

Child poverty on the rise in Germany

Elizabeth Zimmermann
8 March 2012

“There is no cause for celebration. We continue to have a scandalously high level of child poverty in Germany.” These were the words used by Ulrich Schneider, chief executive of the Joint Welfare Association on February 29 in Berlin, to introduce his study “Poor Children, Poor Parents: Families in Hartz IV Welfare.”

The study exposes the claim, made by the federal family minister Ursula von der Leyen (CDU) at the end of January and since spread by the media, that the number of children living in poverty is declining.

At the time, the president of the Child Protection Agency, Heinz Hilgers, and Ulrich Schneider from the Joint Welfare Association expressed their own doubts over von der Leyen’s claims. They pointed out that the number of children under 15 has declined in Germany by 750,000 since 2006. This means that a lower absolute number does not necessarily indicate that the poverty rate has decreased.

According to the new report by the Joint Welfare Association, one in seven children under 15 in Germany is dependent on welfare payments. This figure rises to one in four children in east Germany. The sharp fall in unemployment in recent years has had little effect on the numbers of those dependent on miserly Hartz IV welfare payments.

The study reveals that in the German capital city, Berlin, one third of all children are dependent on welfare. “In Berlin, the rate decreased for a while over the years, but this is primarily due to the favorable demographic trends (i.e., that more children were born) and not because of less dependence on Hartz IV,” it explains. “The number of cases of children relying on Hartz IV in Berlin fell by just 2.5 percent. However, since the total number of children in Berlin significantly increased over the same period (+7.5 percent), the poverty rate fell by 9.4 per cent in the official tables.

“Here, the relationship between demographic development and the regional development of poverty is especially clear: if another 1,000 children were born tomorrow in the child-friendly Berlin district of Prenzlauer Berg, then the poverty rate would fall in Berlin, but this would do nothing to change the situation for all those children in the poor suburb of Neukölln who rely on Hartz IV.”

The study describes the situation in the Ruhr region of Germany, formerly its industrial heartland, as especially dire. There, the rate of children dependent on welfare (25.6 percent) is higher than in east Germany. In the Ruhr city of Gelsenkirchen, the rate is 34.4 percent, higher than Berlin.

Between 2005 and 2010, there was not a single city in the Ruhr area that did not experience social decline or stagnation. Particularly alarming is the rise in child poverty in Mülheim an der Ruhr, which hit 24.4 percent in December 2010, and Hamm, which reached 22.7 percent the same year. Not far behind Gelsenkirchen were the cities of Essen, with a child poverty rate of 31 percent, Duisburg (29 percent), and Dortmund, (28.7 percent).

Large families (with three or more children) and single-parent families are particularly hard hit by poverty and the withdrawal of welfare payments. Half of all children dependent on welfare live in a single-parent household.

Even in wealthy Bavaria, 28 percent of single-parent families depend on Hartz IV, although the state has an average rate of child dependency on welfare of just 7.3 percent. In the neighbouring state of Baden-Württemberg, where the Hartz IV rate for all families is only 8.6 percent, one in three single-parent families are reliant on welfare. In six German states—the east German states plus North Rhine-Westphalia and Bremen—50 percent of all single parents depend on Hartz IV.

The study confirms that it is impossible to afford what is necessary for daily life based on the welfare provisions of between €219 and €287 per month. Dependence on Hartz IV means deprivation and exclusion, with families unable to afford sports clubs, music lessons, excursions, school trips, or other recreational activities.

The report also deals with the humiliating experience of many low-wage workers. Although they work full time, they need to increase their income with Hartz IV payments in order to compensate for their measly wages. “A real scandal in this context is the fact that almost half of the approximately 1.3 million that depend on auxiliary Hartz IV payments, over 600,000 people, are households with children; 169,000 of them are employed full time and pay social security contributions. They have a total of about 200,000 children in their families, children who learn from an early age that their parents work day after day from morning till night for a wage that, at the end of the month, does not provide enough to go round.”

The growing poverty for the majority of the population is matched by a staggering concentration of wealth at the top of society. The number of millionaires in Germany has risen in recent years to 830,000. According to the “Global Wealth Report,” produced by the firm Boston Consulting, there are currently 839 German “ultra-high-net-worth households” with assets of more than US\$100 million per household. This means the German republic occupies second place in world wealth rankings, behind the US and in front of Saudi Arabia.

According to a recent article in *Der Spiegel*, there are now more than 100 German billionaires. “Never has the gap been so wide to the general population,” the magazine reports. “For the bottom 50 percent of the population, very little has changed in terms of income for decades, according to new statistics from the German Institute for Economic Research (DIW).”

This polarisation between rich and poor and the redistribution of social wealth from the bottom to the top has been fuelled by the policies of successive German governments during the past one and a half decades. In particular, the coalition of the SPD and Greens intensified the trend towards poverty by initiating Hartz IV while lowering income taxes and capital gains taxes to benefit the wealthy.



To contact the WSWs and the
Socialist Equality Party visit:

wsws.org/contact