

Germany: Berlin coalition government adopts drastic austerity budget

Markus Salzmann**11 March 2022**

The Berlin government passed its 2022 and 2023 budgets last week, codifying massive austerity measures. The coalition of Social Democrats (SPD), Greens and Left Party is slashing the budget of just over 40 billion euro to 36.4 billion this year and 35.7 billion the year after. These budget cuts are to be financed in particular by cutting the budget of the already decrepit school system.

Berlin schools felt the first consequences of the cut last week: their annual disposition fund will be reduced to 3,000 euro. Previously, the disposition fund ranged from 15,000 to 30,000 euro per school, depending on the number of students. These funds are now being slashed by up to 90 percent.

When the German Association of School Directors learned of the looming cuts, they levied an appeal to mayor of Berlin, to the Senator for Education (Bildungssenatorin) as well as to the education committee in the House of Representatives, which, however, fell on deaf ears.

Ronald Rahmig, chairman of the Association of School Directors for Vocational Education in Berlin (BBB), spoke of a "massive cut in the 'formative possibilities' of the schools." Previously, the money was used to finance in-school support programs, which will now be effectively cut. According to Karina Jehniche, acting chairwoman of the Berlin Association of School Principals, the cuts are "calamitous for schools."

Sven Zimmerschied, head of the Charlottenburg district Friedensburg School, explained the consequences of the cuts to the *Tagesspiegel*: "Our school is now missing over 20,000 euro that could have been employed relatively flexibly." For example, speakers at the school had been paid for study days, minor renovations had been paid for directly and

simple furniture had been purchased by the school. "Now all of this impossible," criticized the principal.

"We will have to cut back on IT support, maintenance, study days and continued training," Gunilla Neukirchen of the Lankwitz district Beethoven Gymnasium told the same paper. She added that this would lead to "significant restrictions in the pedagogical work of schools at a time when the consequences of the pandemic have to be dealt with."

Even the liberal Free Democratic Party (FDP), which vehemently supported budget reductions, felt compelled to criticize the extent of the cuts. Paul Fresdorf, education policy spokesman for the FDP faction in the House of Representatives, called the cuts a scandal. "For years, Berlin has held last places according to the education monitor and simply does not budge from that position, and now this is to be set in stone."

Last year, the "Red-Red-Green" coalition (SPD, Left Party and Green Party) imposed an austerity budget on schools. The education senator at the time, Sandra Scheeres (SPD), issued a budget freeze from mid-October until the end of last year. This meant that schools were not allowed to spend their desperately needed funds in the midst of the pandemic.

The cuts to the annual appropriation fund are just the beginning of even more far-reaching budget reductions. Staff cuts are on the table, since 80 percent of the costs in the education budget consist of personnel costs.

Although there is already a massive shortage of educators and comprehensive schooling can only be assured by hiring substitutes and untrained personnel to teach, school representatives fear further cuts. In 2021, 500 teaching positions in Berlin were officially unfilled.

Education will not be the only area to suffer budget

cuts. As already announced by the Senate, cuts are to cross the board. Above all, the areas of social services and culture will take the brunt of fiscal rationing. These two areas are headed politically by Katja Kipping and Klaus Lederer, both representatives of the Left Party who unreservedly support the Senate's austerity policy.

Like the SPD and the Greens, the Left Party made grandiose promises during last September's election campaign that expanding the education budget in Berlin was a priority and that sufficient funds would be made available for the purpose. Now in power, they are pursuing the exact opposite course.

The Senate's housing policy is just as overtly directed against the population. Although a clear majority of Berliners voted in favour of expropriating the large housing corporations, which the Left Party had supported during the election campaign, the SPD, the Greens and the Left Party are now ignoring the result of that referendum and are working closely with the real estate kingpins, known universally in Germany as rent sharks.

The governing mayor, Franziska Giffey (SPD), has initiated a so-called housing alliance in which the state government and representatives of private real estate groups closely collaborate to remove any hurdles for the same companies that for years have driven rents to dizzying heights which for most Berliners are barely affordable.

While parts of the Left initially made a show of advocating expropriation, Left Party state leader Katina Schubert has since officially buried the project. A law on the socialization of housing would inevitably end up before the Federal Constitutional Court, and there one would get a "slap in the face," she said, attempting to justify her backpedalling.

The approved budget cuts are reminiscent of the radical austerity measures of the Red-Red Senate (SPD and Left Party) that governed the capital from 2001 to 2011. Both parties supported a social slash-and-burn policy. The state's public housing was sold off at pitiful prices to rent sharks, public institutions were closed down in droves and budgets for education and social services were trimmed to the bone. A third of the jobs in the public sector were destroyed and at the same time the wages of the remaining employees were massively reduced.

The current Finance Senator, Daniel Wesener, is

following in the footsteps of Thilo Sarrazin, the far-right Finance Senator of that previous Red-Red Senate. Wesener boasted in the *BZ* that he would confront the population with his policies. "You will not see a finance senator strewn with garlands," the Green politician cynically stated.

Like Sarrazin in his time, Wesener explained that spending cuts and debt repayment would be his priority. The full 810-million-euro coronavirus emergency loan would be repaid in the coming year and not only 270 million, as planned. In total, repayment of 1 billion euro is scheduled for 2023.

Whether loans will actually be repaid to this extent remains to be seen, Wesener said. In saying so, the Finance Senator is not thinking of the broken schools or of a health system bled dry by the pandemic. On the contrary: like his predecessor, he has sat on the supervisory board of the state-owned Vivantes clinics since mid-February in order to enforce its fiscal discipline. His real concern is the costs of the Ukraine war. "War is not ready for budgeting," Wesener said.

That statement needs little explanation. While education and social services continue to be cut and there is "no money" for health and care even in the midst of a deadly pandemic, the massive increase in the defence budget is enshrined in the Basic Law. This policy is supported by all established parties, from the far-right Alternative for Germany to the nominal left.



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