

# Germany's poverty trap for welfare recipients

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11 March 2015

More than 6 million people in Germany are dependent on social benefits, especially Hartz IV unemployment support. More than 3 million people live in poverty despite being employed. This is primarily a result of the Hartz laws, introduced by the Social Democratic Party (SPD)-Green coalition government of former SPD Chancellor Gerhard Schröder, which forced the unemployed to accept virtually any type of work, regardless of how badly it paid.

A segment of the ARD television news program *Monitor*, broadcast February 26 and titled “The Long-term Unemployed: Whoever Tries to Do the Right Thing Gets Punished,” presented the stories of two young single mothers to illustrate how hard it is to break out of this poverty trap.

Jessica and Rosa were for years unemployed and dependent on welfare. Both sought and found a job-training scheme in which they were keen to participate. They put their names down for a masseuse course, hoping later to become physiotherapists.

Jessica, who became pregnant in her early twenties, initially had to take care of her son. She is now 33 years old and still trying to find a way out of the dead end of the Hartz IV system.

At first she described how good it felt to be training for a job, saying it gave her life meaning and allowed her to learn something new every day. But she was under a great deal of pressure to pull out of the training scheme because the job centre stopped paying her full Hartz IV benefits. She received only a child allowance of about €500 for her son. She said that was not enough for both of them to live on.

Jessica is currently working evenings as a cleaner, which brings in €160 a month. She has had to borrow money from friends to make ends meet. But if the job

centre persists with its policy, she will have to give up the training course in order to regain the Hartz IV benefits and avoid losing her flat.

The case of Rosa, a single mother of four children, is very similar. She also wants to climb out of Hartz IV dependency and find something better than a government “one-euro” position or doing odd jobs. She has a high school diploma and speaks four languages.

Every day, she spends several hours learning to become a physiotherapist. Her education at a university hospital is free, but she does not receive any training allowance. She too desperately needs her Hartz IV subsistence benefits to be continued until she has finished her training and can stand on her own feet.

Rosa's Hartz IV benefits were cut because she was officially classified as being unavailable for a job in the labour market. “That's double-dealing, pure and simple,” she says. “I want to be independent. I want to go to work. And my question is: is Hartz IV there to help people or to let them sink even deeper into poverty?”

Rosa has now received a notice of eviction from the flat where she lives with her four children. She is completely worn out and says her biggest fears are “losing the apartment, losing my child, losing my trainee position.” She adds, “Actually, my whole future is at stake.”

Hartz IV, currently providing €399 a month and a rent subsidy, amounts to a poverty level existence. But the conditions attached to Hartz IV and the provisions allowing Hartz IV benefits to be reduced or eliminated push people into destitution.

These sanctions are not simply due to arbitrary decisions on the part of job centres. They are the intended consequence of the Hartz laws adopted by the SPD and Greens ten years ago. The onerous conditions

for drawing unemployment support were developed in close cooperation with the trade unions and served to create and maintain a huge low-wage sector. It is a system that the current government coalition of the Christian Democratic Union/Christian Social Union and SPD by no means wants to disown.

In the *Monitor* broadcast, Professor Stefan Sell of the University of Koblenz explains: “The existing Hartz IV legislation actually rules out any reasonable vocational training for those who have no vocational qualifications whatsoever. On the contrary, it forces its agents—for example, staff in job centres—to comply with the idea of getting people into any job at all, and as fast as possible. That’s the main purpose of the Hartz IV law.”

Vocational training of Hartz IV recipients is sponsored by the job centres in less than one percent of the cases. Whoever takes up this kind of job training receives €50 less than the normal Hartz IV allowance rate. If a trainee is over 30 years old or fails to meet other criteria, he or she gets absolutely nothing. This is what happened to Jessica and Rosa. Making matters worse, the resources for unemployment support have been reduced by more than half just since 2011.

Certain programs offered by the job centres have auspicious-sounding names, such as “Job Market for Single Parents” and “Active in the Future,” but they don’t amount to anything. People who take the initiative of trying to improve their employment chances by participating in a proper job-training course are punished with the withdrawal of their Hartz IV benefits and left destitute.



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