

# German government offers miserly increase in welfare payments

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Beginning January 1, recipients of the basic welfare payment known as Hartz IV will receive €364 instead of €359. This represents an increase of 1.4 percent and only just corresponds to the current rate of inflation.

There is to be no increase in the allowance for children, which remains—dependent on age—between €215 and €287. This was the regulation reached last weekend by the German government, a coalition of conservative parties and the free-market Free Democratic Party.

The decision is a deliberate provocation aimed against the 5 million adults and 1.7 million children who are dependent on Hartz IV payments.

In February, the German constitutional court ruled that the existing Hartz IV rate of payments did not meet up to Article 1 of the constitution, which calls for levels of subsistence guaranteeing “human dignity”. The court then obliged the government to recalculate the payments by the end of the year. The court drew particular attention to the fact that the Hartz IV payments did not give proper consideration to children going to school. The court also stressed that the dignity of the individual required not only safeguarding its physical survival, but that he or she be able to participate, even if at a minimal level, in social, cultural and political life.

The judgment was interpreted at the time as a call for the government to markedly increase the basic rate, particularly for children. The court, however, made no recommendations on future payments and merely called for a more transparent method of computation. This has now been used by the government to justify its decision to increase the basic rate by a miserly five euros.

The government is basing its decision on a census assembled by the Federal Statistical Office (FSO) in 2008 that was based on a survey of 60,000 households. In order to compute the Hartz IV basic rate, only low-income households were consulted, i.e., those within the bottom fifth of the income scale. The starting point of the new

calculation is therefore not actual living requirements, but rather the average expenditures of the poorest fifth of the population.

The trick with this calculation resides in the fact that these households themselves have a very low income as a consequence of the Hartz laws, which were first introduced by the Social Democratic Party-Green Party coalition between 2003 and 2005. These laws not only downgraded the unemployed to Hartz IV recipients, but also created the conditions for a huge low-wage sector. The resulting expansion of low-level incomes, which in many cases are inadequate for subsistence, now serve in turn as the basis for determining Hartz IV payments at the lowest level possible.

The government then cynically rubbed salt into the wound and justified its latest computations by declaring that there should not be too small a difference between the Hartz IV payments and the lowest wage rates, because otherwise there would be no “incentive” to work. However, the same government categorically rejects the introduction of a legal minimum wage, which would put an end to wage rates lower than those necessary for subsistence.

Because, despite everything, the computations of the FSO still lay above the current basic rate, the government eliminated the costs for alcohol and tobacco from the imaginary list of monthly expenditures—a sum of €20. Government Labor Minister Ursula von der Leyen (Christian Democratic Union, CDU) told the *Bild-Zeitung* that “luxury goods” such as alcohol and tobacco could not be regarded as constituting basic needs.

According to the figures produced by the FSO the required expenditure for children is actually below the current Hartz IV levels. This is now used by the government to justify its refusal to increase rates for children, even though it had been sharply criticized by the constitutional court precisely on this point.

This is not the first time that the government has launched such a provocative attack on the socially disadvantaged. The coalition's savings program announced in June was almost exclusively directed against the unemployed, Hartz IV recipients, single parents and pensioners, while the banks and top earners who were either responsible for the economic crisis or had profited from it, came away scot free.

In addition to subjecting the recipients of Hartz IV payments to a number of painful cuts the government's austerity measures also included cuts to the expenditures of job centers, thereby increasing the pressure on the unemployed to take any sort of work.

Since then Chancellor Angela Merkel (CDU) has demonstrated on a number of occasions her complete subservience to the lobbies of the banks and big business. She capitulated to the big energy concerns and approved extended running times for their nuclear power plants, she has thrown her weight behind the controversial building project Stuttgart 21, and she has granted the banks billions in the form of new state warranties permitting the banks to pay out five- and six-figure salaries to their staff. Now she is continuing her offensive against Hartz IV recipients, cynically declaring the five euro increase a "very, very big step".

The government is maintaining this course despite the fact that it lost an important election in the state of North Rhine-Westphalia in the spring and its poll ratings have plummeted. It no longer takes any notice of the intention of the electorate. Its ruthless approach towards the socially disadvantaged, combined with its subservience to the business lobby, represents an attack on democracy and a step towards authoritarian forms of rule.

The government is able to pursue its aggressive course because it knows it has the Social Democratic Party (SPD), the Greens, the Left Party and the trade unions on its side. All of these organizations protested against the small increase in Hartz IV payments. SPD leader Sigmar Gabriel accused the chancellor of ignoring the constitutional court. The chairman of the Greens, Cem Özdemir, declared the decision "immoral" and Left Party head Klaus Ernst spoke of a "socio-political scandal".

Such criticism from these quarters, however, cannot be taken seriously. After all, it was the SPD and the Greens who introduced the Hartz IV regulations in the first place and stipulated the basic rate that was then denounced by the constitutional court as a violation of human dignity.

The SPD is currently seeking to dissociate from some aspects of the policies carried out by the former SPD-

Green coalition government led by Gerhard Schröder (SPD) and continued in the subsequent grand coalition of the SPD and CDU led by Angela Merkel—in particular the decision to increase the working life to 67 and some of the worst excesses of its Hartz legislation. But it does so halfheartedly and only for tactical electoral reasons.

It is preparing to replace the Merkel government should its decline continue. But should the SPD succeed in taking power it would continue Merkel's program, with which it agrees on all substantial issues—austerity measures, the bank rescue program and the war in Afghanistan. The same applies to the trade unions, which cooperate closely with Merkel and have so far refrained from undertaking even symbolic protests against her attacks on workers and the unemployed.

The Greens' indignation over the low level of Hartz IV payments is also fake. They introduced the laws, continue to defend them today and advocate harsh budget cuts. The party enjoys increasing popularity in business circles. As the international economic crisis intensifies any future SPD-Green government would stand to the right of the coalition led by Schröder and Green leader Joschka Fischer.

As for the Left Party, its declared aim is to assist the SPD and the Greens back to power. In the states of Berlin and Brandenburg, the Left Party governs in a coalition with the SPD, and stands in the front line when it comes to dismantling public service jobs and implementing budget cuts. The party regards its most important task to prevent any independent opposition movement which breaks with the SPD and the trade unions and uncompromisingly defends the rights of all workers and the unemployed.



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