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GERMAN SPD DISMISSES NEPOTISM ACCUSATIONS AGAINST SCHULZ

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Martin Schulz, SPD leader and the German center-left's designated savior, has dismissed accusations that he improperly favored party friends with lucrative jobs. A conservative-led EU committee has rebuked him.

Martin Schulz, Angela Merkel's major challenger for the German chancellorship in this September's election, has dismissed a rebuke by an EU parliamentary committee for improperly favoring his party colleagues while serving as the body's president.

The parliament's Budgetary Control Committee voted on Wednesday evening to question some of the personnel decisions and extra payments that Schulz approved during his tenure as the parliament's president from 2012 to 2017. Schulz is now the Social Democratic Party's (SPD) leader, and has overseen a surge in its poll ratings in Germany.

In response, an SPD spokesman accused the committee, which is chaired by a member of Merkel's Christian Democratic Union (CDU), of using its powers for political campaigning. "It is striking that a coalition of anti-Europeans, conservatives, and Greens is trying to exploit the issue for party political reasons," the spokesman told DW by email. "The panic must be great."

Jens Geier, chairman of the European SPD, was similarly bullish, accusing the committee of allowing itself to be used as an "election campaign instrument of the CDU." "That is unacceptable," he said in a statement, before pointing out that all of Schulz's decisions had been approved by the relevant authorities when they were made - and that, as in one case, when a decision was rejected, it was immediately rescinded.

The committee brought several allegations against Schulz, but perhaps the most eye-catching involved the case of his campaign manager Markus Engels, who in 2012 was granted nearly 280 days of business trips to Berlin from Brussels - even though he had an apartment in Berlin.

This entitled Engels to a tax-free 830-euro supplement to his basic salary of 5,200 euros (\$5,600), plus a tax-free daily expense allowance of 70 euros. "Is it okay for someone to be sent back to Berlin, 14 days after arriving from Berlin, to go on an official business trip to their own apartment, without having to pack a suitcase?" committee chair Ingeborg Grässle told Germany's "Deutschlandfunk" radio station. "That's almost 20,000 euros extra income. The budgetary control committee says this is an objectionable way to handle taxes."

Critics say the EU is not doing enough to prevent the misuse of funds

This has been a tenacious case, since it has been considered before (and revealed by press reports last month). Other accusations also involved extra payments of 1,300 to 2,200 euros per month to EU officials close to Schulz. He argued that these had been granted to prevent the individuals in question being disadvantaged - they were entitled to be upgraded to a higher wage bracket, but couldn't because a new reform would only come into force 18 months later. The committee argued that this reform should itself never have been allowed.

The committee also brought up other, more minor, discrepancies - such as the fact that Schulz had used his official Twitter profile for re-election campaigning in 2014.

Everyone's at it

Nicholas Aiossa, EU policy officer at Transparency International in Brussels, said the political bickering between the SPD and CDU over these allegations isn't new. "This happens every time there are allegations of fraud or misuse - a rival political party has the opportunity to highlight them," he said.

The SPD has enjoyed a change of fortune under Schulz

The row hid a wider problem: the fact that the EU generally paid too little attention to the misuse of public funds. "What we're concerned about is that there are so many instances of this," Aiossa told DW. "In 2015, there were 109 separate investigations into potential misuse of the staff allowance by MEPs. There are problems with the parliament and the control mechanisms in place to make sure MEPs are using their allowances properly.

On top of the individual cases, two parties - the French Front National and the UK Independence Party (the two populist anti-EU parties in the parliament) - were subject to investigations on "systematic" misuse of funds. "We're talking multiple MEPs and dozens of assistants who had potentially broken the rules on using EU funds," he said.

As for the allegations against Schulz, Aiossa said it was "difficult to say" whether the conservative committee had deliberately targeted the former president - perhaps to take the center-left hero down a notch.

"In the context of an actual report, the names of individual MEPs or even delegations are traditionally not mentioned," he said. "However, of course Martin Schulz was not a regular MEP but the president of the European Parliament, which gives him a different stature. I think we're looking at a situation where a number of different factors have fed into the adoption of some of the wording of the report."

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