

Report on German poverty refutes propaganda of social recovery

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5 March 2016

Almost one in six people, some 15.4 percent of the German population, were registered poor in terms of income in 2014. This is the conclusion of the poverty report of the Paritätischen Gesamtverbands charity published for the first time in 2016. The report's co-authors included the organization Pro Asyl, which contributed its expertise regarding poverty among refugees. All the data refers to the period 2005-2014.

The 15.4 percent in poverty corresponds to about 12.5 million people in Germany who “live in households where the [net] income is less than 60 percent of the median income of all households.” Those particularly affected are the unemployed, with a poverty rate of 58 percent; single parents, with 42 percent living below the poverty line; 19 percent of children, who continue to be among the poorest, and pensioners, who, at 15.6 percent, are above the average poverty rate for the first time.

Compared to the previous year, the poverty rate decreased in 2014 by 0.1 percent. The poverty rate decreased statistically in nine of Germany's 13 states, most notably in Mecklenburg Pomerania (-2.3 percent), Berlin (-1.4) and Bremen (-0.5). Nevertheless, these states continue to head the list of those with the highest poverty rates. In comparison to southern states, the differences continue to be immense.

The slight decrease in the poverty rate, despite these better numbers from some states, can be explained by the fact that both Bavaria and North Rhine-Westphalia, where more than 30 million people live, have recorded an increase in poverty. In Bavaria, which remains one of the states with the highest living standards, the poverty rate increased from 11.3 to 11.5 percent, while in North Rhine-Westphalia it increased to 17.5—a 0.4 percent rise.

The Paritätische Gesamtverband also explicitly noted

that “relevant groups are left out” because only people “with their own household” are included in the statistics. This means that an estimated 335,000 homeless and about 764,000 living in care homes, of which around half are dependent on welfare support, are not included in the statistics.

In addition, there are “the more than 200,000 disabled people in inpatient facilities”, about 185,000 living in student accommodation and of course the many refugees who persevere in so-called reception centers under inhumane conditions and make do with a minimum of funds, cynically referred to as pocket money.

Excluding refugees, a total of one and a half million people, or about 1.8 percent of the German population, are not included in the data used to calculate the poverty rate. This alone suggests that the minimum reduction in the overall poverty rate reported can in no way be regarded as an endpoint, let alone as a U-turn, in the almost continuously increasing poverty rate among broad social layers since 2006.

This impression is corroborated by the fact that the already very small change in poverty levels stands in flagrant contradiction to the growth of German economic output, which stands at 1.6 percent. It underscores again how wide the social divide has grown and how few have benefited from Germany's enormous economic wealth. The editors of the poverty report also emphasize that “economic growth does not ‘automatically’ lead to a redistribution of the additional produced resources, thereby preventing poverty. Quite the opposite, this increasing wealth can lead to a further widening of the income gap and even greater relative poverty.”

It is also significant that the situation of those most affected by poverty changed little, if not worsened,

between 2005 and 2014. A group where this is manifested with shocking clarity is that of pensioners: “The poverty rate among pensioners today lies 46 percent higher than in 2005.”

This is illustrated by a contribution by Joachim Rock titled, “Poverty in old age and disability”, using the example of 75-year-old Joseph H., who had worked until he was 71 years old and now has a pension of €416, and must thus rely on welfare. While the number of pensioners in receipt of welfare support was 257,734 in 2003, in 2014 the number is 512,262. This represents an increase of 99 percent, but it is already clear “that the number of people affected by poverty in old age will increase significantly in the coming years.”

This disturbing trend is by no means due to demographic changes or lack of economic success, but the result of a systematic policy of cutting pensions and social benefits. For example, the introduction of the so-called “sustainability and Riester factors” in 2003 and 2005 means “pension increases lag 4.4 percent behind wage increases. By 2029, it will be a further 8 percent. For an average earner with 45 years of contributions this would correspond to a loss of €2,939 a year.”

The largest group of people experiencing poverty remains the unemployed.” Those who are or remain unemployed in this country are not protected from poverty—but on the contrary, are particularly hard hit by poverty”, writes expert Tina Hoffmann in the section “unemployment and poverty”. The worst affected are those who must rely on “benefits from the basic provision for jobseekers,” better known as Hartz IV, where the poverty rate is 84 percent.

In a European comparison, Germany leads the “statistics in a negative sense”. Even the most fundamental essentials of food, clothing and housing are not securely covered by the current Hartz-IV rate of €404 a month: “40 percent of Hartz IV recipients cannot [also] afford payment-liable medical treatments such as dentures or glasses.”

Receipt of Hartz IV benefits also often impacts on social living standards, because recipients “have to restrict their social activities—from the lack of communication possibilities in the absence of the Internet and a computer, to the impossibility of going to a movie or visiting a restaurant”.

This social isolation, exacerbated by the frequent breaking off of relations with former colleagues, is also

reflected in the mental health of many Hartz IV recipients and increasingly reinforces a withdrawal from social life. “However, it would be wrong to draw a picture of apathy and total withdrawal. Empirical evidence shows, according to the poverty report, “that in particular the unemployed in East Germany increasingly get involved in voluntary service.”

The overall picture that arises from this report clearly contradicts that propagated by many politicians and the bourgeois media of social improvement through higher employment. This only points ultimately to the fact that even for those in employment it is increasingly difficult to achieve a certain standard of living, because poverty has not diminished at all. While even many mainstream media must now acknowledge the widening gulf between rich and poor, the grave figures contained in the poverty report were usually dismissed in short, superficial articles.

In an editorial in *Spiegel Online*, under the headline “Social Association: The dangerous blues from bitterly poor Germany”, Guido Kleinhubert goes so far as to say that the picture drawn by the poverty report would drive “those parts of the population already unsettled by the refugee crisis” into the hands of the [far right] “AfD politicians, NPD scatterbrains and Pegida-brawlers”. It is therefore “irresponsible to create the impression that for many people in Germany it is getting worse.”

This hypocritical standpoint, which simply refuses to state the facts about the standard of living of a large part of the population, reflects the growing fears of the ruling class of a radicalization of the working class. In the face of an increasing social divide, only the working class has an interest in combatting and replacing inequality with a genuinely fair, socialist economic system.



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