

Money and mendicancy

From alms to citizen's income

By Günter Hoffmann, Berlin, © MoneyMuseum

In the cities, you can hardly miss them. They stand in front of both railway and subway stations, in shopping streets, in front of supermarkets or point of interests. And they grow more and more in number: beggars who ask for charity, sometimes wordless, sometimes audibly. An encounter with them creates an ambivalent situation for many people: if they hasten away without giving any alms, they act against their social conscience. Yet, if they give something out of pity then there is always the suspicion that they might have been exploited ...

The beginning of mendicancy

Already in the early civilizations beggars were a common sight, and one of the most famous was the Cynic philosopher Diogenes (c. 400 B. C.) who solely lived on alms and about whom legend has it that he had such little needs that he lived in a barrel. The social structure of the ancient societies, however, didn't permit for any systematic begging to evolve because the slaves located at the lowest social stratum were as comprehensively cared for as the bondsmen of the Germanic peoples. It was left to the middle ages with its accompanying great social changes to witness mendicancy arise. When the trade and the monetary transactions increased, when both cities and the division of work came into being an underclass emerged consisting of day laborers, door keepers, man servants and unskilled workers, many of which earned their money only on an irregular basis. Since the family ties became looser because of the fluctuation in the cities, not only formerly dependent people, craftsmen and jobless persons were forced to beg for alms, but an ever-growing number of sick people, invalids, widows as well – all those who were homeless. In contrast to later eras, the impoverished of medieval times could rely on the support of the majority of the population. Due to Christian influence, poverty was considered to be the will of God, and out of the spirit of charity the believers regarded it their religious duty to provide alms. In turn, the believers had the chance to be delivered from their sins, not only by praying and fasting, but likewise by giving alms. Thus, the beggars served an important function in the estate-based society: the impoverished one was in need of alms and the rich one was in need of the prayers of the poor for his soul to be salvaged. The only central institutions caring for the poor and providing them with food were some hospitals and convents. Many convents still adhere to that tradition: the ones in need still turn to them and are given – through a small window adjacent to the front door – food or money.

Begging ordinances and workhouses

Since the 15th century, the number of impoverished grew increasingly. One reason lied in famines spreading, epidemics and wars that deracinated more and more people. At the same time, the religiously motivated willingness to give alms promoted the development of a fraudulent mendicancy, and persons feigning illnesses and false clerics disguised as monks or priests benefited. Chroniclers report that beggars had raided the country like locusts and had

worsened the economic and social situation in cities and communities. According to estimates, at least two thirds of the population of the cities lived on alms. In Strasburg, there was a ratio of 30,000 citizens to 23,000 beggars, and in Vienna as many as 80 per cent of the population depended on charitable donations. It was that huge burden for the cities and communities that caused the approval of begging to decline with local rulers and working population alike.

The city of Nuremberg was the first to enact a begging ordinance in 1370 as basic regulatory measure which became a model for several other cities as well. The city of Brunswick was the next to follow in 1400, Vienna in 1442, and Cologne in 1446. The begging ordinances for the first time attached the individual's ability to work to the permission to beg. The cities made lists of beggars in which only those local beggars were enrolled whose need was confirmed by two respectable citizens. They were given a permit and special begging badges. In addition, the places were specified where it was allowed to ask for alms. Foreign beggars were banned from begging and were expelled from the cities; the failure to follow led to flogging or imprisonment, later even to galley penalty and branding. In Bavaria, foreign beggars were branded as late as 1751 and even executed if they continued begging.

Despite the begging ordinance and drastic measures, however, the army of impoverished grew in all parts of Europe. Only the reforms led to a major change in the treatment of beggars, since Martin Luther thought that salvation could be accomplished by faith alone which was a contrast to the obligation to give alms and the sale of indulgences. "If anyone doesn't want to work, he shouldn't eat" is a biblical quotation of Paul the Apostle and henceforth became the Protestant motto for dealing with beggars.

In order to get the able-bodied beggars used to a moral lifestyle again, by harsh discipline and hard work, the first penitentiaries and workhouses were founded, in London in 1555, in Amsterdam in 1589, in Bremen in 1604 und in Lübeck in 1605. The original concept of the workhouses, aiming at education at first, changed when the manufactories came into being and cheap workers were required. New penitentiaries and workhouses were erected, sometimes adjacent to the manufactories, bidders and vagabonds were systematically seized, taken into custody and forced to work, most of all in the textile industry, since that was the sector where unskilled laborers could be deployed most rapidly due to advanced labor division. In Paris, the first penitentiaries and workhouses were built in 1656, another ten followed, and already ten years later as many as 6,000 inmates worked in hosiery weaving alone.

