

Twelve years after reunification

Report reveals widespread and growing poverty in Berlin

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This summer, the first poverty report was issued by the Berlin Senate. It presents a depressing balance sheet of the policies pursued in a reunified Berlin.

For a few days the German media picked up and dealt with the main issues of the report. With dismay, the press conceded that one out of eight inhabitants of Berlin is affected by poverty and a third of all children under the age of three also live in poverty. The media made no mention, however, of the reasons for such a drastic worsening of social conditions.

Faced with the fact that the city's budget situation is at breaking point, some papers reverted to cynicism, referring to Berlin as "the republic of tracksuits" and emphasising the run-down image of the city. Other commentators criticised the popular protests against the saving measures proposed by the coalition government of the SPD (German Social Democratic Party) and the PDS (Party of Democratic Socialism).

In the *Süddeutsche Zeitung* (August 29, 2002) Annette Ramelsberger declared that the Senate "is faced with the task of ridding Berliners of their distinctive subvention-mentality". Berliners, she continued, get easily worked up because of minor issues such as the "insignificant increase of group sizes in day nurseries" and behave "as if this were against the Human Rights Convention".

What is the real situation in this city of 3.5 million inhabitants?

The report, titled "Poverty and Social Inequality in Berlin", was issued by the state authorities responsible for health care, welfare and consumer protection under the patronage of state Minister Heidi Knake-Werner (PDS). The report gives some insight into the increasing social polarization of the capital and defines those layers of the population threatened by poverty.

In terms of income, the limit determining poverty is estimated to be around 540 euros per person per month. But when estimating the income of families the full sum is only calculated for the first adult. For each further adult or child only 70 percent of this sum, or for children younger than 15, just 50 percent, is taken into account. This means that the poverty limit for a family of three people including a 12-year-old child is estimated at 1,190 euros. Under these conditions, groups of people dependant on state assistance, the unemployed, large families and single parents are established to be those most threatened by poverty.

* State assistance

Nearly half of all people dependent on state assistance are children and young people under 25. The majority of people receiving state assistance live in the traditional working class districts of Berlin: Wedding, Tiergarten, Kreuzberg and Neukölln, with 15.7 percent of all social benefits going to Neukölln and 10 percent going to both Wedding and Kreuzberg. This means that one third of all those in Berlin who depend on state assistance live in these three districts.

If one also takes population density for those receiving state assistance into consideration, a more accurate picture of the social situation in these districts emerges. In Kreuzberg, 17 percent of inhabitants receive state assistance; in Wedding, 16.6 percent; in Tiergarten, 12.5 percent; and in Neukölln, 12.5 percent. In these districts population density is one-and-a-half to two times higher than the Berlin average of 7.3 percent, where one in twelve inhabitants receives state assistance.

These figures do not take into account other benefits, such as earnings-related or unemployment benefits.

* Unemployment

Although in the past a number of job creation schemes were created in Berlin, the rate of unemployment has been rising for years. Such schemes serve to pretty up the official unemployment statistic, but with their system of low pay they in fact contribute to the growth of poverty.

In common with other former GDR states (under German law Berlin is ranked as both a city and a state) the rate of unemployment in Berlin has remained over 10 percent since reunification. In 1996 it reached 14 percent, at the end of the 90s it was 16 percent and it rose to 17 percent for this first time this year in July. According to the Federal Office for Statistics this is the highest rate of unemployment for 11 years.

The number of those employed in the industrial and productive sector has been decreasing for years. This explains the alarming situation in the traditional working class districts of Kreuzberg, Wedding, Neukölln and Tiergarten, where all manner of social problems are most pronounced.

The spectacular bankruptcies of traditional Berlin companies such as Herlitz and Babcock-Borsig have revealed the extent of the economic crisis in the German capital. Plans by Berlin's state government to intensify the spread of job creation schemes, together with increased pressure on the unemployed to accept jobs

in the low-wage sector, will drastically increase poverty in Berlin.

