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New Poverty in the Federal Republic (1976)

The Federal Republic's "new poverty" was brought to the public's attention not least by Heiner Geißler, the CDU's social policy expert. In this document, Geißler combines an appeal on behalf of socially disadvantaged groups with a critique of the social policy of the SPD-FDP coalition, which, in his view, was too strongly influenced by the interests of organized employers and employees.

The Empirical Evidence: New Poverty

1.6 million poor in the Federal Republic of Germany

In past years, especially since 1969, government inactivity has caused the political responsibility for income and income distribution in the Federal Republic of Germany to shift more and more to the collective bargaining parties [i.e., trade unions and employer organizations]. Those in the government have largely forgotten that an employee, if married and with children, cannot live entirely from his wages, that is, the wages he earns at his workplace based on his performance. He is dependent on social income, for example, family compensation in the form of child allowances, housing subsidies, education subsidies, benefits that within the scope of social income through secondary income redistribution are financed by the state using tax revenues and distributed in accordance with the goals of its social policy.

The state, to be more exact, the federal government and the parties that comprise it, has not been able to fulfill this task in the last few years. The child allowance has not been increased from 1965 to 1975, aside for one single exception (namely, DM 10 for the third child). Even the child allowance reform in 1975 did not change the fact that child allowances are among the very few social benefits yet to be linked progressively to wage and salary levels.

Because of the very low income limit for housing and education subsidies, fewer and fewer families benefit from their intended social relief function. The inflationary battle over the distribution of the national income was fought almost entirely between unions and employers, whereby it turned out that neither side was able to negotiate lasting advantages at the expense of the other. [. . .]

The unions were also unable to balance the deficits in state social income policy through higher standard wage increases. These attempts, such as those undertaken by the ÖTV [public transportation union], proved unsuitable and harmful as regards economic policy. Here, too, the burden was carried by the socially weaker segments of the population.

Once again, there is bitter private poverty in the Federal Republic of Germany. There are 5.8 million people in 2.2 million households who have an income below the social assistance level. Those concerned are not “beatniks, bums, and tramps” but:

- 1.1 million pensioner households with 2.3 million people
- 600,000 working-class families with 2.2 million people
- 300,000 salaried employee households with 1.2 million people

The poor people’s own speechlessness should not lead to their banishment from the public eye, without which little happens in a mass democracy. Poverty in our society exists, yet it is often diffident and hidden. The number of people whose income is below the level set for welfare eligibility is about seven times the number of welfare recipients who actually receive regular assistance to support themselves.

There are various reasons why so many people fail to take advantage of welfare benefits, although they are legally entitled [to them]. One father, for example, whose income is below the social assistance level, simply refuses to go to the social services office since he “can take care of himself.” Another reason is fear that social assistance providers could involve relatives who are legally required to pay maintenance, especially the children. Also, precisely among the poor, there is a relatively large lack of information on resources. Poverty and social isolation are part of a vicious cycle. If people are poor, they lose their social connections, and whoever loses these connections is poor. Cause and effect are very hard to distinguish. [. . .]

Source: Heiner Geißler, *Die Neue Soziale Frage. Analysen und Dokumente* [*The New Social Question. Analyses and Documents*]. Freiburg im Breisgau, 1976, pp. 26-28.

Translation: Allison Brown