Germany: Conservatives advance Wisconsin as model for attacks on welfare

Dietmar Henning 6 September 2001

Roland Koch, the conservative Christian Democratic Union (CDU) governor of the state of Hessen, has launched a major campaign against what remains of the German welfare system by demanding the curtailment of social benefits. In response, politicians from all parties in the Federal Parliament have become engaged in a competition to draw up the most effective plans for cutting social benefits and assistance for the unemployed.

At the beginning of August, Koch visited the US State of Wisconsin to learn from Republican politicians about their programme, "Wisconsin works". On returning to Germany, he expressed his own enthusiasm for the scheme. He claimed it was all really very simple: recipients of social benefits who refuse to accept a job offered them would simply be denied financial support. Those who acknowledged only their rights and not their responsibilities should "be ready to face a very modest kind of life and living conditions". According to Koch, by adopting these measures, he would be able to halve the number of welfare recipients in Hessen.

The demands Koch has been able to publicise so effectively are not new. He had already visited Wisconsin two years ago and Christian Wulff, the CDU party chairman in Lower Saxony, was there just a few months ago. Wulff made a report to the CDU presidium, in a paper full of praise for the Wisconsin system. He suggested that it could "serve as an orientation model because many of its elements are familiar to us".

Koch's provocative tabling of this debate is clearly connected with recent announcements of depressing economic data in Germany. He anticipates that his demands will be welcomed and hopes he can force the governing Social Democratic Party and Green Party coalition to the right—as he did with his xenophobic campaign against dual citizenship for foreigners in 1998/99. In this regard, he is certainly not deluding himself. The SPD and the Greens, together with the trade unions, are all claiming that what Koch is demanding is "old hat"—in the words of Siegmar Gabriel, the SPD governor of Lower Saxony—and has long been their policy.

The means already exist and are widely applied to compel those in need of social support and capable of working to undertake community work. According to Germany's employment and social welfare offices, only about 700,000 to 800,000 out of 2.7 million welfare recipients are capable of working. Of these, around 400,000 already do so-tidying up parks, mowing public lawns, sweeping streets, etc. Erich Pipa (SPD), head of social services in the Hessen county of Main-Kinzig, reports that his social welfare officers cut social benefits by 20 percent after the first refusal of a job offer and by half after the second. If a person refuses a job three times, he or she is denied welfare aid altogether. The problem for Pipa is that the majority of those in need of support are simply not able to work: children and teenagers, the elderly and the sick, single mothers.

But the reaction to Koch's provocation has gone even further than this. The requirement to work is to be extended from recipients of social welfare to include the far greater number of those who are unemployed. Only two weeks after Koch's outburst, Federal Minister of Defence Rudolf Scharping (SPD)—in his role as chairman of the SPD's *Basic Values Commission*—claimed that financial support will be completely withheld from the unemployed and youth on social benefits should they refuse to participate in community work. Following the initiative of the politicians, a hue and cry against the unemployed began. Michael Rogovski, the chairman of the Federal Association of German Industry, called for more stringent measures against the "work-shy" to be imposed. He demanded that the unemployed should in future have to prove their willingness to work before becoming entitled to social support. Until now, an employment office has had to prove that an unemployed person is unwilling to work in order to be able to reduce or withhold his benefits.

"The real question is not, 'Where is work to be found?'," explained SPD general secretary Franz Münterfering to the magazine *Der Spiegel*, "but, 'Who is to do the work that is available?'" In the same edition of the magazine, the deputy director of an employment office is quoted as complaining, "There are enough job vacancies for poorly qualified people. They can't be filled only because workers are not prepared to take them".

The *Spiegel* magazine offered its own list of recommendations for rectifying the situation: increased pressure on the long-term unemployed, undermining the law concerning protection against dismissal, and so-called "combi-wage agreements" (i.e. state subsidised minimal wages). According to the magazine, a new "low wage sector" could be created in this way.

Towards the end of August, Fritz Kuhn, chairman of the Greens, demanded "labour market reform" be effected within the present legislative period. He called above all for the implementation of combi-wage schemes, with those on benefits who take up poorly paid jobs being allowed to keep half their earnings and maintain their benefit entitlement. Landing in this category, the unemployed will find themselves at the service of the well-off—as their parking attendants, dog walkers, bicycle couriers, shoe cleaners, car washers, etc. Rickshaw drivers—like the ones in Bombay—can already be seen today on the streets of Berlin.



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