

# Germany's working poor and the government's "jobs miracle"

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Despite the endless rhapsodising over Germany's so-called "jobs miracle" by the government and media, more and more studies are proving that this "miracle" is based on the brutal exploitation of low-wage and part-time workers. The number of those who can barely manage to live on their income has increased by 25 percent compared to the figure in 2008. Evidence from the Federal Statistical Offices shows that 3.1 million employed workers were living below the poverty threshold at the end of 2013. In 2008, the number of so-called "working poor" stood at around 2.5 million people.

Those considered to be at risk of poverty are people on incomes less than 60 percent of median income, including all government payments (e.g., residential and child support). In 2013, the threshold in Germany was €979 net per month for a single person and €2,056 for a family with two children under 14 years of age.

According to statisticians, this has far-reaching consequences for those affected and especially for their children. About 379,000 employed people at risk of poverty were unable to pay their rent on time in 2013. Some 417,000 went without adequate heating. Approximately 538,000 tried to save on food costs by having a full meal only every second day. Almost 600,000 of these workers could not afford to run their own cars. Even a weeklong annual holiday is beyond the finances of approximately 1.5 million people.

Shortly before Christmas, consumer advice centres reported that more and more families have to make do without electricity on public holidays. According to the Federal Network Agency, electricity was temporarily disconnected from nearly 345,000 households in the last year alone. The consumer centres consider the number to be significantly higher.

The increase in poverty among the working

population is a direct result of low wages, which even the minimum wage regulation fails to adequately supplement, and low social benefits such as those for housing and child support. Another reason for the poverty increase is the growing number of those who have no alternative but to work part-time.

It is true that the number of people employed in Germany reaches a new high almost every year. The federal government never tires of presenting this as a major success. However, the proportion of part-time and marginal jobs in Germany is higher than in most other European countries. This is by shown by a new study from the Institute for Macroeconomic and Business Research (IMK), a subsidiary of the Confederation of German Trade Unions' (DGB) Hans Böckler Foundation.

According to the study, only Iceland, Switzerland, Sweden and Norway have employment rates—i.e., proportions of employees in the respective working-age populations—that are higher than the rate in Germany. But these rates give no indication of the kind of employment involved. The study states: "The nominal employment rate is based purely on counting the number of employees, without distinguishing between those with full-time and part-time jobs." The high employment rate in Germany is therefore misleading, because a quarter of the country's employees—almost 11 million people—work in part-time jobs. The proportion of part-time workers is higher only in the Netherlands and Switzerland.

In addition, the part-time workers work for only very few hours a week. People employed in marginal jobs and earning a maximum of €450 a month constitute about half of all part-time workers in Germany. These 5 million-plus people mainly work in low-wage jobs. Furthermore, another 2.35 million of the marginally

employed do part-time work in addition to another job.

According to recent surveys by the Federal Statistical Office, more than 3 million people employed in Germany want to work longer hours. In particular, many women have less employment than they would like. They are unable to find a full-time job or have to care for children or relatives.

Overall, every sixth citizen of Germany was affected by poverty or social marginalisation in 2014. This amounts to over 13 million people, according to the Federal Statistics Office's report in October. The number of working poor is growing particularly in Berlin, the Ruhr area and many eastern German regions.

While poverty is increasing, wealth is concentrating at the other end of society. Private assets in Germany have grown to well over €10 trillion, i.e., 10,000 billion euros. The hundred richest German individuals and families alone possess a fortune of €336 billion.

The gap between the rich and the poor is continually widening. This is the result of a policy which floods the financial markets in the interests of the rich with hundreds of billions of euros that end up in the bank accounts of large-scale shareholders. The billions slipped into the pockets of the super-rich are then recouped from the workers and unemployed through austerity programmes—a massive redistribution of wealth from the bottom to the top.

The trade unions bear major responsibility for these policies. Not only did they support the introduction of the miserly Hartz social benefits legislation ten years ago and the bank bailout of half a trillion euros in 2009. Above all, they play the key role in preparing the ground for the attacks on jobs, wages and working conditions carried out in the factories.

The pious oratory and quietly delivered social critique, via the DGB's Hans Böckler Foundation, of the German Confederation is aimed at covering the union's own tracks, while simultaneously warning the ruling class that these policies will spark social protest and open revolt. This above all the DGB and its unions fear like the plague.



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