*** Foreign workers and their families**

Immigrants are especially hard hit by the growth of social inequality. The rate of unemployment and the percentage of those dependent on state assistance is twice as high among immigrants compared to the rest of the population.

Widespread poverty among foreign workers is being reinforced by “risk-factors” cited by the report: large families, insufficient education or households providing for older family members. Proportionally, immigrant households more frequently consist of more than three people (23 percent) compared with German households (8.7 percent); 34 percent of these households also include children. This is the case with just 19 percent of German households.

The situation with regard to education for foreign inhabitants in Berlin is truly devastating: 41 percent of all foreigners have no professional training and 15 percent have never finished schooling. The respective numbers of the German population are 18 percent and 1.5 percent.

New cuts planned to the resources of institutions caring for children, the already implemented enlargement of school classes and increased financial pressure on parents to pay for teaching materials will consolidate and reinforce the problems leading to insufficient education and school attendance.

*** Single parents, children and families**

Following reunification, a marked increase in the number of single-parent households has been witnessed in Berlin. The percentage of such households in relation to all households has risen from 28.7 percent to 37 percent. In the districts of East Berlin the corresponding figure is 40.9 percent, in West Berlin 34.3 percent. Seventy percent are single parents as a result of divorce.

The existence of day nurseries is an absolute priority for single parents to balance work and family, while maintaining the ability to survive financially. Currently there are only nurseries for 35-37 percent of single parents. Because the possibility of obtaining childcare is so limited, 45 percent of single mothers are unemployed. Only 43 percent are capable of earning a living while 28 percent are dependent on state assistance.

The report states there is an “acute need for action regarding the extension of day care and nurseries”. But what do the policies of the regional government in Berlin look like in practice?

The SPD-PDS Berlin coalition has increased the average number of children taught by each teacher from 16 to 22. In a list of planned cuts published recently, Finance Senator Thilo Sarrazin (SPD) has called for a 100 percent increase in fees for nurseries. In practice the SPD and PDS are not only responsible for, but are also actively implementing, the dismantlement of social welfare.

Single parents are more threatened by poverty than the average citizen. With only one child the danger of being impoverished is much higher (21.1 percent) than for the average (12.8 percent). With four or more children in one household this percentage rises to 48.2 percent.

It is not only single parents who are faced with the consequences of unemployment and cuts in social services. Families with many children are also endangered: the more children live in one household the bigger the risk of poverty.

Child poverty averages 23.6 percent in Berlin, meaning that nearly every fourth child is growing up poor. In West Berlin, where social polarization is more intense, child poverty is 28.2 percent; in the East the figure is 16.4 percent, which still means that every sixth child is affected by poverty. This number will inevitably rise even further as a consequence of new cuts implemented by the SPD-PDS government.

Sport and culture facilities were traditionally used to alleviate poverty but have already been hit by cuts over past years. Now even more drastic cuts are imminent in the attempt to consolidate the city’s budget. This will lead to an increase of aggression and criminality among children and youth—factors which do not crop up in the statistics.

*** Berlin—the capital of poverty?**

The figures in the Berlin poverty report are an indictment of the anti-social policies carried out by the former SPD-CDU (Christian Democratic Union) government of Eberhard Diepgen, which are now being intensified by the new coalition government.

Having made clear the extent of the crisis, the report then goes on to make suggestions for improvements in educational and social policies. The problem is that the list of suggestions drawn up by Heidi Knake-Werner (PDS) is completely at odds with the policies adopted and carried out since January 2002 by the SPD-PDS Senate, not to speak of what the government plans for the imminent future.

The policies of the SPD-PDS Senate have already sparked big protests. As the report demonstrates, the issue is not just whether Berlin should continue to have three opera-houses—the interpretation favoured by the media—but concern the living standards and future for hundreds of thousands in the capital.

The poverty report is a warning of the serious social consequences arising from the cost-cutting policies implemented by the established political parties in Berlin, who all bear responsibility for the consequences.



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