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I. Purpose

Due to much hostility between socialist and capitalist countries, the Federal Republic of Germany (FRG) and the German Democratic Republic (GDR) became individual states in 1949. This paper will discuss the reasons the two states were created and why the GDR was isolated from capitalist influence. It will also compare and contrast social policies in the two territories.

After the two states reunified in 1990 under the leadership of the Federal Republic, several social and economic problems arose. The German government was forced to subsidize the social insurance system, because unemployment rose to excessive levels. The option of early retirement was offered in an effort to reduce unemployment; however, it put a strain on the old-age pension system. This created a discrepancy between social expenditures and revenues.

Social values in the two formerly-independent states were different, and the GDR had difficulty adjusting to the social ideals of the Federal Republic. For example, women, who can be considered the “losers of unification,” were displaced after the union.

The Federal Republic is adjusting but continues to struggle with social differences between East and West Germany. The economic and social consequences are high, as the state continues to subsidize the social insurance system, unemployment remains high, and the birth rate in Germany falls.

This paper will discuss the health care and social insurance programs in the FRG and former GDR before unification. It will further present the problems associated with the termination of the systems in the former GDR and the present FRG systems that

replaced them. The paper will also discuss the social roles of women in both the former GDR and FRG and issues with their roles in a changing Germany.

II. Political Overview of Germany from 1945 to Unification in 1990

German Chancellor Adolf Hitler invaded the Soviet Union on June 22, 1941. This was a day that would change Soviet and German history. Instead of a small victory for the Third Reich, the invasion opened Eastern Europe to the Soviets. Only a few days after Pearl Harbor, December 7, 1941, Hitler declared war on the United States, thereby leaving the Soviet Union and the United States as wartime allies. Four years later in 1945, the Soviet and U.S. troops met on the Elbe River. Germany had unreservedly surrendered to the allies; World War II had ended.

The purpose of the Potsdam Conference in 1945 was to divide Germany into four Allied zones of occupation: American in the south, Soviet in the east, British in the northwest, and French in the southwest. Berlin was likewise divided into four Allied sectors. The conference in Potsdam led to the agreement that Germany would be one single economic unit, not allowing any one zone to gain supremacy.

The Allied countries wanted to secure Europe and the Soviet Union from future German threat, and instead of being split both politically and economically among other European countries, Germany remained two allied-controlled states. Although Stalin agreed to the split, he wanted Germany to remain one nation, rather than be sectioned into political zones, so that he could influence the German political system. However, the western Allied countries did not want to unify the split German states; this difference of ideas would result in a divided Germany and a Cold War between the socialist Soviet Union and western Allied countries.

The Soviets Union's Political Intentions

Despite the differences that lingered between the Soviet Union and the other Allied nations, Stalin wanted to ensure that Germany would become a socialist state but knew that the western nations would not agree to such a proposal. Therefore, his influence had to be subtle and slow, and Germany would have to remain neutral. The ideas of communism in Berlin would have to be built up slowly.

Walter Ulbricht, a member of the communist party in Germany who was exiled by Adolf Hitler during the Third Reich, played a vital part in aiding the socialist movement in East Germany. Ulbricht and the Soviets, as the local heads of government, chose people from a variety of backgrounds, whose views were in line with the party. They were placed in charge of education and police order in the East German bloc. Ulbricht noted, “It’s got to look democratic, but we must have everything in our control” (Dennis *Rise and Fall*, 16). This was a prelude to the Soviets’ political intention to establish a socialist government in Germany.

Stalin began his campaign to influence the ideas of socialism in Germany in June 1945. At this time he met with Wilhelm Pieck, longtime member of the Social Democratic Party of Germany (SPD) and co-founder of the Communist Party of Germany (KPD), to establish political parties in the eastern bloc. This decision by the Soviets was made with the Soviets’ intent to shape German political parties and was made without the approval of the Western zone. Two existing workers’ parties and two newly-created parties were sanctioned in the East “to form a bloc of anti-fascist democratic parties” (Dennis *Rise and Fall*, 19). The existing workers’ parties were the Social Democratic Party (SPD) and the Communist Party (KPD), which merged in April 1946 to become the Socialist Unity Party (SED). The SED’s goal was to unify Germany

and support a 'democratic' road to socialism. The newly-created parties were the Christian Democratic Union (CDU) and Liberal Democratic Union (LDP). Neither party wanted privatized industry, and both consequently leaned toward a socialist state. The Soviet Military Administration in Germany (SMAD) created many organizations after the establishment of political parties to influence socialist thinking and ideals. The Free German Youth movement (FDJ) was started in March 1946; this brought 2 million young people under Communist persuasion.

From 1945 to 1947 the Soviet Union divided Europe from the Baltic to Adriatic Seas by creating an Iron Curtain. It extended throughout Eastern Europe: through Warsaw, Poland, Prague, Czechoslovakia, Budapest, Hungary, Vienna, Austria, and Berlin, Germany. Berlin became an ideal battlefield for the Cold War, because it was the only place where communist control was in direct conflict with capitalist control.

Hostility Between the German States Grows

The London Conference in June 1948 further divided the two sides of Germany by allowing West Germany to create a constitution. The purpose of the conference was to implement and preserve European democracy. Unfortunately, Berlin was one hundred miles into the Soviet zone. This left it a vulnerable area for western allies. Stalin was angered by the degree of separation between the Eastern and Western nations and cut all access into West Berlin. This blocked 12,000 tons of coal and food supplies into West Berlin daily. Electricity was cut off in factories and households. Although all main road, rail, and canal links were severed, the U.S. found a way inside. Lucius Clay, the American military governor, began the Berlin Airlift to aid nearly 2 million West Berliners. "Operation Vitals," as Americans nicknamed it, sent food, coal, and

necessities to West Berlin by plane. Coal was essential for West Berliners, who were fortunate to have four hours of electricity each day during the winter. Some westerners would go east for food but were just harassed by Soviets. The western allies then cut off the Soviets' supply of coal, steel, and machine tools, leaving them with a shortfall. After nearly a year of the blockade, on May 12, 1949 Stalin backed down and reopened passageways. However, Stalin and other Soviets remained bitter about the irresolution of the incident.

The Soviet-Created German Democratic Republic and Early Problems

The German Democratic Republic (GDR) became an official state on October 7, 1949. Once the two German states became independent, it was apparent that Germany would not unify to one nation. The eastern bloc had its share of problems, which worsened after Stalin's death in March 1953. There was no electricity in East German homes, people were censored, churches were closed, and people's morale deteriorated. The Soviets increased production quotas to unattainable levels, angering workers. East Berlin construction workers, carpenters, locksmiths, masons, etc. took to the streets to strike on June 17, 1953. The people carried signs, which read, "Down with the work quota increases." East Germans burned kiosks and destroyed buildings. The political uprising seemed to threaten the influence of the Soviet Union. Shortly after, Soviet tanks went to the streets of Berlin and began to fire, as horrified strikers fled. Over forty people were killed and thousands were imprisoned. Because of fear of the Soviets, the strike ended.