Reliefs fund and public welfare

The church-based and the monastic facilities continued to be the only institutions of poor aid until the 18th century. In Prussia, it was left to the General State Laws for the Prussian States in 1794 to stipulate the poor aid as task of the cities and communities and to grant the guiltless impoverished and those unfit for work a claim for support from the relief fund. In contrast to the public welfare of later times that support wasn't financed with tax revenues but with private donations and testaments, with church properties or with ecclesiastical and private collections. In such cases where too few donations were given – a case in point is

Kälberau in Lower Franconia with its relief fund established in 1826 –, the Königliches Landgericht (land court) enacted on 18 November 1827 that a poor box ought to be passed round henceforth, at weddings, christenings and festivities of the sort. In case dance music was played after the legal hours a fee was to be paid into the relief fund. Fines flowed into the relief fund, too. According to the law from 23 December 1837, the citizens of Valais canton in Switzerland, for example, had to pay between 200 and 500 francs into the fund if they married persons of non-Catholic faith or, without being given permission in advance, outside the canton.

Basis security benefit and citizen's income

In Germany, beggars and vagabonds were committed to workhouses right to the middle of the 1960s. As late as 1969, the relevant paragraph of the Reichsstrafgesetzbuch (penal code) from 1871 was abolished that stipulated that those who wander about as vagrants (...), those who beg (...) and those who – when receiving support from public poor aid – refuse to do the work the authorities have assigned them since they are work-shy, ought to be punished with imprisonment. The backdrop of this development was that the increase of full employment went hand in hand with a decrease of beggars and impoverished; at the same time, the social welfare – introduced in 1961 – guaranteed all people financial support for the first time, regardless of their ability to work. From that moment on, pauperization and mendicancy seemed to be merely a problem of developing and threshold countries. In the meantime, however, the economic situation likewise in the industrial nations had changed, affecting large sections of the population. Decreasing wages, increasing deployment figures, cash-strapped public purses and restriction of social transfers lead to poverty spreading again. Already in the early 1980s, the number of beggars increased to such an extent that several cities in Germany like Munich, Saarbrücken, Fulda, Koblenz, as well as French cities like Perpignan, Toulouse or Toulon enacted regulations against beggars in which it was stated that both asking for alms as well aggressive begging was forbidden in general or in certain inner-urban areas.

The economic situation had further worsened. Unemployment and poverty no longer hit low-qualified people only – more and more, skilled labors, craftsmen, university graduates and freelance professionals are affected, too. In Berlin, for example, in excess of 500,000 people lived below the poverty line at the end of 2005. One out of six citizens had means at his disposal of less than 600 euros a month. Soup kitchens, charity department stores and central distribution points where food is handed out for free had come into being in almost every district.

All industrial nations search for solutions to cushion the foreseeable repercussions of the labor society fading away and to prevent further segments of the population from sinking into poverty. In the USA, the magic words are “Earned Income Tax Credit”. It is negative personal income tax that was introduced in 1975. Low income working persons are not only exempt from paying taxes but are provided by the finance authority a fixed amount that can be as high as 4,000 dollar per year for families with children. Another security model is under dispute in the German speaking countries. There, more and more economists, social scientists and politicians speak out in favor of an unconditional basic income for every individual.

Every citizen ought to receive this basic income, also referred to as 'citizen's income', regardless of age and occupation, without any checking. The amount of the citizen's income ought to correspond to the official minimum subsistence level at least, which is roughly 600 euros per month at present. One of the supporters of this common basic security is Thomas Straubhaar, Professor of Economy and Director of Hamburg Institute of International Economics, who even thinks 800 euros per month manageable. According to this concept's campaigners, the expenses amounting to 700 to 800 million euros can be financed because the citizen's income would replace all social transfers, except for subsidies for health insurance, and allow for huge savings in social bureaucracy at the same time.

This basic income would make mendicancy dry out. In the meantime, however, the number of beggars and organized begging will further increase in the industrialized countries.