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Increasing poverty or statistical illusion? Patterns, dynamics and spatial disparities of relative poverty in Germany.*

Hélène Roth

Abstract

As a result of social and economic transformations over the last two decades, poverty in Germany predominantly affects the unemployed, more so than in any other European Union country. This is partly a result of the reforms implemented by the Schröder government between 2003 and 2005. The present article uses two indicators to examine and present the dynamics and geographical disparities of poverty in Germany, and shows that although the considerable East-West and North-South contrasts persist, the most remarkable recent development is the increase in poverty in the cities of the North Rhine-Westphalia and Northern Germany.

Germany; Poverty; social welfare; benefits; regional inequalities

Since 2008 Germany has been seen as an exceptional case within Europe, its sustained economic growth and its low unemployment rate earning it the status of an ideal economic model in a period of financial and then budgetary crises in the Eurozone. The surprising German economic recovery since 2009/2010 seems to legitimize the “Great Transformation” (Lechevalier 2013) and the political and social choices made since the 1990’s, notably those measures which aimed to improve businesses’ competitiveness and budgetary stability, but also the reforms of the Schröder government which strove to make the labour market more flexible by reworking the social code.

By hardening the conditions of access to unemployment welfare and rendering various forms of work more flexible, these reforms, implemented between 2003 and 2005, called into question the social aspect of the German market economy, a pillar of the construct of (West) German identity since the post-war reconstruction (Kott 2004). As such the German system, founded on insurance and redistribution, must face the test of poverty, calling into question its socio-spatial sustainability. International institutions recently raised concern about the increasing relative poverty and foster the implementation of new social cohesion policies.

This study is founded on an analysis of two types of statistical indicators, indicators which are by their nature reductive. The at-risk-of-poverty rate (or poverty rate) is a reflection of monetary poverty, whereby individuals are defined as poor when their income is below the threshold of 60 % of the median income. Although this threshold is partly arbitrary, the indicator does have the advantage of allowing comparisons over space and time. The proportion of the population accessing social welfare benefits is a reflection of administrative poverty, contingent on a level of resources that a society or state deems sufficiently low to justify the attribution of assistive measures. However, this indicator is not useful for international comparisons, nor is it useful if the welfare system is modified. Both indicators are measures of relative poverty, measured according to thresholds which are defined in relation to the level of prosperity of the whole of the population. And both indicators reflect a limited view of poverty, taking into account neither living standards and living costs, whose spatial variations can be very important for example between a prosperous metropolitan area of the South and a rural area of East Germany, nor poverty’s multidimensional nature

* Translated from the French by Thomas Hastings.

1 Especially by shortening the length of time over which the unemployment benefit can be attributed (see part 3: The Hartz IV reform, the decreasing unemployment and the rise of in-work poverty).

Monetary poverty in Germany: development and general patterns

An average but increasing at-risk-poverty rate in the European context

In Germany, a rich country, the population is not immune to poverty: depending on the source and the method of calculation used, 15.7 to 16.7% of the population was at risk of poverty in 2015, when poverty is defined in monetary and relative terms. This is an average rate of poverty for a European country (Fig. 1). So more than thirteen million people, or one in six people, lived with an income below 60% of the German median income; in 2016 this threshold was 969 euros for one person living alone (Tab. 1).

Combining all socio-demographic categories, the rate of poverty in Germany (according to the Mikrozensus survey of the federal and regional statistical offices) increased from 14% to 15.7% between 2006 and 2016 (Tab. 2). This increase is partly due to statistical bias caused by the way in which this relative indicator is calculated:

“If each individual’s income doubles and prices do not change, then there are still the same number of poor people; if poor people’s incomes progress, but less quickly than the median income, then the number of poor people will automatically rise ... taken to an extreme, if no-one has anything, there are no more poor people.” (Lollivier 2008, cited in Ribardiè-re et al. 2014, p. 19)

Considering Germany’s economic growth and stable income inequality, the increase in its poverty rate could thus be a mere result of a general increase in incomes. However, a study of the DIW shows that “the majority of the population has benefited from the growth in real income, but the groups at the lower end of the income distribution have not” (Grabka & Goebel 2018). And the at-risk-poverty rate is nonetheless useful when making comparisons, particularly between different socio-demographic categories.