The Creation of the Federal Republic and its Admittance into NATO

Although The Federal Republic of Germany (FRG) already existed, it officially became a self-governing state in May 1955 but was closely watched by the allies. West Germany also became a member of NATO in 1955. Both western allies and the Federal Republic wanted the military involvement of NATO, foremost, to protect the Republic, and second, to limit socialism's expansion further west. Western allies were adamant about keeping their German bloc separated from the Soviet bloc. On May 23, 1949, a "temporary" constitution, *Grundgesetz*, had been created in Bonn to change the Federal Republic's political direction. The *Grundgesetz* would become void when Germans freely decided to create a new constitution; however, the *Grundgesetz* still remains the FRG's constitution.

Wage and price controls had been lifted in 1948, which had caused some instability for a short while but soon caused a healthier social market economy. Gross national product, income, and salaries more than doubled while prices dropped. This was known as the time of the "economic miracle."

In May 1955, the Eastern bloc formed the Warsaw Pact in retaliation for the admittance of the Federal Republic into NATO. Both German states claimed their moves were defensive, but both sides were prepared for war.

Socialist Rule and Threats

The Soviets took the same political approach in East Germany as in the U.S.S.R., including thought control. Farms in the GDR were collectivized and private industry was nearly eliminated. After the war Eastern Germans were frustrated with the Soviet control in the GDR, and around 250,000 moved west each year. This massive migration to the

west put a drain on the East German economy. The GDR only remained afloat economically due to the contributions from the Soviet Union.

In November 1958, Nikita Khrushchev, Stalin's successor after his death in March 1953, demanded that West Berlin become a "Free City" with no military presence within the city. He wanted Berlin to unify under Soviet control and used the presence of Berlin within the Soviet zone as a way to pressure Western Allies out of the Soviet sector. While the Soviets threatened the use of nuclear weapons, the U.S. was not hostile towards them, but the proposal was rejected and the issue unresolved.

Three years passed until another idle threat was made. Khrushchev informed the newly-elected U.S. President, John F. Kennedy, that the Soviets could, forcefully, take West Germany at their desire. The Soviets increased their arms budget, as the world sat in fear of nuclear war. The same offer was laid on the table: surrender West Berlin or face nuclear war. Border controls in Berlin strengthened and borders closed to West Berlin and West Germany. Khrushchev gathered members of the National People's Army, the People's Police, the Customs' State Security, and the Transport Authority to aid in a solution to the problem of East German emigrants. Finally, at 23:00 on August 12, 1961, forces mobilized and within 24 hours all borders to the west closed. The next morning troops began using barbed wire to create a barricade between the two sides of Berlin. Three days later the Soviets began replacing the wire fence with cement blocks. Lucius Clay, who ran the Berlin Airlift years before, was brought in, and U.S. and Soviet tanks met on Friedrichstrasse at Checkpoint Charlie; the standoff ended peacefully. No war would be fought for the contained nation. The infamous Berlin Wall became the "supreme symbol of the Cold War and Europe's division" (Branagh)

The End of the Socialist Regime in Eastern Europe

Twenty-seven years later, in December 1988, U.S. President Ronald Reagan, President-elect George H. W. Bush, and Soviet leader Mikhail Gorbachev met to discuss the future political actions of the Soviet Union. Gorbachev announced that he was loosening Soviet control in all nations of the communist bloc. Gorbachev believed that the Soviet people would support the Kremlin and remain loyal to the socialist party. This was the beginning of Perestroika, which is gradual economic and political liberalization. Gorbachev hoped that remaining countries dominated by the Iron Curtain would follow; however, each country was forced to choose its own fate. Consequently, the SED was determined to protect the GDR from the influence of political reform. Socialist leaders would not allow the GDR to sell-out to 'market socialism.'

East Germany depended on the U.S.S.R. for low-cost raw materials; however, since the Soviet Union left the Eastern European countries, the GDR could no longer depend on the Soviet Union for economic support. The change from a command to a market economy boosted the price of these materials. The SED and Erich Honecker, First Secretary of the GDR, needed Soviet support to remain in power. The GDR believed the U.S.S.R. was turning its back on the communist bloc, as if there were no previous ties to the state.

On May 2, 1989, a small door for East Germans opened. The fence between Austria and Hungary was cut, allowing Germans to flee the GDR and immigrate to the Federal Republic via Hungary. Federal Republic Chancellor Helmut Kohl promised to aid the Hungarian economy, if East Germans were not blocked when migrating to the West. Soon after the GDR stopped all travel to Hungary, leaving the refugees to seek

shelter in the German Embassy in Prague, Czechoslovakia. Fed up, Honecker granted these Germans access to the west; however, they were forced to pass through East Germany. The train with the western-bound Germans stopped; police boarded the train and demanded all of the refugees' identification cards, preventing them from returning home.

The idea of Perestroika traveled as far as the GDR. East Germans led peaceful protests every Monday at the St. Nikolai Church in Leipzig. Some wanted the right to leave the country; others wanted to change the GDR from within. The number of protesters grew rapidly, from 5,000 to 70,000. A massive, peaceful demonstration was set for October 9, 1989. Army reserves were called in and sent to Leipzig. The GDR prepared for the worst. By early evening on October 9, 70,000 demonstrators were already on the street. Troops were released to the street with twice the number of weapons and were ready to fight. A short time later the troops, under their own order, retreated and allowed the peaceful protest.

Erich Honecker was a trained Soviet leader. He was confused about the political havoc in Germany. East Germans wanted to change their government and to become disassociated with the Soviet Union. As the country's tune changed, with hopes of political advancement, so did its leader. On October 17, 1989, Honecker was relieved from office by his Politburo. Egon Krenz, who promised travel reforms, took Honecker's place.

On November 6, 1989, around 500,000 East Germans went to Leipzig and demanded a new travel law, which was drafted immediately. On November 9, 1989, restrictions to the West were lifted and soon after the Berlin Wall fell. Less than one year

later, on October 3, 1990 the two German states unified under the one government of the Federal Republic of Germany. The government, social policies, and economic policies in the former GDR were abolished and are now the policies under the influence of the government of the Federal Republic.

The following pages will discuss social aspects of both the FRG and the former GDR and the multi-faceted difficulties associated with the acceptance of the GDR into the social and political cultures in the FRG.

III. Social Insurance

The following paragraphs will compare the two social insurance systems in the Federal Republic of Germany and the former German Democratic Republic. They following will also discuss the economic struggles, after the evaporation of the system in the GDR after unification, due to the problems of funding the East German system to comply with standards in the West.

The social security system in the FRG and former GDR were designed from two different systems. After unification the FRG incorporated the states of the former GDR into its system. The health and social insurance systems in the GDR dissolved in 1991 and are now managed under the system in the FRG that began after World War II.

History of the FRG Social Insurance Program

Chancellor Otto von Bismarc planned a comprehensive social insurance system in 1881, which still serves as the basis for the current social insurance program in the Federal Republic of Germany. Bismarc's proposal included protection for "old age and invalidity, sickness, and work injury" (Steinmeyer 75). The devotion to the Social Democrats by workers caused Bismarc to outlaw the party, since he was not a social sympathizer. However, to strengthen their loyalty to him, Bismarc wanted to create an insurance program to protect workers. By 1889, three laws were passed to protect all wage and salaried employees who earned less than 2000 Marks per year for disability, accident, health, and old age insurance. The acts were merged in 1911 into the Reich Insurance Code. Following after the United Kingdom, unemployment insurance was

established in 1927. The Reich Insurance Code became the basis for five insurance systems: pensions, long-term care, health, accident and unemployment insurance. These five branches are still the same program in the Federal Republic. There have been few changes to the system since the early twentieth century. The following paragraphs briefly describe the structure of the social insurance system.

