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Review of Ronny Grundig, *Vermögen vererben: Politiken und Praktiken
in der Bundesrepublik und Großbritannien 1945–1990*

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RONNY GRUNDIG, *Vermögen vererben: Politiken und Praktiken in der Bundesrepublik und Großbritannien 1945–1990*, Geschichte der Gegenwart, 28 (Göttingen: Wallstein Verlag, 2022) 340 pp. ISBN 978 3 835 35169 1. €32.00

Social inequality has once again become a contentious societal issue in the wake of Thomas Piketty's work, if not before.¹ Unlike in the past, however, the contemporary debate has centred on the end of the income and wealth spectrum that has previously attracted less attention—in other words, on the rich. This new focus soon raises questions around inheritance, which makes a significant contribution to maintaining structures of social inequality across generations.

Inheritance as a process extends far beyond the individual and is a worthwhile subject for social history. However, contemporary historians have paid it far less attention than scholars of other eras. Only in the last few years has German historiography taken a greater interest in this form of wealth transfer, and Jürgen Dinkel in particular has done much to advance the research field.²

Now Ronny Grundig has developed it further in his PhD thesis, written at the Leibniz Centre for Contemporary History in Potsdam. His study focuses on the period from 1945 until 1990—an end point chosen because of the subsequent changes to discourses and structures of inequality brought about by German reunification. Grundig compares the Federal Republic of Germany to the UK, justifying his selection of countries by their different legal systems. His analysis centres on three points: first, the regulation of inheritance by the state; second, changes to inheritance practices on both sides—that is, among testators as well as heirs; and third, how the process of inheritance shaped the social and economic fabric of the Federal Republic.

The part dealing with political history is the most straightforward. Chapters one and two outline the legal context over the period, with more space given to the early post-war years. This unequal weighting

Translated by Jozef van der Voort (GHIL).

¹ Thomas Piketty, *Capital in the Twenty-First Century* (Cambridge, MA, 2014).

² Jürgen Dinkel, 'Erben und Vererben in der Moderne: Erkundungen eines Forschungsfeldes', *Archiv für Sozialgeschichte*, 56 (2016), 81–108.

makes sense, given that the aftermath of the Second World War opened a window for change in both nations. In the UK, change consisted primarily of substantial tax rises in accordance with the legislative goal of redistributing wealth in the post-war settlement. In West Germany, the Allies – and especially Great Britain – made significant interventions in tax law. Previously, inheritance tax rates had varied based on how closely related the heir was to the testator. This system was replaced with a single standardized rate, which placed a substantial burden on smaller estates. The resulting legislative similarity between both countries was short-lived, however, as the Bundestag repealed the reform in its very first session. This shows how significant an issue inheritance tax was, given the large number of important legislative projects competing for attention at this time – a situation that prompted some contemporaries to call the Bundestag a ‘working parliament’ (*Arbeitsparlament*). For the UK, Grundig extends his discussion into the 1970s, thereby considerably stretching the definition of ‘post-war’. Yet this is necessary to cover key aspects of the British inheritance debate – notably, efforts to safeguard widows.

Chapter two then traces the regulation of inheritance up to 1990. Here, Grundig places more emphasis on the similarities between his case studies than the differences. The high rate of inheritance tax in the UK did not bring about the redistribution hoped for by legislators. There were many other wealth transfer routes to choose from, and although attempts were made prior to Margaret Thatcher’s election to close loopholes, they achieved little. Labour politicians introduced a capital transfer tax in order to skim off private wealth and divert it to the treasury, but their efforts were thwarted by the change in government. After 1979, estates benefited from the concept of the property-owning democracy, which produced a fall in the rate of inheritance tax, among other effects. This development is certainly in keeping with the standard view of the Thatcher era; however, there is still a need to explain why the lively debate over increasing inheritance tax had so little influence on legislation. The same goes for the Federal Republic, where voices were also raised in support of a higher rate of inheritance tax as a counter to growing wealth inequality. Yet the German inheritance tax reform of 1973 was moderate in scope, despite the extensive demands made by the left wing of the Social

Democratic Party (SPD). While there was no radical policy of redistribution under the SPD, there was no clear neoliberal turn either.

In the third and fourth chapters the focus shifts onto inheritance practices. Grundig's source base switches from parliamentary debates, politicians' personal archives, and committee minutes to tax and probate records and corporate archives. The UK case fades into the background in this section – presumably for practical reasons, which are all too understandable given the time pressures faced by most doctoral students. Comparative social history is generally far more challenging than studying political decision-making, as working with case files is very labour-intensive. Nonetheless, it would have been desirable for the author to reflect more openly on his analytical context. That said, Grundig's social historical inquiries have resulted in some of the most interesting findings in his book. Only a quarter to a third of testators opted to actively transfer their wealth instead of bequeathing it according to inheritance laws. The extent of a person's wealth generally determined whether they would write a will, but in some cases less wealthy people also chose to do so – for example, to leave money to their carers.

The most important empirical findings relate to the dominance of families, the formation of a labour market around inheritance, and the complexity of transferring wealth. People generally chose to actively transmit their property to family members, in particular their spouses. In many cases, inheritance involved a number of actors besides the testators and heirs, such as notaries, executors, and heir finders. The inheritance tax records show that intergenerational wealth transfers took place beyond the confines of inheritance law, especially when it came to large fortunes. Gifts and other methods of transmitting property must also be taken into account in order to understand the full picture.

All in all, Grundig has produced a source-centred study that synthesizes information from case files, parliamentary records, sociological and legal studies, and personal archives into a readable whole. Some clever planning was evidently required to accommodate the broad array of topics – taking in large and small estates, testators, heirs, and two countries – within the confines of a single book. And it is ultimately for the best that the transnational comparison fades into

the background as Grundig immerses himself in the social history of inheritance. However, in certain places more in-depth discussion would have been welcome—for instance, on why inheritance tax remained so modest in West Germany, especially when compared to the higher rates in the UK and the USA. Also, coming back to the third of the three major questions raised at the beginning of his study—that of the significance of inheritance for the social and economic fabric of the Federal Republic—Grundig could have discussed more what his findings regarding inheritance practices mean for the history of the family or old age. An answer to some of these questions should be forthcoming from the array of existing and soon-to-be-published research on inheritance in the twentieth century.³

³ See e.g. Jürgen Dinkel, *Alles bleibt in der Familie: Erbe und Eigentum in Deutschland, Russland und den USA seit dem 19. Jahrhundert* (Cologne, 2023).

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