

The German government's Citizen's Income: Hartz IV poverty gets a new name

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Germany's new "Citizen's Income"—according to Federal Labour Minister Hubertus Heil (SPD), the "biggest social reform in 20 years"—will only increase the abject poverty of the current 5.3 million recipients of Hartz IV social security payments. The new system is due to come into force on January 1, 2023.

In November last year the agreement to form the current coalition government, headed by the Social Democratic Party (SPD) and including the Greens and the neoliberal Free Democratic Party, had already presented plans for an expansion of the country's low-wage sector and the expansion of methods aimed at forcing workers into precarious employment.

Now, within the space of just three days, the coalition in Berlin has reached an agreement with the conservative CDU/CSU opposition to tighten up its own draft for a citizen's income. At the start of this week the mediation committee of the two houses of parliament, Bundesrat and Bundestag, approved the new draft. The final vote took place on Friday in the Bundesrat.

The new agreement includes all the demands raised by the CDU and CSU (known collectively as the Union).

The most important change is the complete abolition of the so-called six-month "trust period." The latter had been sharply attacked by the Union parties and the far-right Alternative for Germany, AfD. The "trust period" paves the way for an "unconditional basic income," ranted CDU leader Friedrich Merz in chorus with his like-minded colleagues from the CSU and AfD.

In reality, the "trust period" would only have protected citizen's income recipients from overly aggressive sanctions during the first six months of payment. In recent weeks, the members of the ruling coalition had repeatedly emphasised that sanctions

could also be imposed during the "period of trust."

In addition, the originally planned "waiting period" of two years and the amount of savings recipients could retain have been cut considerably: benefit recipients must now move into a smaller flat after one year, and the amount of their personal savings (which may not be offset against benefits by the Job Centre) will be reduced to €40,000 (originally €60,000) and €15,000 for each additional person belonging to the household (originally €30,000).

"We have approached each other in order to advance the matter without giving up the core of the citizen's income," it was a "workable compromise," claimed Katja Mast, secretary of the SPD parliamentary group. Britta Hasselmann, parliamentary party leader of the Greens, also declared that the core of the reform was not to impel people into "any job," but rather into permanent employment based on qualifications.

In this week's general debate in the Bundestag, Chancellor Olaf Scholz (SPD) praised the new citizen's income draft as a "consensual solution," "a good one by the way," which offered "ways out of long-term unemployment, out of unskilled jobs and into the labour market."

The speed with which the ruling coalition has complied with the Union's demands underlines that it was never their intention to relax the existing Hartz IV sanctions regime—introduced back in 2005 by the SPD-Green coalition headed by Gerhard Schröder—with the new citizen's income.

With their Agenda 2010 program the former SPD-Green coalition organised the greatest redistribution in favour of the rich in Germany's post war history. The current chancellor Olaf Scholz (SPD) and his coalition partners are continuing this redistribution with the support of the Left Party and the trade unions.

On Tuesday, even CDU leader Friedrich Merz expressed surprise at the quick success of negotiations behind closed doors: “The coalition was very quick and—to my surprise—largely willing to make compromises.” Alexander Dobrindt, CSU state group leader, was also pleased: “We have been able to eliminate serious systemic errors in the Hartz IV update.”

Even after Merz and CSU leader Markus Söder commenced a vile campaign against the unemployed and migrants who allegedly would have it cushy at home in the planned “social hammock,” German Labour Minister Hubertus Heil (SPD) promised to accommodate the Union’s demands.

The result is Hartz IV with a new name! With the new Citizen’s Income, the government, in cooperation with the opposition parties and the trade unions, is opening up another frontal attack on the living standards of the working class.

Poverty researcher Christoph Butterwegge has called the draft bill a “ruinous reform,” while those affected refer to it as “Citizenhartz.” According to Butterwegge, “more than two thirds of current Hartz IV recipients ... will not feel any benefit from the minor relief, which only apply to “new customers of the job centres.”

The planned increase in the standard rate of €50 on average for an adult beneficiary cannot even begin to cover actual needs in view of exploding food prices.

The possibility of sanctions from the first day of entitlement to the citizen’s income means that the unemployed will be quickly forced into precarious, poorly paid jobs—as has been the case up to now. The planned de-restriction of the “social labour market” is also intended to accelerate the placement of the unemployed in low-paid jobs. Claims by the Rhineland-Palatinate Minister of Social Affairs Alexander Schweitzer (SPD) that “further training has priority over placement” and that sanctions for the citizen’s income, in contrast to Hartz IV, are “no longer essential,” are merely window dressing.

“If this compromise becomes reality, Hartz IV will remain Hartz IV,” stated Ulrich Schneider, head of the charity organisation Paritätischer Gesamtverband. “Sanctions against families who already have hardly any money for food and clothing are unacceptable,” declared Eric Grosshaus from the children’s rights organisation Save the Children Germany.

The Left Party is playing a particularly despicable role in the Citizens’ Income debate. The Left Party approved the original reform draft in the Bundestag and also campaigned for the bill in the Bundesrat last Friday.

The head of chancellery for the state of Thuringia, Benjamin-Immanuel Hoff (Left Party), said of the marginal increase in the standard rate: “We as the Left could have imagined much more than what the Citizen’s Income offers.” But “with the Citizen’s Income, we are developing Hartz IV in a positive direction.”

The Berlin social senator Katja Kipping (Left Party) has called the revised draft a “deterioration on all points,” but her “indignation” cannot hide the fact that, in those states where the Left Party is part of the administration, it is complicit in massive attacks on the living standards of the working class.

The 2023 budget bill, which will be passed in the Bundestag on Friday together with the Citizen’s Income Bill in the Bundesrat, will continue to protect the fortunes and incomes of the super-rich. The profiteers from the pandemic, the energy crisis and the Ukraine war will continue to enjoy favoured status and will not be taxed more heavily. Instead, social and health spending will be reduced or remain far behind the rate of inflation. At the same time, the military budget is to be massively increased.

The new Citizen’s Income will ensure that the costs of the billions in bailouts to the economic and financial elite, the economic consequences of the NATO war against Russia and the extra €100 billion for the rearmament of the Bundeswehr are all passed on to the working class.



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