Structure of the East and West German Social Security Programs

The pension system in the FRG is composed of many divisions. The Federal Salaried Employees' Insurance Institute (*Bundesversicherungsanstalt fuer Angestellte*) manages the pension insurance program for salaried employees. Otherwise, there are eighteen state insurance institutes for wage earners. There are also separate agencies that administer pension insurance for citizens employed by the state. Individual offices oversee the provision of health, unemployment, and accident insurance.

The social insurance system in the German Democratic Republic included all types of insurance, as in the FRG. However, it was modeled after a Soviet social system. The Free German Trade Association (FDGB) was founded in 1946 and was created to organize social security throughout the Soviet-occupied sectors of Germany. It remained until the break-up of the GDR. The end result was a unified social insurance program.

The social system in the GDR was all-inclusive. Instead of one branch for each type of insurance or benefit, there was one social insurance fund in the social security system. The insurance system included medical, disability, old-age, and accident insurance and was one unified system, which could have made it more efficient. The system had a uniform contribution rate, regardless of individual risk.

The GDR's social insurance system was universal, including all employees and dependents. Most people, around 88% of the workforce, were covered by the FDGB, including students, apprentices, wage-earning, and salaried employees. Other laborers, such as the self-employed and farmers, were covered by the state insurance system. Unemployment insurance was nearly non-existent in the GDR, because everyone was granted the constitutional right to employment.

The Pension Reform Act passed in 1957 in the FRG was designed to tie the amount of wages earned to pension benefits. The idea behind the West's pension system is to allow a pensioner to maintain a similar standard of living as before retirement. The system was modeled after the idea of the equivalence principle, in which contributions are linked to pensions. The FRG pension system pays about 70% of a pensioner's previous net income (Cornelson 171). There is also little variance in the highest and lowest pension.

Before unification in 1990, employees and employers in the West paid equal shares of 18.8% of gross income for pensions, 4.3% for unemployment insurance, and 12.8% for health insurance (Cornelson 171). Although employees and employers paid roughly 36% of an employee's gross income, the social insurance system was subsidized; nearly 18% of the total cost of the social insurance budget was paid by the state (Steinmeyer 82). This was due to the low number of contributors to the system and the high number of retirees. Over the past three decades the number of contributors continued to decline, as the number of pensioners continued to rise. This was in part because, as unemployment rose, the FRG promoted early retirement during the 1970s and

1980s. The years of contribution compared to the years of withdrawal of the pension system were distorted.

Relative to pension rates in later years, pensions in the GDR were low to wages during the first twenty years of the social system. This was due in part to the short contribution period as compared to the benefit time. During the first few years of the system, revenues met expenditures; however, as the number of contributions relative to pensioners changed, money was paid out of public funds. The government subsidized 47% of social insurance expenditure in 1976 (Rosenberg 280). There were many reasons for government subsidization. First, there was a large portion of income that was not taxed and second, pensions were increased periodically. Only up to 600 Ostmarks per month were taxed for social security, and the program did not tax earnings above the income ceiling (Schnitzer 297). Because no contributions were paid on incomes higher than 600 Ostmarks and beneficiaries received pensions as a percentage of income, the discrepancy caused a shortage of funds. Pensions were also raised regardless of changes in contributions or the economy; therefore, the government financed the difference in social expenditure and revenues. The low contribution period relative to the prolonged withdrawal period was another reason for government payments to the social budget. Because many citizens were older during the beginning of the system, they only contributed for a short time before they withdrew from the system. After 1968, pensions were raised at steady intervals relative to increases in productivity, rather than based on an index.

There was a discrepancy in wages among workers, because wages were tied to the quality and quantity of work. This idea in the GDR was known as the *Leistungsprinzip*.

Likewise, there were considerable differences in the highest and lowest pensions in the GDR. It was the opposite of the philosophy taught in the socialist system where wages were not determined by the market, but rather by the government. For example, workers may have been paid 1 Ostmark per carburetor produced. A fast worker who may have made nine carburetors each day would have been paid 9 Ostmarks. However, a slower employee who may have made four carburetors would have only made 4 Ostmarks. This difference in income likewise created a difference in pension payments among workers.

Lenin believed that linking wages to productivity would establish socialism “with the help of enthusiasm born of the great revolution, on personal profit, on self-interest, on economic calculation” (Schnitzer 283). This was contradictory to the ideas of socialism in rewarding based on work efficiency rather than distributing equal pay among all workers. Self-interest and payments based on ability were ideas of a capitalist rather than social regime. Employees were ideally motivated only by self-interest.

The system in the FRG is complex and can be difficult to comprehend. It can also be seen as less efficient and costlier than the program in the GDR. However, the program is designed to be more flexible and meet the needs of the individual rather than the masses. Although employees and employers pay a higher percentage of income to the system, the system in the FRG is more inclusive, which is why it is more costly. Before unification in 1990, the system in the FRG was less subsidized than the system in the GDR. The government compensates some employees in strenuous fields. For example, miners are given invalidity pensions for their work, because many are not able to work the required 35 years. This is to adjust for the loss in income for the last years of their working life. Workers also have the ability to retire early without penalties through a

pre-retirement plan. Although this system is comprehensive, it can still be difficult to find a job. Because employers pay a high percentage of an employee's income into the social security system and employees are rarely fired, employers are reluctant to hire new workers. This contributes to the constant high unemployment and to the low contribution-to-withdrawal ratio.

The social insurance system in the GDR was composed of many branches managed by the same unit. It was an efficient and low-cost system designed to aid the majority rather than the individual. The single social unit may have allowed it to be more efficient. Most of the population was covered by old-age, invalidity, and sickness insurance. However, the under-funding of the pension system caused a great financial burden to the state.

Financing the East and West German Social Systems

The social insurance system in the FRG is financed by the contributions of the employees who benefit from it and their employers. Employers are the only contributors to one of many accident insurance funds. All unemployment benefits are financed by contributions paid to the Federal Labour Office, which in return pays contributions to unemployed persons. The system was modified in 1938 from a "full-reserve basis to a pay-as-you-go basis" (Steinmeyer 76). A reserve system requires a lot of funds and only allows pensioners to withdraw the amount they contributed. This is difficult to assess, because of unknown life expectancy. However, the system can easily be modified by changing contribution rates with the "pay-as-you-go basis."

Both the employee and employer paid into the social insurance system in the GDR. Employees paid 10% and employers paid 12.5% of gross income to cover old-age,

invalidity, sickness, maternity, work-injury, and unemployment insurance. Contributions and expenditures in the system were not adjusted to the increase in disbursements. Due to this inconsistency, the state paid roughly 50% of social expenditure (Cornelson 170).

