained the central force in the city's web of cronyism.

Since the SPD took power in 1989, first in a coalition with the Greens and then with the CDU, city deputies have stuffed millions into their own pockets—particularly in connection with the privatisation of state-owned housing and businesses. The property was sold for less than its real value, and contracts were awarded at inflated prices. At the centre of this racket was the state-owned BBG, which set up special funds in the 1990s not only to finance various real estate companies, but also to pay off SPD and CDU politicians.

Following revelations of the role played by the CDU in this scandal, the SPD turned to the PDS-Left Party in 2001 to secure a majority for the post of mayor. One of the first acts of the new coalition was the adoption of the “risk shield law,” which guaranteed the debts of the BBG and the special funds by making available €21.7 billion.

The sale of apartments and the hiving off of state-owned institutions at rock-bottom prices continued under the SPD-Left Party Senate. In 2003 and 2004, Apellas Property GmbH was able to acquire about 4,000 state-owned apartments for 15 percent below market value. Then, in 2003, the Senate amended its water legislation to fatten profits for the waterworks company RWE, while keeping the details of the deal hidden from the public.

The nepotism in the city is particularly evident in the

sphere of public companies. The salaries of public company board members have increased rapidly since the coming to power of the SPD-Left Party Senate.

Employees of the BVG public transit system have been forced to accept wage cuts of more than 10 percent, and the price of a ticket for both the unemployed and the general public has increased. At the same time, the salary of the BVG executive Lothar Zweininger was increased in 2010 to €318,532. Prior to his promotion to the executive board of the BVG, Zweininger was a functionary of two public service unions, the ÖTV and Verdi.

The head of the Berlin Real Estate holding company, Peter Hohlbein, who is responsible for the administration of funds to the ailing BBG, received €610,631. The technical director of the Berlin Water Company, George Grunwald, received a hefty salary increase of almost 50 percent in 2010, taking home €387,000. Meanwhile, Berlin water rates are about 23 percent higher than in other major cities.

In light of this record, it is not surprising that the SPD refrains from raising political issues. The SPD is not challenged on this front because none of the established parties represents any real alternative.

The SPD has made no firm declaration as to its favoured coalition partner in the event that it wins the September election, while for their part all of the other parties have signalled their willingness to cooperate with the Social Democrats. The political constellation that will enforce the policies of the corporate elite in future will be decided on election night by a margin of a few percentage points.

The reticence of the SPD to raise political issues is not a just a Berlin question. The SPD leadership is preparing more comprehensive welfare and social cuts at the federal level, but is adamant that any discussion of such cuts be kept out of the Berlin election campaign.

Already in July, SPD leader Sigmar Gabriel, former SPD Finance Minister Peer Steinbrück and former Foreign Minister Frank-Walter Steinmeier held a joint press conference and announced their willingness to support CDU Chancellor Angela Merkel in finding a solution to the European debt crisis. The SPD wants to award additional billions to the international banks at the expense of working people. At the press conference, Gabriel made it clear that the SPD would support the government in implementing “painful decisions” involving a heavy burden for the general population.

The SPD fraction had abstained in the vote on legislation to award funds to Greece, arguing that such a bailout could be carried out only if combined with a

symbolic transaction tax. Now this condition has been dropped.

SPD leaders have also repeatedly called for the introduction of euro-bonds to stabilise the euro zone. Such joint government bonds would directly benefit the banks, while the austerity measures and social cuts that began in Greece, Portugal and Spain would be extended across Europe.

Gabriel declared: “The euro-bonds must be bound up with conditions for countries that make use of them, involving some loss of sovereignty over their budgets and readiness to submit to an inspection.” This means nothing less than the dismantling of democratic structures at the behest of the banks. The result would be rigorous austerity measures in every individual European country.

Klaus Wowereit has perfected cooperation with the Left Party and the unions in the enforcement of cuts. All of the wage reductions in the public service and state-owned enterprises were discussed with the unions and implemented in tandem. In return, the union bosses are allowed their share of the takings from the city’s web of corrupt relations.

If Wowereit’s non-political election campaign results in the return of an SPD administration, he will be regarded as a possible candidate for chancellor in a future SPD-Green government.

Only one party seriously opposes the policies of the SPD-Left Party in the Berlin Senate election. That is the Socialist Equality Party. It is the only party to raise the key political issues facing workers in Berlin and throughout Europe. It calls for a struggle against militarism and a socialist programme, including the expropriation of the banks and corporations and their transformation into public enterprises under the democratic control of the working population.



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