

**Speech delivered by  
Ms Andrea Fischer  
Federal Minister for Health  
on the occasion of the Congress of the  
Basic Income European Network - BIEN -  
in Berlin on 7 October 2000**

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Dear Mr Offe,  
Ladies and gentlemen,

Although in the nineties the discussion about the basic minimum floor of income was held on a very large scale among the experts in Germany, the debate meanwhile almost completely faded away. From my point of view this is a mistake because I think that securing a basic income will be the central challenge for the working society of the future particularly due to the increasing demands as to the flexibility of the individual person.

The discussion about the organization of this income maintenance also changed very strongly in Germany during the past few years. In the course of the eighties it was especially the alternative political party who requested a guaranteed minimum income for every one, which is, I have to admit, a very radical request. In consequence a vivid discussion developed at least in the left-wing range of the political spectrum, in the course of which a multitude of objections towards a guaranteed minimum income were raised. At the end of the partially very fierce discussions, the pragmatists won through also in my party, among the Greens, inasmuch as there was not only the long-term prospect of a basic income but also the short-term prospect of guaranteeing a basic minimum floor of income (Grundsicherung) depending on the respective demands. Yet this approach was still very much influenced by the view that all problems of the labour market and social policy should be solved overnight with the help of this basic minimum floor of income.

Gradually, it became more and more evident that a complex system of social security cannot be changed at one blow. When realizing this and particularly the increasing problem of poverty, there was finally a further shifting of the main point of emphasis in the discussion among Bündnis 90/Die Grünen. The basic minimum floor of income was primarily interpreted and further developed as an instrument to combat poverty.

A starting point for this further development was the increase in poverty and, above all, a change in the structure of poverty. While in the past poverty in old age used to be the central topic, children have become the number one poverty risk nowadays. At the same time the rule "once poor - always poor" is obviously no longer applicable. The percentage of persons who are constantly poor or for a longer period of time is relatively small. Research into social assistance starts out from the assumption that at most 20 % of those receiving social assistance depend

on these benefits for more than four years. Thus, for the most of them, poverty is only a temporary condition from which they can escape again after some time.

Parallel to this development the limits of poverty became fluid. More and more people depend on social assistance payments - at least temporarily. Just as the most part of those affected find their way out of poverty again, there is an increasing variety of paths into poverty. And especially the fear that a good income will no longer be safe for one's lifetime is spreading among a wider and wider range of the social strata. This has raised the interest in another form of providing security and this exactly has been the reason for the large-scale discussion about the basic minimum floor of income instead of social assistance in the nineties.

In 1962 the introduction of social assistance was quite a considerable step forward for society in Germany. For the former power of grace of welfare turned into a legal claim to receive assistance. But in the meantime the basic idea of social assistance does no longer correspond to reality. The fundamental idea of the system of social assistance is the principle of demand-oriented safeguarding minimum survival needs for atypical cases, with due consideration for the respective family constellation. In addition, assistance in special life situations with particular needs is to be granted. Now that the need for assistance is changing and increasingly larger groups of the population are depending on social assistance - even if this is for a shorter period of time - new solutions have to be found.

Moreover, the legal claim to receive social assistance cannot be enforced that easily because of the complexity of the system. Many of the comprehensive legal claims cannot be asserted by the recipients of benefits either for reasons of ignorance or lacking skill in negotiation. For not everyone has received active counselling on his/her rights as recipient of social assistance.

Against this background the green party (Bündnis 90/Die Grünen) elaborated a concept during the last parliamentary term which concentrated on a demand-oriented basic minimum floor of income as a means to combat poverty. The arrangement of this concept in detail is certainly of minor importance for the question of continuing the discussion about the basic minimum floor of income. What seems important to me is the underlying philosophy:

A basic minimum floor of income has to be arranged in such a way that the autonomy of those receiving the benefits is respected. The socially deprived have to be considered as persons having the same rights as everyone. The kind of granting benefits has to be arranged in such a way that the capacity of self-help is supported. The high administrative expenses have to be restricted, therefore lump-sum payments are useful. The elimination of coyness caused by poverty should be an independent reformatory goal of the basic minimum floor of income. The system has to guarantee a high level of transparency of benefits, administrative action should be facilitated as far as possible. At the same time the principle of demand orientation should be adhered to since it would be inequitable to provide the same benefits to all recipients if their starting positions are different.