Benefits of the East and West German Social Insurance Systems

The major elements of the social security system in the FRG are social insurance, state pensions, public welfare, and precautionary care. All are funded by the state, except social insurance, which is funded by the contributions of employees and employers.

The benefits of the social security program in the GDR included old-age pensions, invalidity, sickness, maternity, work-injury, and unemployment benefits and were covered by one social program.

Pensions

The many benefits of the social insurance system in the FRG include retirement pensions, and health, unemployment, and accident insurance. Pensions are the largest expenditure of the social budget. In order to qualify for an old-age pension, a retiree must have sixty months of insurance and be at least 65 years old. However, women have the option of retiring at age 60. Women usually receive lower pensions, because they spend less time in the workforce. They usually receive pensions as dependents, rather than from their own contributions. An advantage of a law passed in 1985 was the equalization of men and women in regard to social insurance. One benefit is that women would receive credit for one year of contribution for each child. Many women who would not have received a pension due to having spent little or no time in the workforce

were then eligible for benefits. Also, in an effort to balance the assets of men and women during a divorce, pension earnings are combined and divided equally, regardless of their separate incomes during the marriage.

Similar to the FRG, normal retirement was age 65 for men and 60 for women. Each pensioner was required to have at least 15 years of insurance in order to be eligible for an old-age pension. However, women who had at least three children were able to withdraw a pension if they had a minimum of 5 years of insurance. They were also credited with one year of insurance for each child. Assuming a full working life pensioners would receive payments of 55% of income (Cornelson 171). This is much lower compared to the pension payments in the Federal Republic; pension rates were lower than in the FRG and the value of the Ostmark was much less than the value of the D-Mark. On average, household incomes were 1/3 less in the GDR. Because Germans pay rent for life and do not, as a general rule, own a home it is more difficult to live on such a low income. Because productivity was low the government kept pensions low in order to encourage older workers to remain in the workforce.

Voluntary supplemental insurance was available to workers in East Germany, who earned at least 600 Ostmarks per month. This program offered a supplemental old-age pension and better sickness and maternity benefits. For example, an employee with voluntary supplemental insurance would have received a pension of 65% of their income after 25 years of work, which is significantly more than workers without supplemental insurance who only received 55% of their income. Employers were required to match premiums paid for the benefit.

Accident Insurance

In the FRG work-injury compensation (or accident insurance) is paid to anyone, who is physically unable to earn a living due to an injury at work or on the way to work. The employer pays the premiums for accident insurance, because it is perceived as the employers' responsibility. This also causes employers to take more precautionary measures and create a safer work environment. The employee is eligible not only for reimbursement for medical fees, but the sickness fund also pays a pension of 65% of income for the first 18 days (Schnitzer 119). However, if an employee is permanently injured, then a pension of $66\frac{2}{3}\%$ of income is paid to the recipient by the accident fund (Schnitzer 119). Supplemental pensions are also paid if the employee has children under age 18.

Employment-injury benefits in the GDR covered payment for medical care, income, pensions (in case of permanent disability), and allowances for dependents in the event of a fatal accident. In the case of temporary disability all medical expenses and 50% of earnings were paid to the victim (Schnitzer 301). However, for permanent disability pensioners were given a pension of $\frac{2}{3}$ of their previous income for one year, and an additional 10% was paid to victims with children. Thereafter disabled workers' pensions were calculated in the same manner as old-age pensions and were dependent on previous income and working-life.

Unemployment Insurance

Unemployment insurance in the FRG is available for insured employees who pay into the fund. Benefits are paid of about 40-90% of income for 13 to 52 weeks (Schnitzer 119). The amount and length of benefits depend on the length of time the employee was

insured. Unemployment claimants who have paid contributions to the Federal Labour Office for at least twelve months are entitled to benefits of 60% of adjusted income, or 67% if the claimant has children (Clasen 64). The standard unemployment benefit period is twelve months but can last up to 32 months depending on the contribution of the individual (Clasen 64).

Although it seems peculiar for the GDR to have had an unemployment program in their social system, it existed only in the most rare circumstances. Since everyone was granted a right to employment, the only unemployment in the GDR was frictional and did not have exceed 1% of the workforce. Benefits of 10% of earnings were paid, assuming at least 26 weeks of coverage during the last calendar year. Payments were made for up to 26 weeks and additional allowances were paid for dependents.

Disability-Unemployment Benefits in the FRG

Disability payments are paid to people who are permanently, but only partially, injured. Disability-unemployment pension is then paid to the recipient because, although a person is able to work four or five hours, there is little part-time work available in the FRG. Therefore it is difficult for the disabled to find work. There has been a rise in the number of disabled workers since the pension for disabled workers increased. The rise has resulted for two reasons. First, some people are able to take advantage of the system and choose not to work due to a minor injury. Others are now able live more sufficiently on the new pension amount. Some people who are able to work but have a minor injury are taking advantage of the increase in payments. Others who are injured must not force themselves to work full time in order to earn a decent living; they are now able to live adequately with the rise in the pension payments.

Survivor Benefits

Survivor pensions in the FRG are awarded to widows, widowers, and orphans. Since the 1985 law, widows and widowers have been treated equally in regard to survivor benefits. Unfortunately, before 1985, a widower only received benefits if his wife was the main source of income, but now widows and widowers are treated in the same manner and are both eligible for benefits.

Since both men and women worked in the GDR, few survivor benefits were paid. Women received a survivor's pension only if she had children under three years old.

Sickness Benefits

Sickness benefits in the FRG include the payment of all medical expenses and an allowance for lost wages. A pension of 65% of income is paid for six weeks; thereafter, a pension of 75% of income is paid for up to 78 weeks. During the first six weeks of illness, the employer must pay the difference in the loss of wages. Maternity benefits consist of a payment of all wages six weeks before and eight weeks after the birth. An additional allowance of 100 Marks is paid for the birth of each child.

Sickness benefits in the GDR were paid to those who were covered and included the cost of medical care and lost wages. All medical expenses were paid and 50% of wages were paid for up to 39 weeks, if recuperation was guaranteed. Supplements were paid after 6 weeks for dependent children. Maternity benefits were offered to all women who were covered by social insurance. All medical benefits were paid and working mothers received full wages six weeks before and eight weeks after birth. Women were also eligible for allowances for home care, depending on the number children.

Aide, Allowances, and Social Benefits

Social benefits in the FRG are granted and financed by the state. There are three types of benefits. Assistance for war victims grants pensions and health insurance to individuals who have risked their well being in military service. Assistance for families with children offers allowances for children and pay for maternity leave. The family allowances are a means to bridge the gap between family income and need. The allowance is granted regardless of income but is dependent upon the number of children. It is a government subsidization of child-rearing. The third aspect of social benefits is housing allowances, which allows everyone qualified to live in adequate facilities.

Social welfare in the FRG is provided for anyone who can show sufficient need. Benefits are given for “job training, preventive health care, and supplementary benefits to the ill, the handicapped and the elderly” (Windschild 102-103). In the case of public assistance, rental expenses are eliminated. However, there are several stipulations when receiving public assistance. Welfare is granted only if parents or children cannot aid in the support of the recipient. The individual must be single and assets are considered when determining the benefit amount.