On the front line: the unemployed, the unskilled, the single-parent families and the foreign people

The poverty rate for unemployed people in Germany is exceptional within the European Union (Fig. 1): in no other member state is the at-risk-of-poverty rate for unemployed people as high as it is in Germany (78.2% compared to 48.7% for the EU as a whole, 2016 (Eurostat, EU-SILC)). Even in the southern European countries most affected by the economic crisis since 2008 the at-risk-of-poverty rate of unemployed people is significantly lower (46% in Italy, 49.4% in Spain 2016). This state of affairs, partly due to the 2005 reform of unemployment welfare policies, must nonetheless be considered alongside Germany’s historically very low unemployment rate.

This conclusion is supported by table 2, which represents poverty rate by socio-demographic category, based on results of the Mikrozensus survey. Professional situation and level of qualification are the two most important differentiating factors: over half of the unemployed people (56.9% in 2016) have an income inferior to the poverty threshold, as do over a third of households (40.2%) in which the person with the greatest income is low-skilled (with a qualification under A-level or high school diploma level). Moreover, a quarter of young people (18–25 years old) live under the poverty line, with young women particularly vulnerable. Among over 65 years old people, on the other hand, the poverty rate (14.8%) is lower than the national average, although there is a clear difference between men and women, with poverty rates of 12.7% and 16.4%, respectively. Looking at

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3 For international comparisons, Eurostat, EU-SILC; for detailed data about Germany, DESTATIS, Sozialberichterstattung.

4 The Gini coefficient has stayed at 0.29 from 2005 to 2016, after a period of increase between 1995 and 2005 (Statistische Ämter des Bundes und der Länder, Sozialberichterstattung 2017; DIW 2018).
household structure, it can be seen that single-parent families are heavily affected by poverty (43.6%). Lastly, the at-risk-of-poverty rate is markedly greater for foreign people (35.5%) than for German nationals (13.3%).

Between 2006 and 2016 poverty seems to have implanted itself within the most vulnerable socio-demographic categories: the categories of people most affected by poverty (the unemployed, the unskilled and single-parent families) are also those which have seen the greatest increase in poverty rates.

The discussion about child poverty has risen in the last years in Germany, with a particular attention to the long term impact of poverty on social participation of children, their educational trajectories and opportunities. A statistical study edited by the Bertelsmann-Stiftung confirms that the professional status of the mother (unemployment or part-time job), the low qualification of the parents, the type of household (single-parent) and the immigration history of the family are the main determinants of child poverty (TOPHOVER et al. 2017).

However, a number of social welfare benefits and schemes enable the risk of poverty to be limited; without them the poverty rate would rise to 25.1 % in 2015 (the at-risk-of-poverty rate before social transfers, EUROSTAT, EU-SILC 2015).

Social welfare schemes and receding administrative poverty
Administrative poverty is poverty recognised as such by public authorities. These authorities combat it by defining thresholds, below which individuals or households can apply for aid to subsist. In 2016 basic social benefits were attributed to 7.86 million people, or 9.5 % of the population in Germany.

There are four different assistance schemes for impoverished persons, depending upon their age, fitness for work, and legal status (Tab. 3):
- The scheme covered by book II of the Social Code (SGBII) protects those who are fit and willing to work, but have no income or a low income (Arbeitslosengeld II – ALGII), as well as their children (Sozialgeld). In Germany this scheme is commonly known as the “Hartz IV” scheme.
- The social aid scheme, covered by book XII of the Social Code, protects those who are unfit to work (Hilfe zum Lebensunterhalt) as well as elderly and disabled people (Grundsicherung zum Lebensunterhalt im Alter oder bei Erwerbsminderung).
- A third scheme to support asylum seekers.
- And finally, war victims receive a specific compensation.

