A Sociological Analysis of the Spread of Affluence (1974)

Abstract

In the early 1970s, economic growth in the Federal Republic led to significant increases in wages and social welfare payments, prompting sociologist M. Rainer Lepsius to speak of the emergence of an "affluent society" [*Wohlstandsgesellschaft*] that also included the working class. As a result of these developments, more people had access to consumer goods.

Source

Social Structure and Social Stratification in the Federal Republic of Germany

The social development of the Federal Republic is characterized by an increase in the gross national product and the attendant overall rise in the standard of living. […]

This considerable increase in the GNP and in incomes has substantially raised the standard of living of the population as a whole and has brought about an overall improvement in living conditions for all income levels. For most members of the population, this improvement has also led to a greater sense of subjective satisfaction with their own economic circumstances. Opinion polls from 1969 and 1972 indicate that roughly 60 to 70 percent of those questioned assessed their own economic situation as good, and only about 10 percent rated it as poor.

Economic growth, full employment, and the raising of pensions (as well as the linking of pensions to inflation rates in order to preserve their value) form the basis of the subjective perception that the economy is secure and the supply of goods is adequate. With the exception of certain marginal groups, especially people who fall through the cracks of the social welfare system due to exceptional circumstances in their personal histories, poverty is no longer the collective fate of an entire social class.

Nonetheless, there are great differences in income distribution. […] The self-employed have the highest incomes, whereas retiree incomes are below average. Actual living conditions are determined by the household income level. The number of people to be cared for within a household and the aggregate income of the various people contributing to it determine how much income is available to each person and the living standard it affords. […]

Stratifying wage earners according to taxable income for the year 1965 shows that 50 percent of all taxpayers have 20 percent of the combined [national] income at their disposal. Another 40 percent of taxpayers earned 40 percent of the combined income; nine percent had a 25-percent share of the combined income; and one percent earned the remaining 15 percent. […]

The collective rise in income has led to the widespread distribution of durable consumer goods. Television sets, refrigerators, and washing machines have become ubiquitous features of today's modern household; ownership of them is no longer determined by class status. These objects are not the mere expression of a quest for prestige or the result of advertising slogans; they represent the actual enjoyment of commodities of affluence. Above all, however, their ownership is the precondition for the whole population's participation in mass communication, for the structural transformation of the retail industry, and for the unburdening of working housewives. The ongoing spread of these sorts of goods, particularly automobiles, telephones, and dishwashers, should not be viewed only in terms of consumer behavior; rather, it also serves an important function in the further rationalization of housekeeping as well as the retail and service industries. Automobiles are still unevenly distributed among various occupational groups. In 1969, about 50 percent of blue-collar households, 60 percent of white-collar households, and 70 percent of government-worker households owned a car; whereas this was the case for 80 percent of households led by farmers and the self-employed. Telephone ownership is even more unevenly distributed: only 12 percent of blue-collar households owned telephones, but 50 percent of white-collar and government-worker households did. Germany differs from other countries in that the telephone is not yet a standard household feature. This, however, might be attributable to more than just differences in purchasing power. […]

To summarize: from 1950 to 1970, the average household income increased more than fourfold. The most common income level was always far below the average—with this being mostly attributable to the large number of retiree households. Half of all households had [only] about one quarter of the total available [national] income at their disposal—a situation that remained virtually unchanged over time; the disparity in income distribution did not change during this time period. Within individual income groups, incomes tended to level out, but the average income of the households of professional practitioners rose much more than that of other groups. One's standard of living is determined not only by earned income and investment earnings; it is also supplemented by social welfare payments. Pension, health, accident, disability, and unemployment insurance claims provide income even to people who have dropped out of the labor force temporarily or permanently. Pension amounts have a particularly strong impact on the living conditions of the population and on consumption levels. The linking of pensions to the inflation rate prevents them from perpetually lagging behind changing wage and income levels, and it insures a more stable standard of living for the elderly. Growing segments of the population have become integrated into the social welfare system, and this has guaranteed an independent livelihood, even in illness and old age, to those entitled to pensions. Nonetheless, housewives, who are not entitled to pensions based on their own gainful employment, remain dependent on their husbands' pensions. Thus, they depend on the family unit to secure their livelihood. Parents no longer depend on their children to provide for them in old age; sometimes parents, by transferring some of their income, can even support the establishment of their children's households. But since pension payments are based on pre-retirement income, this social welfare payment does not lead to any significant changes in the income disparity between social groups.

Finally, living conditions are increasingly determined by public services. The government should use public funds to guarantee the availability of educational opportunities, healthcare, and leisure-time activities, as well as the maintenance of [proper] traffic and environmental conditions. One's ability to utilize these services and benefits is independent of income level, and these offerings cannot be achieved through private expenditures. A wide-ranging discussion has recently developed on precisely this topic. It can be characterized by the following keywords: public poverty and private wealth, stimulating need by making social services and programs (especially in the fields of education and health) available to the public, raising the quality of life, and structural differentiation of living conditions as the result of horizontal supply disparities. […]

Source: M. Rainer Lepsius, "Sozialstruktur und soziale Schichtung in der Bundesrepublik Deutschland;" reprinted in Richard Löwenthal and Hans-Peter Schwarz, eds., *Die zweite Republic. 25 Jahre Bundesrepublik Deutschland*—eine Bilanz. Stuttgart, 1974, pp. 272–75. Republished with permission.

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