



# Corona Just Highlights the Problems a Society Already Has: Three Examples from Germany

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Although these times are unusual, many of the conspicuous social problems are not caused by Corona. These problems merely become particularly visible as a result of the virus. In the following, three brief examples will be given from Germany concerning small business owners, foreign seasonal workers, and working parents with children.

## The Inadequate Social Security of Small Business Owners

Due to the so called 'Corona crises', financial support for small business owners was one of the first measures taken by the German government. Small firms may receive up to 9.000 Euros (for firms up to five employees) or up to 15.000 Euros (for firms up to ten employees) in order to cover operational costs such as rent or debt repayments.<sup>1</sup> This support is non-reimbursable, but will be potentially liable to tax.<sup>2</sup> Furthermore, small business owners may apply in a simplified procedure for basic security benefits (*Grundsicherung*).<sup>3</sup> These benefits amount to 432 Euros per month, plus the costs for rent and an allowance for children. It can be assumed that this support will help many small business owners in the short run.

The latter measure, however, highlights the old problem that many small business owners do not pay into any unemployment insurance.<sup>4</sup> There are various reasons for this. First, unemployment insurance for small business owners is voluntary in contrast to compulsory insurance for employees. Second, voluntary insurance contributions for small business owners are fixed at around 75 Euro per month, while employees pay contributions according to their income.<sup>5</sup> This discourages business owners with small profit levels from insuring. Third, and maybe most important, should they become unemployed small business owners do not receive benefits according to their previous income (and contributions) but depending on their level of qualification. This ranges from 897 Euro per month for persons without a vocational qualification to 1585 Euro per month for persons with a university degree.<sup>6</sup> This discourages

business owners with lower qualification levels from insuring.

The German government emphasizes in the announcement of the aid packages for small business owners that 'one can rely on the welfare state' (*Auf den Sozialstaat kann man sich verlassen*).<sup>7</sup> A long-term indicator for this reliability, however, would be structural improvement of the conditions for small business owners in public social insurance. Besides unemployment insurance, many small business owners decide against public health and retirement pension insurance and instead choose private insurance and financial products. This is often celebrated as 'freedom of choice' in a society in which everyone is responsible for themselves. Instead of interpreting this as a way to exit the solidary insurance community voluntarily, my own fieldwork in Halle indicates that it should rather be seen as an effect of the institutional disadvantages small business owners face in public insurance (notably the very high contributions required of them in public health insurances). The coronavirus exposes the effects of these structural disadvantages.

## **Exploitative Relations to Those outside the Solidary Community**

While the case of small business owners reveals inequalities inside German society, the effects of the pandemic also highlight the boundaries of its solidary community. Help for small business owners is limited to Germany-based firms.<sup>8</sup> Furthermore, the German government has so far been reluctant to devise a common European strategy to assist the economies of those member states more severely affected.<sup>9</sup> At the same time, however, the dependency of the German economy on foreign labour – a support that might better be termed exploitation – is coming to the fore.

German media these days are full of concern about the lack of seasonal workers in agriculture, in particular for the upcoming harvest of asparagus and strawberries. Vast swathes of German agriculture can only be run profitably with foreign workers, who mostly hail from Eastern Europe.<sup>10</sup> They have to accept working conditions and wages which hardly any German would go to work for. Of course, German consumers benefit from low prices for goods, the production conditions of which they know little or nothing about. The suggested solutions indicate that the crisis will not put an end to this ignorance.

In one early measure, the German government decided that seasonal workers from abroad could receive permission to work in Germany for an extended period of time without the necessity for social insurance.<sup>11</sup> In addition, entry restrictions for seasonal workers have been relaxed.<sup>12</sup> Furthermore, it was suggested by the German agriculture minister that asylum seekers – who are usually not allowed to work – could be hired as seasonal workers.<sup>13</sup> Pro Asyl, an organization campaigning for refugee rights, seconds the minister's suggestion and demands a general abolition of the ban to work for asylum seekers.<sup>14</sup> The demand might

sound reasonable, but it would have to be complemented by better working conditions and higher salaries. Otherwise it would just mean extending the exploitation to another social group in a weak position to make claims.

## **Pressure on Parents: Home Office with Children**

The paragraphs of this last example are a bit messy and unfinished, since I write them with a 5-year old running in and out of the room of my home office – which means: our kitchen. Many friends have the same problem and some are even worse off. One friend describes in an Email his day in home office with a 6- and an 8-year old: “After breakfast I suggest something the two can play. If I’m lucky I can work 20 minutes, and write some lines for a report which is due by the end of the month. Then I have to make other suggestions, settle disputes, think about lunch, do the laundry, and make new suggestions. At some point, I surrender and we go out and play. Of course, I could put them in front of the TV. Then I could work longer.”

