

# Youth poverty rises in Germany's Ruhr region

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A number of recent studies show that despite the relatively low unemployment rate in Germany compared with other parts of Europe, poverty rates have increased sharply.

According to a study from the Bremen Institute for Workplace Research and Career Support, 223,000 young people between the ages of 15 and 24 live in households dependent on Hartz IV state welfare payments. This equates to 10.7 percent of this age group, higher than the nationwide average of 8.6 percent.

In many towns in the Ruhr region of North Rhine Westphalia (NRW), this figure is considerably higher. Gelsenkirchen, with 22 percent, has the highest percentage nationally. Essen, Duisburg, Wuppertal and Dortmund also rank among the top 25 urban areas in Germany for poverty rates among young people.

A study from the Hans-Böckler Foundation last December placed the number of young people under 18 who are in poverty at 18.9 percent across Germany. This means that more than 2.5 million children and young people are poor.

With a poverty rate of almost one third of the population, the city state of Bremen has the highest poverty rate in Germany among young people under 18. Among children and young people from immigrant families, the poverty rate is 44.1 percent, the highest in western Germany.

Data from the federal agency for employment shows that, alongside Gelsenkirchen, Bremerhaven is the city with the highest percentage of families who depend on Hartz IV. In some areas of the town such as Gröppelingen and Tenever, every second child or young person is affected by poverty.

Of all of the states of western Germany, NRW is where children and young people are most at risk of

poverty. NRW is also the state with the largest increase in poverty among children and young people.

While in 2005, 24.1 percent of young people in NRW were at risk of poverty, this figure now stands at 27.6 percent. With 678,000 children and young people living in poverty in NRW, there are more poor young people in this one state than in the states of Bavaria, Baden-Württemberg and Hessen combined.

The current rate of poverty among young people 18 and younger in NRW is 6 percent higher than the average for the population as a whole. Young immigrants face a poverty rate of 36.4 percent, considerably more than the average.

The states in eastern Germany all have rates of poverty for children and young people above the national average. Mecklenburg-Vorpommern, with a figure of 30.1 percent, is second only to Bremen. The number of young children under the age of 3 affected by poverty is even higher.

More than a quarter of children and young people in Sachsen and Sachsen-Anhalt are poor, and this rate has sharply increased. Since 2005, it has risen by 3.3 percent to the current rate of 31.4 percent.

Alongside the Ruhr region, Berlin leads the way in a number of poverty statistics. Some 27 percent of children and young people in Berlin live at risk of poverty, and the rate of immigrants living in poverty is again higher. Almost half of all children between 15 and 18 years of age live in poverty.

The Social Democratic Party (SPD)-Left Party state coalition government in Berlin between 2001 and 2011 is chiefly responsible for the capital city becoming a centre of unemployment, low-wage jobs and poverty. Over the same period, the Berlin Landesbank was handed millions in taxpayers' money.

The high rates of poverty in NRW are similarly the

result of a long period of SPD rule, interrupted only briefly between 2005 and 2010 by a coalition of the Christian Democratic Union (CDU) and Free Democratic Party (FDP). Since 2010, the SPD state government led by Hannelore Kraft has implemented a programme of radical cuts to state spending.

During the campaign for the state parliament, Kraft adopted the hypocritical slogan, “We won’t leave any child behind.” But in the state budget for 2013 that has just been introduced, the SPD-Green coalition will cut €152 million from state programmes. This will affect many areas, including help for children and young people.

Spending on cultural activities will be cut by €12.2 million. The budget for public libraries, several of which have already been closed, is being reduced by €5.5 million.

In the department of social services, led by Employment Minister Guntram Schneider, the former head of the NRW section of the German trade union federation, the budget calls for €12.7 million in cuts. Five million euros of this total will come from subsidies for social welfare organisations.

Funding for school meals for poor children is to be cut by close to 75 percent, from €3.5 million to €1 million. An allotment of €140,000 for assistance to parents with more than one child is being eliminated.

These measures are only a foretaste of what is to come. The SPD-Green state government intends to save €1 billion.

The NRW state government is responsible for the desperate financial position of most of the municipalities in the Ruhr region. With the “reinforcement package for city finances,” which Kraft’s government implemented last summer, the levels of social polarisation in the towns and cities of the Ruhr region will widen.

On the federal level, the main responsibility for deepening poverty lies with the SPD-Green coalition led by Gerhard Schröder between 1998 and 2005. The introduction of the Hartz IV system made possible the creation of a huge low-wage sector. Further austerity measures at federal, state and communal levels have intensified this process.

An investigation by the Institute for Economic and Social Sciences (WSI) last November drew attention to the growing poverty in German cities. In six

cities—Leipzig, Dortmund, Duisburg, Hannover, Bremen and Berlin—poverty levels have grown so much that, on average, one in four or one in five people lives below the poverty line.

The study remarked that the growth of poverty was unusual in the context of declining unemployment. The apparent anomaly is to be explained by the expansion of the low-wage sector.

The report showed that the levels of poverty were higher in areas with increased unemployment rates, with Leipzig experiencing a poverty rate of 25 percent, while Dortmund and Duisburg followed with 24 percent and 23.5 percent, respectively. Focusing on Duisburg, the study noted that one could observe here how “a city as a whole” had fallen in to poverty.

While the cuts at all levels of government have led to rising levels of poverty and indebtedness, making life for working people increasingly difficult, cities like Duisburg have sufficient money to pay large salaries to the financial elite. Erich Staake, for example, head of Duisburg Hafen AG (the company controlling the town’s port), was paid a salary in 2011 of €634,500.

Staff costs for members of the Duisburg Enterprise Executive Board will rise almost threefold this year to €500,000. As a result of haggling over positions within the City Council, led by the SPD, the Greens and the Left Party, the previous head of the board, Thomas Patermann, who earns €200,000 annually, will be joined by Peter Greulich of the Greens and Uwe Linsen of the SPD, who will receive salaries of €170,000 and €130,000, respectively.



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