# Updated report shows poverty in Germany is higher than previously thought

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On March 10, the welfare charity umbrella organisation Paritätische Wohlfahrtsverband presented a second, updated edition of its 2022 Poverty Report. This in itself is a novelty. Even more explosive are the findings it contains—poverty in Germany has risen more sharply than previously assumed due to the coronavirus pandemic and inflation.

In 2021, it rose to 16.9 percent of the population, 0.3 percent higher than assumed when the initial results were published in June 2022. Compared with the previous year, poverty had thus risen by a full percent, to encompass 14.1 million people, reaching a sad peak in the second year of the pandemic. And it continues to rise: the effects of rampant inflation since 2022 have not even been considered in this updated report.

In 2021, the poverty threshold was €1,148 monthly for a single household, €1,492 for a single parent with one child, and €2,410 for household with two parents and two small children. Since the end of February 2023, new poverty figures are now available based on the final report of the 2021 micro census. They consistently point to higher poverty rates than previously assumed.

Among children and young people, more than one in five is affected in Germany, which is considered a high-income country. In this group, poverty amounted to 21.3 percent. Child poverty is also evident from the figures for large families and single parents: 42.3 percent of single-parent households and almost one in three couple households with three or more children (32.2 percent) were considered poor in 2021.

Old-age poverty has also continued to rise, with 18.2 percent of people living on pensions considered poor, female pensioners (19.5 percent) are significantly worse off than male pensioners (15.2 percent).

Old-age poverty is causing great and justifiable acrimony. One of those affected is quoted in the report as saying, “We old people have generally done our best in our careers to help this society move forward. We have developed skills, accumulated life experience and knowledge. Each to the best of his or her ability. I don’t think anyone deserves to be treated this way in their old age as a retiree.”

The impoverishment of large segments of the population did not start with the pandemic but follows a trend that has continued since 2006. Since then, poverty rates have steadily increased from 14 percent in 2005 to nearly 17 percent in 2021. Since the start of the pandemic, this increase has accelerated, and poverty rates rose by a full percentage point compared to the 2019 survey.

While poverty numbers increased, the number of unemployed decreased significantly, as shown in the graph. This indicates a large increase in the “working poor,” those people who are poor despite working. In the pandemic, the number of working poor increased by almost 1 percent, suggesting the economic impact of pandemic-related reduced hours. The self-employed were unusually hard hit during the pandemic, with their poverty rate rising to 13 percent in 2021.

As a result, the social gulf widened in the pandemic, and more than 14 million people—840,000 more than before the pandemic—have since been counted among the income poor. Compared to the situation in 2005 (11.5 million poor), there are 2.6 million more poor people today.

The impact of poverty varies in the different federal states. The lowest rates are in Bavaria (12.8 percent), Baden-Württemberg (14.1), Brandenburg (14.8) and Schleswig-Holstein (15.6 percent), although the poverty rate in Baden-Württemberg and Bavaria has recently jumped.

In Thuringia, North Rhine-Westphalia, Saxony-Anhalt, Berlin and Bremen, the poverty rate is above the national average, with Bremen having the highest poverty rate, at 28.2 percent. The new Paritätische report says: “The difference is thus quite remarkable, while in Bavaria one

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in eight is affected by poverty, in Saxony-Anhalt, North Rhine-Westphalia and Berlin it is one in five, in Bremen it is even more than one in four."

The Ruhr, traditionally Germany's industrial heartland, which already had been considered "poverty problem area No. 1," is particularly affected by poverty. This region has a poverty rate of 22.1 percent and a welfare recipient rate of 14.4 percent. The report points out that "the Ruhr [is] Germany's largest metropolitan area, with around 5.8 million inhabitants, 1.3 million of whom live in poverty."

In terms of welfare recipient rates, the Ruhr is also well above the national average of 8.1 percent (and, with Bremen and Berlin, among the bottom three German states) at 14.4 percent. In cities such as Duisburg, Essen and Herne, the rate is over 18 percent, and in Gelsenkirchen it is as high as 25 percent. The situation is particularly bad for children, 22.9 percent of whom are dependent on "Hartz IV" welfare benefits—almost 30 percent in Duisburg, Dortmund, Hagen and Herne receiving the benefits. In Essen, just over 30 percent, and in Gelsenkirchen, 39 percent of all children and their families are dependent on Hartz IV payments.

Overall, it is noticeable that in three federal states the poverty figures have risen sharply, especially during the pandemic: Baden-Wuerttemberg (up 7.6 percent), North Rhine-Westphalia (up 9.1 percent) and Bavaria (up 10.3 percent). The report says: "If we keep in mind that half of the population lives in Bavaria, Baden-Württemberg and North Rhine-Westphalia alone, it becomes clear that it is primarily the very poor [economic] development in these three federal states that is causing the nationwide increase in poverty."

The new edition of the 2022 Poverty Report contains a great deal of illustrative material, graphics, tables, and explanations. Based on figures from the micro census and the federal and state statistical offices, it presents the most up-to-date figures on poverty trends. The entire report is well worth reading and contains much valuable detailed information.

It harshly criticizes the federal government's poverty policies, whose packages of measures benefited the poor and poorest in society the least of all—or did not reach them at all. This applies both to the height of the pandemic and more recently when war and sanctions policies have caused horrendous inflation in food and energy prices.

The report is inconsistent, however, because it ends by appealing yet again to the same government responsible for the spread of poverty, making toothless demands of it. It does not address the deeper causes of the development of such widespread poverty. It ignores the coincidence of the ever-increasing poverty since 2006 and the "labour market and social policy reforms" of the second Social Democrat (SPD)/Green federal government (2002–2005). That government's "Agenda 2010," and especially the "Hartz IV" measures, introduced "reforms" which have led to an unprecedented increase in the low-wage sector in Germany, and thus in poverty.

The policies of the Social Democrats (SPD) and the Greens will be forever associated with this frontal assault on the social gains of the working class and these parties' contempt for workers and the poor, as well as with the hatred, anger and despair of millions of workers, the unemployed and pensioners towards these policies.

The first SPD-Green government (1998–2002) began its legislative period by approving NATO's war of aggression against Serbia, sending German soldiers on a war mission for the first time since the end of World War II. The hypocrisy and falsification of history to justify this policy knew no bounds.

This is only surpassed by today's massive rearmament spending, which is fuelling the US/NATO war against Russia in Ukraine. The delivery of billions of dollars in weapons to Ukraine, the training of Ukrainian soldiers in Germany, and thus Berlin's active participation in the escalation of war raises the associated danger of a new, nuclear world war. This is accompanied by unprecedented warmongering against Russia and unsurpassed war hysteria, especially on the part of the Greens.

The costs of rearmament and war are being imposed on the working class by the exploding cost of living crisis and high inflation, as well as the limitless social attacks.

The policies of the current "traffic light" coalition government of the SPD, Greens, and Liberal Democrats (FDP) are also meeting with widespread and deep opposition in the working class. This is part of the growing international movement of the working class against rising living costs, intensified exploitation and against war and fascism.

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