Aide and allowances in the GDR were offered to persons with special needs. Family allowances were paid to families, regardless of income. Families with children under 15 or students received a monthly stipend, which ranged from 20 to 70 Ostmarks, depending on the number of children. Families with low, fixed incomes were granted a housing subsidy. Benefits for the ill, insane, and children were also available if there was no other assistance by social insurance. Special pensions for war victims were available

to cover medical insurance and dependents. The subsidies, allowances, and pensions were financed by the government to the social insurance fund.

Qualifications for assistance in the FRG and GDR

There were differences between the qualifications for assistance in the GDR and FRG. In order to be eligible for assistance such as disability benefits or widow's pension, a person in the GDR must have met higher standards for benefits than in the FRG. For example, a widow must have been unable to work or have had children under 3 years old, in order to collect a pension in the GDR; and a disabled worker in the GDR must have been more debilitated than the invalidity requirements in the FRG in order to receive disability benefits. Women in the FRG were able to receive widow's benefits as dependents and were not compelled to find work. People in the GDR who were only temporarily debilitated were given priority over those who were permanently disabled, because they would be able to return to the workforce. The GDR needed as many able-working people as possible because of the low productivity. This caused a difference in priority for disabled people.

Pre-retirement in the FRG

The FRG promoted early retirement with the Pre-retirement Act of 1984. Its intent was to reduce unemployment in a cost-effective manner. Unions had demanded a reduction in retirement age, and surveys showed many employees, including young workers, believed that the best solution to shorten working time was to reduce the retirement age. The act allowed some employees to retire at age 58 rather than 65. This was a much more drastic step to reduce unemployment than the flexible retirement age

package, introduced in 1972, that allowed pensioners with 35 years of insurance to retire at age 63. In order to be eligible for pre-retirement the employer had to have been in agreement with the worker. The minimum benefit for a pre-retiree was 65% of the last year's gross income. This was paid by the employer, however, was partially subsidized to the employer by the state. The minimum benefit was only paid until the flexible retirement age, 63, when the customary pension of roughly 70% of income was paid. The cost of this method was high because the contribution of the early retirees was shorter than expected and the ratio of contributors to retirees was lower. The ratio of contributors to pensioners was 100 to 48 in 1985. It is speculated that by 2040 it will be 100 to 107 and the pension contribution rate will be 36.7% of income.

Firms in the FRG were opposed to this path to reduce unemployment. Although there was an over-supply of labor, there was a shortage of skilled labor. Firms also contested because they lost control of the exit process; instead retirement age was at the discretion of the employee. Employers were afraid that employees would become accustomed to this short-term fix in the labor force and would consider early retirement a right or perk. Employees may not be willing to disregard early retirement and demand it become standard practice. This means of reducing unemployment was costlier to firms than anticipated. Costs for firms were higher because employers had to train unskilled workers. They also paid most or the entire pension for the retired workers.

The Pre-retirement Act was only supposed to last for 4 years until the end of 1988. 27% of retired men in 1989 were under 65. However, the government and employers believed it would be risky to allow the law to expire so an alternate act, the "Old Age Part-Time Act," was instated (Jacobs 217). This act allowed workers who were

58 or older to take a 50% reduction in work hours while receiving 70% of their previous income. The government aided employers by subsidizing the previous full-time position if an unemployed person filled it. The problem, however, is that there are few part-time jobs in the FRG. There has been no interest by unions or workers to take advantage of this opportunity.

Summary

The social security system in the Federal Republic allows for adequate protection of its citizens. Women are covered under the system, although they may contribute little. They are considered as dependents and are given credit for child rearing; this allows them to stay home with their young children. Pension benefits are sufficient to live and are fair relative to income and contribution. Insured persons and their dependents are granted suitable earnings in the event of work injury or death. The system in the FRG is a comprehensive system that sufficiently covers all components of social insurance.

Social benefits in the GDR were minimal in comparison to benefits in the FRG. Retirees received small pensions, which made it difficult to live, and forced much of the aged workforce to continue working. Widows were required to work and were not able to withdraw pensions on behalf of their deceased husbands. It was more difficult to receive disability pensions than in the FRG and aid for the mentally ill was inadequate and more difficult to receive. Although nearly all GDR citizens were covered by social insurance, some benefits were more difficult to obtain and they were not as adequate as the benefits in the FRG.

Economic Effects of Unification

After German unification there was a change in the new state's social policy. A monetary, economic, and social union was established between the FRG and former GDR on May 18, 1990. The GDR's pension system dissolved and was incorporated into the FRG's pension system. The old-age insurance system in the former GDR existed until the end of 1991 when it was replaced and subsidized by the Federal Republic's state budget. The former states had very low pension standards relative to the West. The average pension in the East was only worth 62% of a pension in the West (Windschild 106). This is partly in regard to the income of Easterners and Westerners. Although women and men worked in the East, the average household income was 1/3 less than the income in the West (Schnitzer 295). The value of the Ostmark was much less than that of the D-Mark. All East German pension recipients were granted 495 Marks regardless of their previous earnings.

Unemployment was high after unification and remains higher than before unification. One way to aid in the unemployment crisis was to offer pre-retirement. Because the retirement age of 65 for men and 60 for women in the former GDR was rigid, no form of early retirement was offered. Production was low and employees were needed. Many people were encouraged to remain working after retirement age due to the low pension levels. The lack of jobs was a shock to the East Germans because there was no unemployment until unification. Nearly 40% of jobs in East Germany were disposed of because the positions were obsolete and most industries were over-staffed. The increase in the retirement community and high unemployment, mostly in the East, caused financial problems. By 1992 the FRG government and pension fund had already pumped

21 million Marks to the East German pension fund. The increase in retirees would remain draining the pension fund so that there was a constant deficit. In July 1991 the contribution level for pensions, health, and unemployment insurance was adjusted. There was a lot of criticism because the government increased social contributions more than taxes to cover the high cost of unification and the economic downturn. Citizens were angry because they believed this was a misuse of the social system.

Unemployment remains high today and the government continues to subsidize the social insurance system. As the government promotes early retirement, the system will remain unbalanced because as the number of early retirees rise, the number of contributors relative to pensioners continues to decline.

IV. Healthcare System

The following paragraphs will discuss the structure of the FRG and former GDR healthcare system, as well as problems associated with the system after the termination of the former GDR system and the implementation of the current structure in the Federal Republic.

The creation of the current FRG health system began after WWII but has changed through regulations of services, facilities, and providers. The system in the GDR was designed using ideas from both the pre-WWII German system and socialist system. The system in the GDR dissolved in 1991 and was integrated into the current system of the Federal Republic.

Structure of the East and West German Healthcare Systems

The structure of the FRG healthcare system changed after World War II. Physicians in the FRG were not regulated until the 1960s. The providers, rather than the state determined the healthcare structure. The government only began regulating healthcare services in the 1970s. The result is a well-defined organization where the government is the central authority. The government determines salaries paid to its physicians and allocates proper funds for facility maintenance and equipment. Private facilities are also overseen by the government and must meet certain maintenance requirements. This is to discourage investors from profiting from the lack of funds spent to maintain facilities.

