

# Former leader of Germany's Social Democrats Sigmar Gabriel cashes in at Deutsche Bank

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"I think it's bad that the general suspicion immediately arises that one would sell one's soul, so to speak, if one took on a job in business after the end of one's political career," former Social Democratic Party (SPD) chairman Sigmar Gabriel said in defending his entry onto the supervisory board of Deutsche Bank. He would continue to think and act no differently in the future than before, he declared.

Gabriel is undoubtedly right in the last remark, but not in the sense in which he wants it understood. During his political career, the now 60-year-old has represented the interests of the banks and corporations. In this respect, he really does not need to change his actions and thinking as he moves onto the supervisory board of the most powerful German bank.

Over the last two decades in which Gabriel held high party and government offices, the SPD was the leading party in Germany in terms of implementing social cuts, militarism and stepping up the repressive powers of the state. The government of Gerhard Schröder (SPD), which came to power in 1998, carried out the first international combat mission by the Bundeswehr (Armed Forces), lowered taxes for the rich and corporations, and, with the Hartz welfare and labour "reforms," created the conditions for a huge low-wage sector that permanently lowered wage levels.

The three grand coalitions under Angela Merkel (Christian Democratic Union--CDU) in which the SPD has participated have continued this work. They cut the state pension scheme, so that in future a large section of pensioners will live in poverty. They saved the banks with bailouts amounting to billions of euros and pushed ahead with militarization.

As a result, millions have turned their backs on the SPD. The proportion of SPD voters fell from 41 percent in the

1998 federal elections to 13 percent in the most recent polls; the number of members fell from 735,000 to 420,000 in the same period.

Gabriel played a decisive role in this development. He started his political career in 1976 with the SPD-related youth organization Die Falken and rose to the top in local and state politics. In 1999, he succeeded Gerhard Schröder as state premier of Lower Saxony, but lost the office when he had to stand for election for the first time in 2003.

Then he went into federal politics, where he became environment minister in the first grand coalition under Merkel. After the SPD lost the 2009 federal elections and left the grand coalition, he was elected party leader. As such, he was instrumental in the formation of the second grand coalition in 2013, which focused on a return to militarism and great power politics. From 2013 to 2017, Gabriel was economics minister and vice chancellor. Then he replaced Frank-Walter Steinmeier, who became federal president, as foreign minister.

In 2017, Gabriel handed over the SPD chairmanship to Martin Schulz, who resigned after the disastrous outcome of the federal elections. Gabriel was no longer present in the third grand coalition, which was formed in 2018 after months of negotiations. In November 2019, he resigned from the Bundestag (federal parliament) in order to convert the contacts and relationships he had accumulated as a politician into hard cash.

As an ordinary member of the Deutsche Bank supervisory board, Gabriel will earn at least €125,000 a year. Depending on how many committees he serves on, this can rise to between €300,000 and €400,000. Compared to the millions of euros given to other board members or his party friend Gerhard Schröder, who joined the Russian energy giant Gazprom after leaving the

chancellor's office, this is relatively small. But being a supervisory board member is only a side job.

Gabriel already earns between €15,000 and €30,000 a month as a guest author for the Holtzbrinck media, writing in finance daily *Handelsblatt*, *Tagesspiegel* and *Die Zeit*. He also sits on the advisory board of the global auditing firm Deloitte, with annual sales of €1.5 billion, and works for the Eurasia Group, a US company specializing in political consulting. He is chairman of Atlantik-Brücke, a member of the Board of Trustees of the International Crisis Group (ICG), a member of the Trilateral Commission and the European Council on Foreign Relations. He has also been a guest lecturer at the University of Bonn and Harvard University.

It goes without saying that for the large sums of money Gabriel earns, a return service is required. Since the trained teacher has no specialist knowledge as a banker, the numerous contacts he has made as a politician and while serving as economics and foreign minister should be of particular interest to Deutsche Bank.

He was nominated for the Supervisory Board by the ruling house of the Emirate of Qatar, which is Deutsche Bank's largest single shareholder, with a stake of around 8 percent.

Gabriel's relations with Qatar go back to his time as state premier of Lower Saxony, which, like Qatar, is a major shareholder in the Volkswagen group. In 2017, as foreign minister, he sprang to the Emirate's side as a "mediator" when it was threatened and isolated by Saudi Arabia and the United Arab Emirates, two close allies of the US.

Gabriel used the Qatar crisis to strengthen the German presence in the region. He had long demanded that the supposed withdrawal of the US from the Middle East be regarded as an "opportunity" for Germany to resume world power politics itself. He used the crisis in Qatar for this purpose.

While the ruling house of Qatar has done Gabriel a favour by appointing him to the Supervisory Board of Deutsche Bank, it also has expectations of him. As a major shareholder, it demands, above all, that the books balance. Deutsche Bank is in a deep crisis. Its share price has fallen by three-quarters in the past five years. Last year, the bank posted a loss of €5.7 billion.

In the 2000s, Deutsche Bank, under its then-boss Josef Ackermann, was deeply involved in the criminal machinations that led to the global financial crisis in 2008. It manipulated interest rates, evaded taxes using climate certificates, and speculated on the US real estate

market in order to achieve the return on equity of 25 percent announced by Ackermann. It stood, "like hardly any other major company in the country, for unbridled capitalism with criminal excesses," as the *Süddeutsche Zeitung* wrote.

The consequences were massive losses as well as fines and settlement payments running into double-digit billions, which did not stop bank managers from continuing to collect fabulous sums. Even last year, the bank paid out 13 million in bonuses despite the record loss. In 2018, 643 employees of the bank earned more than one million euros a year, according to a report in the *Bild* newspaper.

It is the staff who are now expected to pick up the bill. Last summer, CEO Christian Sewing announced a restructuring plan that will result in one in five jobs worldwide going by 2022, a total of 18,000. Gabriel, with his government experience and good contacts with the trade unions, is to help carry out this jobs massacre. He will be able to work with former Verdi union boss Frank Bsirske, who has been a member of the Deutsche Bank's supervisory board for many years and has retained his position even after relinquishing his union chairmanship for reasons of age.

In addition to the good international contacts from his time as foreign minister, "Gabriel's second asset" for the bank is "his party card," *Spiegel Online* comments, adding that "as former SPD chairman, he knows Frank Bsirske very well." It continues: "The former head of the service industry union Verdi has been a member of the supervisory board of Deutsche Bank for many years and has so far been involved in every fundamental decision of the company—in both positive and negative ways."

*Spiegel Online* considers the chance that Gabriel, "as the representative of the largest shareholder... on the supervisory board of Deutsche Bank suddenly rediscovers his heart for the employees," to be low. "Anyone who knows the Qataris, knows that they demand allegiance. Gabriel will have to deliver this from now on."

Gabriel does not have to fear the public keeping a close eye on him. After all, the meetings of the Supervisory Board are subject to strict secrecy under company law.



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