

German government attacks long-term unemployed

Elizabeth Zimmermann
29 April 2011

Last year, employment agencies in Germany imposed more penalties on Hartz IV welfare recipients than ever before. By reducing allowances, cutting costs by more than €10 million, they have greatly increased pressure on the long-term unemployed.

The Federal Employment Agency has reported that more than 828,700 sanctions were imposed on Hartz IV recipients in 2010. This is 14 percent more than in 2009. The severity of the penalties has also been increased, with benefits having been reduced by an average of €123.72 per month. The average penalty was €114.31 the previous year.

Penalties were incurred in almost 500,000 cases for missing scheduled appointments, or—to use German officialese—“failures to report”. Sanctions imposed for not appearing when required increased by 20.6 percent compared to 2009.

About 142,000 penalties were issued for breaches of official integration agreements, as when the employment agency discovered that an insufficient number of job applications had been lodged.

Sanctions were imposed in about 102,000 cases because those concerned refused to accept a job vacancy considered by the labour office to be a reasonable one, or they rejected training or a one euro per hour job.

The number of penalties over nine months against Hartz IV recipients in Berlin rose by 7,300 to 17,548. This means that 2.7 percent of beneficiaries temporarily received reduced benefits at least once.

This figure lies within the national average of 2.9 percent in western and 2.4 percent in eastern Germany. According to the *Tagesspiegel* newspaper, “Labour market experts claim that the difference in these values (is) due to fewer jobs being available to the unemployed in the five new federal states of eastern

Germany, thus resulting in fewer job rejections.”

The penalties and benefit cuts involve money and services that are already too meagre to allow for decent living conditions. The monthly Hartz IV benefit rates are currently €364 for adults and €215 to €287 for children, plus heat and rent costs. Even without the cuts, these allowances are not enough to live on. Recipients are forced to cut down on food, electricity or other basic necessities.

The long-term unemployed are thus being put under enormous pressure to accept virtually any job, no matter how unreasonable or unjust.

Even before the Federal Employment Agency presented its statistics on the increase in penalties, the *Tagesspiegel* reported in early March that job centres were taking tougher measures against the unemployed. “If the unemployed reject job offers or miss appointments,” it wrote, “they will be punished. Compared to the first years after the introduction of the Hartz IV benefits system, the job centres have become much more reliant on these procedures.”

There are many indications that the job centres have adopted internal targets to increase the number of sanctions on aid recipients, thus reducing costs.

Sanctions against the unemployed under Hartz IV are as follows:

If an appointment at a job centre or a medical service is missed, benefits may be reduced by 10 percent. If this happens several times in a year, benefits are reduced by 20 percent.

If a condition of a job centre integration agreement is not observed, acceptance of a job offer or a one-euro job refused, or participation in any kind of training programme evaded, then benefits can be reduced by 30 percent. If there is a second violation within one year, benefits can be cut by 60 percent. If there is a third

instance, all assistance—including for rent and heat—is subject to cancellation.

Measures applying to Hartz IV recipients up to 25 years of age are even more drastic. They are faced with the complete termination of standard benefits for three months if they refuse a job offer or further training. They then receive only the cost of their monthly rent and heating expenses, which is paid directly to the landlord. In the event of a repeat offence, they receive no benefits at all for three months.

From its very beginning, the introduction of the Hartz IV benefits system—with its restrictions and sanctions—by the Social Democratic-Green government of Gerhard Schröder and Joschka Fischer was aimed at increasing pressure on the unemployed and welfare recipients. By forcing people to accept virtually any job, regardless of pay or people's level of training, the Hartz legislation helped create a huge low-wage job sector.

Many recipients of the Hartz IV allowance are today working in this low-wage sector, but are nevertheless dependent on additional state benefits. Fear of slipping into Hartz IV dependency has led to increased worry about imminent job loss in general.

The often arbitrary punitive measures against the long-term unemployed and Hartz IV recipients exacerbates these anxieties. Many of the sanctions and benefit reductions are actually illegal. When victims appeal or launch court actions, more than a third meet with success.



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