The system in the FRG offers members exams, preventive treatment, outpatient care, hospital care, and pharmaceuticals. However, most practices within the health-care system do not aid in the prevention of illnesses, but rather assist in the recovery.

Preventive medicine and care was neglected and only in the past two decades has there been an interest in preventive care. Although most citizens have statutory health insurance, private health insurance is available for persons earning above a minimum income.

The GDR health-care scheme was a product of both the previous German system and the system of the Soviet Union. Although healthcare was nationalized, as in the Soviet Union, members were able to choose their physician and contributions were paid by employer and employee, as in the FRG and former German structure. The healthcare system was a societal concern rather than a private matter. Lenin believed that “health is a valuable property of the state” and considered preventive medicine as a priority of the state (Rosenberg 265). The system in the GDR sought early diagnosis and control of epidemics through frequent screenings and immunization. It also promoted health awareness for early detection of illness. The move to an increase in measures of preventive care led to lower infant mortality rates and a decrease in infectious diseases.

Operation of the East and West German Healthcare Facilities

There are private, state-run, and religious-oriented medical facilities in the FRG. Overall there is an over-supply of beds for the ill. Although the number of beds relative to population began declining in the mid-1970s, the system remains flooded with spaces. The number of employees in public clinics and hospitals has declined, due to low salaries and poor conditions.

Many outpatient clinics in the GDR were converted to polyclinics after the war. Polyclinics were state-run facilities with a “dental clinic, a dispensary, a laboratory, and facilities for physical therapy” (Rosenberg 267). Dispensaries were facilities that gave

care to persons with special needs, such as pregnant women or diabetes sufferers. Polyclinics were designed for efficiency and led to less inconvenience and waste of time to the patient. Outpatient clinics still functioned but were forced to have two specialties and a dental clinic. Although all outpatient service units operated autonomously, all had associations with hospitals and referred patients to inpatient facilities.

Regulation of Facilities in the FRG

Before the regulation of hospital financing, investors, regardless of need, determined the level of funding to hospitals. Incomes from nursing charges were used to cover regular expenses as well as depreciation. Hospitals were run down due to a lack of funds, otherwise additional funds had to be raised in order to maintain the facilities. The consequence of this type of funding led to the promotion of more expensive services that included fewer outpatient services, a higher rate of hospitalization, and a prolonged hospital stay. However, since regulation in 1972-1973, general revenues have supported investments and patient fees have financed regular expenses. This system seems to be more efficient and covers all costs.

Medical Personnel

Self-employed physicians in the FRG earn 80-85% of their revenue from sickness funds, whereas the rest is from private practice and paid directly by the patient. Incomes for medical personnel have increased since the end of World War II due to an increase in both fees and services. There was a lack of supervision of physicians by the government until the 1970s and sickness funds have little control over them. Therefore, it had become increasingly easy for private practitioners to take advantage of patients and the

sickness fund for their own interest. However, since government regulation of physicians, patients have had shorter hospital stays and the prices of services are more universal.

In the FRG individual specialists and general practitioners, who have their own practice, provide most outpatient care. Although the number of general practitioners relative to the population dropped after the war, there was a rise in the number of specialists. Many areas were understaffed where others were over-run with medical personnel. Many areas continue to lag such as the number of psychiatrists because the industry has focused on increasing the number of other specialists. The low income by the state deters many from pursuing a career in psychiatry, unless it leads to private practice.

Physicians in the FRG who work for hospitals earn a fixed salary regardless of workload. Because medical employees of hospitals earn a much lower salary than private practitioners, it is difficult to employ residents for public service. However, civil servants in public health are allowed to work on the side, for instance in medical consultation, to earn a higher income. This is allowed by the state in effort to attract state physicians.

Physicians in the GDR, who owned private practices before the war became employees of the state. They were paid a fixed salary, and the government covered all facility and service costs. After the war the number of physicians was low but eventually the quantity began to rise. Unfortunately, while the physician shortage was alleviated, there ran a shortage of dentists, which was never filled.

Pharmaceuticals

The pharmaceutical industry in the FRG is a large trade both domestically and abroad. The costs of medicines are high because of the considerable amount of research and development. There are a handful of large pharmaceutical companies and a few small firms. There are no retail pharmaceutical distributors; supplies are delivered directly to the hospital or, usually pharmacy. Although pharmacies' profit is determined by government regulation, there is no ceiling on the retail or wholesale price of drugs. Therefore, manufacturers are allowed to determine the price of the medication, which remains high because of a great deal of research and development. The market does not establish prescription prices. As with the lack of regulation over physicians and hospitals before the 1970s, the little control over the pharmaceutical industry allows the firms to gain at the expense of its consumers.

The pharmaceutical industry in the GDR had diminished starting with more than 230 companies and ending with only 18 in 1975. The price of medicine was less expensive than in the FRG, because little money was spent on research and development. There were also fewer drug items in the GDR, most of which were produced domestically in order to maintain low costs. Pharmacies were the main dispenser of pharmaceuticals; however, drug depots alleviated some of the load of pharmacies. The government subsidized the sale of medicine although everyone with insurance received free prescriptions.

Summary

The healthcare system between the 1940s and 1950s was less effective than the current system. Patients were not treated fairly in regard to the price of service and the lack of regulation allowed the industry to take advantage of patients and the sickness

funds. However, since regulation, physicians charge similar rates for services and are not able to benefit from the misfortune of their patients. The cost of pharmaceuticals remains high, but is due to the high levels of research and development. The “economic miracle” from 1955 to 1975 allowed for a more generous social system. Due to high economic growth and low unemployment during this time, healthcare charges to patients were nearly eliminated.

The healthcare system in the GDR was sufficient and all-inclusive. It focused on preventive care and the government believed that society’s health was of utmost importance. Since there was little research and development and many multi-functional polyclinics, the cost of healthcare was lower than in the FRG.

Economic Implications

On January 1, 1991 the health insurance in the new states was integrated into the system of older states of the FRG. There have been higher costs in the West and surpluses in the East in regard to health services. This is mainly because women in the East had been paying for their own health coverage through work whereas women in the West are covered as dependents and had not been contributing to the health insurance system. Germany’s healthcare system costs are high in comparison to other healthcare systems. Since costs continue to rise faster than inflation and the salaries of employees, there remains a deficit. The German government is looking to lower costs to the insurance sector, but due to the increase in spending, it has been difficult. Health insurance premiums will continue to rise with the implementation of early retirement, rising costs, and the execution of the costlier system into the states of the former GDR.

V. Women's Roles and Issues

After World War II Germany was soon split into different states: the Federal Republic of Germany (FRG) and the German Democratic Republic (GDR), both established in 1949. The division, which was supposed to last forty years, created two different societies; both had different ideals and governments. One major societal difference was the role of women in the workforce and at home. The government in the Federal Republic wanted to instill traditional values, particularly for its women. On the contrary, the GDR began a movement to rapidly integrate women into the workforce. For example, in 1950 a Law on the Protection of mother and child was passed in the GDR. This law theoretically removed men's superiority in household decisions. Instead both husband and wife worked together to decide on family issues. Another law, the 1965 Family Code, was passed in order to free East German women of "traditional" roles. This law stated that both men and women were to share in household chores. Although these laws were passed in the GDR to aid in the movement of women out of traditional roles in the home, the standards of society at large did not change. East Germany remained to have similar demands for women at home as the people in the FRG.

