The "New Poverty" in the Federal Republic (1976)

Abstract

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.

Source

The Empirical Evidence: New Poverty
1.6 million poor in the Federal Republic of Germany

In recent years, especially since 1969, government inaction 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 partners [i.e., trade unions and employer organizations]. In the process, those in power have largely forgotten that an employee, if he is married and has 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 are financed by the state by way of secondary income redistribution through taxes within the framework of social income and which are distributed in accordance with the goals of its social policy.

This task has not been fulfilled by the state, or more precisely by the federal government and the parties supporting it, in recent years. The child allowance has not been increased from 1965 to 1975, aside from 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.

Due to 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 abject 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 "deadbeats, 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 bashful and hidden. The number of people whose income is below the welfare eligibility level 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 authorities could make claims on relatives who are liable for support, especially their children. Also, especially 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*. Freiburg im Breisgau, 1976, pp. 26–28. Republished with permission.

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Recommended Citation: The “New Poverty” in the Federal Republic (1976), published in: German History in Documents and Images, <https://germanhistorydocs.org/en/two-germanies-1961-1989/ghdi:document-909> [October 12, 2024].