Another friend with a 12- and a 16-year old tells me: “The kids have received many worksheets from school. They do them on their own for a while and I can work. But then they don’t understand something and I have to help. And I don’t understand everything neither. So I have to learn how to do the integral calculus all over again. Other things I do not understand at all. And the more I have to explain them, the more annoyed everyone is. And work is not getting less just because I’m in home office. My boss expects the same performance as before.”

Another friend is at a loss as to how she should manage to adjust her university courses into online courses within a short time with a toddler at home. The summer term is supposed to take place, definitely.<sup>15</sup> But how can it be prepared in home office with children? Not only the teaching staff is affected. When the friend calls the IT hotline of her university for support, she is usually fobbed off. Too many of the IT staff are looking after children themselves.

When kindergartens and schools are closed, home office is an ambivalent institution. It allows one to work, but with children around just a little bit. As long as expectations regarding work performance stay the same (same amount of work, same deadlines etc.), home office only increases the pressure on parents, because they are suddenly full time (kindergarten-) teachers at the same time. What to do in this situation? Work late into the night or before the children get up? Some of my friends try it, but they are eventually exhausted and irritated, cannot concentrate, and need even longer to carry out the same tasks. Some employers suggest online seminars about work-life-balance and time management. But when to watch those (maybe together with the kids)? If employers would reduce their expectations, it would be understandable if they were to pay less as well. This, however, would impair the economic situation of families with children. Even if this does not necessarily lead to poverty, it confronts parents with old questions: Should the partner with the better income work full-time while the

other stays at home to provide child care? But then, should one give up one's financial autonomy and career opportunities? What if both partners work part-time? Can they be as successful as those with full-time employment? Is it a decision between career and kids? Can you have both? And what about single parents? These questions are as old as the underlying problems. They are not about the coronavirus. Corona just came by to kill our grandparents. On these other problems we have ignorantly been sitting for decades.

## Notes

<sup>1</sup> <https://www.bmwi.de/Redaktion/DE/Artikel/Wirtschaft/Corona-Virus/unterstuetzungsmassnahmen-faq-04.html> (access 2020-04-01)

<sup>2</sup> <https://www.tagesschau.de/inland/corona-soforthilfen-103.html> (access 2020-04-01)

<sup>3</sup> <https://www.bundesregierung.de/breg-de/themen/coronavirus/sozialschutz-paket-1733494> (access 2020-04-01)

<sup>4</sup> Oberfichtner, Michael 2019. Unterschiedliche Leistungen trotz gleicher Beiträge. *IAB-Kurzbericht* 1/2019.

<sup>5</sup> <https://www.existenzgruender.de/DE/Gruendung-vorbereiten/Gruendungswissen/Versicherungen-Vorsorge/Arbeitslosenversicherung/inhalt.html> (access 2020-04-01)

<sup>6</sup> <https://www.impulse.de/finanzen-vorsorge/vorsorge-versicherungen/arbeitslosenversicherung-was-selbststaendige-wissen-sollten/2072952.html> (access 2020-04-01)

<sup>7</sup> <https://www.bundesregierung.de/breg-de/themen/coronavirus/sozialschutz-paket-1733494> (access 2020-04-01) [oder <https://web.archive.org/web/20200328150733/https://www.bundesregierung.de/breg-de/themen/coronavirus/sozialschutz-paket-1733494>]

<sup>8</sup> <https://www.tagesschau.de/inland/corona-soforthilfen-103.html> (access 2020-04-01)

<sup>9</sup> <https://www.tagesschau.de/ausland/corona-eu-101.html> (access 2020-04-01)

<sup>10</sup> <https://www.spiegel.de/wirtschaft/soziales/corona-krise-in-der-landwirtschaft-das-bedeutet-der-einreisestopp-fuer-saisonarbeiter-a-b6f9b115-8591-4e83-abfe-15433f5eea6f> (access 2020-04-01)

<sup>11</sup> <https://www.bmel.de/SharedDocs/Pressemitteilungen/2020/054-coronapaket-der-bundesregierung.html> (access 2020-04-01)

<sup>12</sup> <https://www.bmel.de/SharedDocs/Pressemitteilungen/2020/062-corona-saisonarbeitskraefte-einreise-konzept.html> (access 2020-04-03)

<sup>13</sup> <https://www.tagesschau.de/wirtschaft/coronavirus-erntehelfer-101.html> (access

2020-04-01)

<sup>14</sup> <https://www.proasyl.de/news/zum-spargel-stechen-gut-genug-aber-dann-keine-perspektive-so-nicht/> (access 2020-04-01)

<sup>15</sup> <https://bildungsklick.de/hochschule-und-forschung/detail/sommersemester-2020-findet-statt> (access 2020-04-03)

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