The following paragraphs will discuss the expectations of women in both the FRG and former GDR, the difficulty integrating East German women into the West German lifestyle, and the lack of choices that East German women are given.

Work Expectations for East and West German Women

The constitutions in both the GDR and the FRG granted women equal rights to men. However, both states required different roles of women in society. The East

German constitution “declared that men and women not only had the right to work, but the obligation to work.” (Aslanbeigui 16). Although they were not forced to work, they were expected to because of low productivity in the GDR. This was underlined by the payment of low wages. The GDR stated that working was a “citizenship duty.” This did not exclude women. While one half of the East German workforce was women and 91% of women worked, they made only about 40% of the household income (Aslanbeigui 11; Rosenberg 88). West German women, however, comprised about 40% of the workforce in the FRG and contributed only 18% of the household income (Aslanbeigui 12, Rosenberg 88). A major distinction between the work patterns of East and West German women was that many of the women in the FRG worked part-time, while most women in the GDR worked full time.

The SED avidly promoted the movement of women into the workforce. All firms were forced to have programs for “the recruitment, training and promotion of women” (Rudolph 16). There was unfair discrimination against men. The socialists in the GDR, acting as a satellite to the Soviet Union, shaped women’s ideas about working outside the home. Low productivity and a weak economy in the GDR was a major factor for motivating women into the workforce.

Women in the FRG followed a “three-phase model.” First, they worked before they were married and had children. Then, they withdrew from the workforce until their children were school-age. Only after their children were in school would they re-entered the workforce, but only part-time. Part-time work was a permanent state for West German women and not a transition to full-time employment. Society believed that it was detrimental to children for mothers to work outside the home while they were young.

However, if a woman did choose to work, she was forced to show proof of daycare for her child if she wished to collect unemployment benefits or for employment referrals. This was difficult because there were few daycares for children, especially for those under three years old. A woman's career was motherhood, and therefore, women were not bothered by the lack of intellectual or monetary compensation (Adler/Brayfield 261).

Because it was instilled in East German women to work, they wanted and felt a responsibility to have a career. Few of these women (only around 3%) wanted to be housewives (Aslanbeigui 24). Therefore, women in the GDR were more focused on their careers than women in the FRG. This different approach and the attitude of women in the workforce had an impact on the family life. There was more of a focus on family in the West. In the East there were much higher divorce rates, abortion rates, and, although there were more mothers in the East, there was also a higher rate of single mothers. One third of babies had single mothers in the GDR. These women did not support the "husband as breadwinner" philosophy as many Western women did. The social ideologies in the FRG encouraged women's support for men as provider and their role as wife and mother. There was a negative stigma placed on West German women who worked while they had young children and also for those who had full-time jobs. During a labor shortage in the West, instead of calling on women to aid in the crisis, the FRG brought in immigrant men to bridge the labor gap.

Women in East Germany were not just expected to work but were compelled to because of low wages paid to all workers. Men alone could not support a family. Men remained indifferent about their wives working but left the decision to the women. Employment in East Germany was a lifelong commitment and women were not forced to

choose between family and career, but rather were expected to play both roles. The constitution stated that women were obligated to work, although they were not forced. However, they were not considered respectable citizens if they did not contribute to the poor economy. Citizens in the FRG felt that they must tackle other social issues rather than women's right to work. They felt that a sacrifice must be made for the better health of the family.

Education and Career Options

Until the industrial revolution in the late 19th century, women in Germany had worked alongside their husbands in the field. Some would run a business after the death of their husband. During both world wars women worked in factories to aid in the war effort. After the destruction of World War II they collected useful material from the rubble, rescued the wounded, and retrieved men's bodies after they died. However, when the men returned from war, the women returned to tend the home. Unfortunately, some women were forced to continue running a business, attending to household needs, and caring for a wounded husband.

After World War II women in East Germany had more career options than women in the western Allied states. The Soviet Union required women to work and invested highly in human capital. Women in the GDR were well trained and educated; forty percent of employees with a college degree were female and half of university students were female (Aslanbeigui 15). Professional training was important in East Germany; eighty-seven percent of all employed women had vocational certification or a college degree (Aslanbeigui 15). Women were also eligible for part-time pay while they attended school.

Women in the West were not as highly educated. Only 65% of these women had vocational training or a higher degree and merely 7% had a college degree (Aslanbeigui 15). Therefore, women in West Germany did not have as many career opportunities. For example, only around 10% of the engineering students were female, whereas in the East 20% of females achieved this profession (Aslanbeigui 16).

Women in East Germany were given equal right to study and pursue a career. However, due to family burdens many women chose low-stress jobs or jobs close to home. As a result many fields were female-dominated. Ninety-five percent of apprentices in six areas of retail trade, textiles, and low-level scientific “crafts” were female (Rudolph 35). A high percentage of East German women (as compared to the percentage of men) were in education. However, women usually finished their university education faster and with better grades than their male counterparts.

State Benefits

The GDR had several benefits for women, and especially mothers. They believed that the state had both a moral and an economic responsibility to aid mothers. This became more important as the number of unwed mothers increased.

Women received part-time pay while they attended school. The “Baby Year” allowed women to take off of work for one year after a baby was born. This included 65-90% of their pay and their job at the end of the year (Dennis 65). Mothers with more than one child received a cutback in working hours. One day each month women were given a “housework day” in order to attend the household needs. Some activities that could not be accomplished were made accessible to them on workdays. For example,

laundry services were located on the side of work buildings so each day it could be picked up and dropped off with minimal strain to women.

Daycare centers were state-run and low-cost in the GDR. The only items that parents were required to purchase were meals and diapers. There were enough spaces in daycare for 80% of East German children under the age of six (Aslanbeigui 17). However, women in the FRG were not as fortunate; their daycare centers were privately-run and high-cost. There were only spaces for 4% of children under three, making it difficult for a woman to return to work after the birth of a child (Rudolph 36). The lack of daycare service is the main reason that women with small children did not work. After the birth of a child, mothers in the West received 600 DM each month for the first eighteen months as “child-rearing” money (Rudolph 39). This was the average of half of a day’s work, less daycare expenses. In order to become eligible for this payment the mother had to quit work or reduce her hours to less than half of the level before the birth of the child.

Problems Associated with the “Double Burden” in the GDR

Although it appears that women in the GDR were given more opportunities than West German women, they still had their hardships. East German women were burdened. Although by law men and women were to share household responsibilities, women were expected and trained to work a full-time job in addition to their household responsibilities. Although laws were made to discourage it, socially, it was expected that women fully care for the home and raise the children. The main reason most part-time working women worked so few hours was due to the stress of balancing home and career. This was a cycle, as it was seen as poor citizenship to work part-time, women were

forced to balance a public and private career. Part-time work thwarted career development and emphasized the “traditional” roles for women. Although laws such as the 1965 Family Code were passed to equalize the responsibilities of men and women, they did not change the “traditional” roles of women in the home. Women remained the central figure in the family. These expectations were reinforced while young girls were given household chores and their male siblings were not.