*Relation between basic minimum floor of income and gainful employment*

A decisive item of the discussion still is the question as to what is the relation between basic minimum floor of income and gainful employment. From my point of view the goal cannot be to organize an exclusion from the working society via the basic minimum floor of income - as the conservatives partially tried to do. I consider the basic minimum floor of income as a financial means of securing a basic income, at the same time, however, the integration into society via many different forms of work will remain an important political task for the future, too.

During the discussion about the crisis of the working society it has been assumed for a long time that, together with the declining working hours the importance of gainful employment would be reduced as well. But in the meantime we know that just the opposite is the case. The more widespread the experience of unemployment is, the more important gainful employment will become for the individual person.

At the same time we are experiencing a dramatic change in the organization of gainful employment due to the transition from the industrial society to the service-producing society. While industrial work was aiming at the creation of forms of work where the individual should no longer exist as far as possible, the personality characteristics (key word: key qualifications) are becoming more and more important in the service-producing society. Whereas the industrial production was geared at producing as many items of the same product as possible and at the cheapest possible price, the goal of today is to supply as individual products as possible and to do so in the best possible flexible manner.

By means of some examples it can be made clear how the demands on those who are gainfully employed have changed. While in an industrial company conversations at the working place used to be considered as disturbing, today communication also in the form of casual chats over a cup of coffee is considered to be indispensable for creativity. In all service occupations the demands on friendliness and attention are constantly raised, this also meanwhile applies to the cashier at the supermarket.

Another important trend is that the boundaries between professional and private life are becoming more and more indistinct. As a result of the higher degree of personal responsibility and orientation towards the yield, working hours and leisure time start to merge. If a project has to be brought to its end, "voluntary" overtime hours are expected which have to be compensated for by free time in the same self-determined way when the occasion arises.

Thus, work is changing basically. It is becoming more important for the individual person, its boundaries are getting, its forms become more and more varied and flexible employment relationships arise. Meanwhile it goes without saying that the traditional scheme of having once been trained in an occupation and then working

mostly at the same company for one's whole lifetime does no longer apply to men either.

In future it will be more and more common to begin with and to leave different jobs during one's life. Consequently the change towards the service-producing society makes new demands on the social security systems, the people's attitude towards their jobs, the education etc.

The challenges described above apply to all western industrial nations. But it becomes obvious that Germany finds it particularly difficult to cope with these changes constructively. When inquiring as to the reasons for this one will find out that Germany has been very strongly characterized as an industrial nation, and this exceeds the area of work organization by far. Almost the entire security of the social state based on the rule of law is geared to gainful employment, this particularly applies to unemployment and pension insurance. Both insurance schemes are based on the idea of the man as the only job holder in the family who is full-time employed for his whole life.

But also the childcare which is organized by the government now as before is geared to the idea of a mother who stays at home, takes care of her children and - at best - works part-time. Something similar applies to the professional training and the legal framework regulating occupational training in Germany which was developed from the requirements of industrial society and can only hardly be adjusted to the rapidly changing demands.

Nowadays everyone agrees that a basic change of social security systems, particularly of the pension scheme is necessary. For unemployment leads to a reduction of income from contributions of gainful employment. Yet it has still not sufficiently been discussed, how far the consequences of this change from the industrial to the service-producing and information society will reach beyond that. One of the crucial problems is that these security systems do not come up to the unsteady *curricula vitae*. Another problem is that these systems do not fit with the new schemes of partnership and family life. Moreover, it is not enough to only change the social security scheme, the fundamental change in the entire employment culture of our society has to be put on the political agenda.

Consequently, a policy for the working society of the future cannot only deal with gainful employment in the narrow sense but it has to take all spheres of life into consideration.

The task of social policy will be to provide social security for the transitional stages between gainful employment, family life and citizen's involvement in such a way that those who temporarily leave their gainful employment or reduce their working hours will not be placed at a disadvantage. It has to take care that new and different paths can be trodden again and again.

As a basis for our social policy we need a basic minimum floor of income as a fundamental security enabling people to meet the constantly changing challenges

in a flexible manner. For this purpose they need the safety that, even in times of relative poverty a decent life will be possible and that there will be always some way out of poverty.