Many women accepted low-paying jobs with little responsibility or took jobs close to home. These lower-paying, low-responsibility professions attracted mothers of small children. Women with more than one child were likely to sacrifice their career interests in order to find a job close to home. The average woman’s salary was only 76% of a man’s (Aslanbeigui 18). Women retained 77.7% of the lowest paying jobs in the GDR (Dennis 5). This gave women less independence, which was the opposite philosophy of the socialist government in Germany. As a result many women decided to only have one child.

Inequity Between the Sexes

There was still inequality between the sexes in the East. “Baby Year” and “Housework Day” were limited to women. The assumption persisted that men were more capable of “handling” their career if women played their “traditional” roles. Women paid the price when they chose family before career. The state required that women take off from work six weeks before the birth of a child and eight weeks after. The government also encouraged mothers to take one to three years off from work during the first years of a child’s life. This made having a career difficult. If a woman ceased working for three years, it was difficult to integrate her into new systems, such as

technological changes. Women were seen as less dedicated, less reliable, and had less time for work. Therefore, they were considered for fewer promotions. They had slow career development, because they stopped working, sometimes for years after they had children. They were also less likely to seek additional training, and, as the job level rose, their representation declined. As of 1986, there were no women in the Politburo and very few women were on company boards. Men were hostile towards women in the workforce because they were forced to pick up young mothers' responsibilities during maternity leave. Women with the same qualifications as men had salaries 12% less than that of their male colleagues (Aslanbeigui 19). The career problems with mothers affected other women. As a result of time-off and low responsibilities in jobs, women without a household to maintain were forced to accept minimal payments. Although the government in the GDR portrayed itself as progressive, the gap between the reality and ideals of women's roles in the workforce was significantly different.

Although there were inequality problems between the sexes in both East and West Germany, the problems in the West were quite different. Women in the West only made about 66% of the income of men and were not encouraged to work (Rudolph 37). However, women in the East were strongly persuaded to work. Whereas women in the GDR were able to choose their career path, they were not treated, financially, the same as men. However, women in both states were expected to accept all family responsibilities.

Women's Trends in the Workforce

The job tendencies of West German women were generally the same. As a woman became older and had not stopped work to have a child, her chances of quitting full-time work decreased. However, the longer a woman was unemployed for family

reasons, the less likely she would return to work. All West German women were less likely than East German women to quit part-time work. The more qualified and educated women usually returned to work after marriage and children.

West German women did not find work to be as important as East German women. Western women chose to put family above all personal and monetary rewards that would be gained through employment. Eastern women found security through relationships with colleagues. Western women did not need this because they found satisfaction caring for their family.

Problems Associated with Unification

Once Germany was unified in 1990, the government in the so-called five new Laender, i.e. states, changed. It was much easier to change the government than it was to alter the habits and expectations under which the citizens of the GDR were accustomed. The East German states had to adopt the West German economic, legal, and social policies but were not as willing to conform to the principles of the FRG. For instance, when the former East German women were asked to move from the office to the kitchen, they were not willing. Therefore, a major social dispute within the unification process was women's employment. Because many jobs in the East had become obsolete, the government was using women as a form of "labor-shedding." East German women were and still are considered as the "losers of unification" (Smith 185).

Daycare centers in the East were no longer publicly run and the state closed many centers in order to persuade women to stay home. Daycare centers that were open had shorter hours than work hours and the children returned home after lunch. This made it

difficult to find a job to accommodate a child's daycare schedule. Women with older children felt that they had put in their time at home and now deserved a career.

Even after unification, low wages remained in the East, which made it difficult for one income to support a family. Unemployment was and remains high especially for East German women. There was a higher percentage of unemployment among these women than Western women and Eastern men. Industries that were traditionally "female" were employing men while industries that were mixed or male-dominated became strictly male industries. While many jobs were eliminated and unemployment rose, many other jobs were created in communications, construction, and transportation. The unemployment problem for Eastern women was both gender-specific and gender-neutral. Unemployment in women was gender-neutral in the respect that women were not targeted for lay-offs or unemployment. Coincidentally, women's industries took the brunt of job losses because their positions were obsolete. They were in nonproductive services, such as education, health and social services, and were saturated with employees. However, the problem was gender-specific because firms would not hire women and because men were offered positions in the dense male job sector such as construction.

East German women felt as if they had no or little support from the state. The FRG was attacking problems such as the environment and poor transportation rather than unemployment of women. East German women wanted real equality between the sexes and the government was not aiding in their struggle. They wanted to feel financially secure from their husbands, which was something many women in the West could not understand. All plights by women to remove them from their private "duties" to public

labor were ineffective. Many women wanted a quota system in the workforce similar to that of “affirmative action” in the United States. However, others in high-ranking jobs felt that a quota policy would be discriminatory. Some believed that a need for women in the workforce would put women at a premium and the difference in salaries between men and women would diminish (Stoeder 162). East German feminists revered men as allies, whereas West German women saw men as adversaries and a hindrance to their movement. Therefore, it was difficult for Eastern and Western feminists to band together.

Today in Germany women are changing their lifestyle in order to accommodate their careers. The number of abortions in the former Eastern bloc has increased dramatically. Many women are sterilizing themselves in order to be more successful in their career hunt and development. They feel this is the answer to the narrowing career opportunities. If they are not able to stop work for family, then they are more capable to pursue a long-term career. Employers are more willing to hire women with no family responsibilities than one with children. East Germany has one of the lowest birth rates in the world, dropping from 12.1 in 1989 per 1000 to 5.1 per 1000 in 1994 (Adler “Women’s...” 263). Women are deserting marriage and motherhood for the sake of their careers.

Politically, women have become indifferent and insecure since unification because they do not believe the government properly acts in their interests (Alder “East-West” 258). The government believes in equality between the sexes, and therefore should support women in their plight to find equal opportunity in the public sphere. These women do not participate in political activities because they do not believe that the

government is working in their best interest. The state should offer ample childcare and programs to integrate women in the workforce. Employment and household responsibilities should become a family, not female, affair. The indifference shown by the government in aiding women in the workforce will turn citizens to accept the “traditional” role of mother at home and father at work.

VI. Conclusion

There were and continue to be many problems associated with German unification both, economic and social. Unemployment remains at high levels because there were not enough jobs available in the former eastern bloc. Although many jobs were created in the fields of construction and transportation, due to the poor condition of the former GDR, the new job market did not satisfy the 40% reduction in East German jobs. Average family incomes in the East still remain well below those in the West, which makes it more difficult to live in the East. Women continue to have trouble finding employment anywhere in Germany, especially in the East, and are not able to aid in the problem of low income.

The burden of the old-age pension system will only continue to grow as unemployment remains high and the government promotes early retirement. The low birth rate will only make financing the pension system more difficult. As the old-age pension expenditures exceed revenues, the government will remain subsidizing the system.

Despite the domestic problems in the Federal Republic, the economy continues to flourish. Germany has one of the highest export economies in the world. The unemployment problem is developing, as the rate of unemployment has significantly declined in the past few years. With the steady solution of these economic problems, the birth rate will rise and domestic fiscal budget will improve.

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