Tab. 1: Poverty threshold and minimum social benefits in Germany

Tab. 2: At-risk-of-poverty rate per socio-demographic category in 2006 and 2016

Tab. 2: At-risk-of-poverty rate per socio-demographic category in 2006 and 2016

Tab. 1: Poverty threshold and minimum social benefits in Germany
Social welfare schemes and the change in numbers of recipients from 2006 to 2016

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2016</th>
<th>Evolution 2006–2016 (in %)</th>
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</thead>
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<tr>
<td>Population (31.12.)</td>
<td>82314906</td>
<td>82521653</td>
<td></td>
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<tr>
<td>Number of recipients of basic welfare benefits (revision DESTATIS 2016)</td>
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<td>7860420</td>
<td>-2.6</td>
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<tr>
<td>Percentage of total population</td>
<td>9.8</td>
<td>9.5</td>
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<tr>
<td>Social benefits covered by book II of the Social Code (SozialGesetzBuch II) – benefits known as „Hartz IV“</td>
<td>7114083</td>
<td>5972889</td>
<td>-16.0</td>
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<td>SGB II benefits, known as „Hartz IV“</td>
<td>10.9</td>
<td>9.2</td>
<td></td>
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<tr>
<td>Percentage of under-65’s receiving SGB II benefits (annual average)</td>
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<td>4322837</td>
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<td>Unemployment benefits (Arbeitslosengeld II)</td>
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<td>Social allowances covered by book XII of the Social Code (SGB XII)</td>
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<td>50.4</td>
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<td>Assistance for asylum seekers (Ayslbewerberleistungen)</td>
<td>193862</td>
<td>728239</td>
<td>276.2</td>
</tr>
</tbody>
</table>

Sources: Statistische Ämter des Bundes und der Länder, Sozialberichterstattung, 2018

Tab. 3: Social welfare schemes and the change in numbers of recipients from 2006 to 2016

The Hartz IV scheme (Arbeitslosengeld II and Sozialgeld) is without doubt the backbone of the German social assistance system, representing 81 % of public expenditure for social welfare, or 33 billion Euros in 2013, and assisting 82 % of the total population that receives basic social benefits. In 2016, the scheme helped nearly 6 million people in Germany, of whom 72 % were unemployed, while the remaining quarter consisted mainly of the children in the care of these adults. These unemployed people are not only those who have been looking for a job for over a year, but also people in training, integration schemes, parents bringing up children, and employed people with very low incomes (such as those with "odd-jobs", unstable contracts, and state-supported contracts). As such, in 2011 job-seekers only made up 43 % of those who were allocated the ALG II benefit. This benefit is complemented by a family supplement (Sozialgeld) for children, or older family members, as well as some supplementary one-off allowances (Tab. 3). This new type of benefit, commonly known as Hartz IV, is now so well-established that it has given rise to a new pejorative verb, hartzen, meaning to live on social benefits without working.

The Hilfe zum Lebensunterhalt social benefit was only attributed to 133,389 people in 2016, or 0.2 % of the relevant population, whereas the benefit for the elderly and the disabled was attributed to a million people.

There are few published statistics on the characteristics of basic welfare beneficiaries. The federal employment agency, which manages the Hartz IV scheme, gives some information about beneficiaries. This information shows that under-qualified or unqualified people are more likely than the population as a whole to receive this benefit (25 % in 2014), as are single-parent households (19.1 %) and foreign people (17.6 % in March 2014). The progression of social instability thus primarily affects the unemployed and their children, whilst the over 65’s are, for the moment, mostly spared.

The amounts of each social welfare benefit are indexed on the official minimum subsistence level (Existenzminimum), calculated each year by the Federal Finance Minister (Tab. 3). The flat-rate sum is supplemented by benefits for housing heating, and education. In 2016 the minimum subsistence level was set at 721 Euros for a single person and at 1974 Euros for a family (a couple and two children).

Charities and many researchers lament the excessively low threshold for social benefits, often insufficient to protect individuals from poverty (Der paritätische Wohlfahrtsverband 2015). Following rulings from the Karlsruhe constitutional court, several adjustments to basic social welfare benefits were made between 2005 and 2015, changes which benefited families with children, and also asylum seekers, whose rate was adjusted to the level of Social Code book II. And in 2015, the Finance Minister was obliged to substantially increase the level of basic welfare benefits (a 3.5 % increase over two years). Thanks to these adjustments, families with children are now much better protected. The basic welfare benefit for a family with two children was higher than the monetary poverty threshold in 2013; in 2016, because of the particularly favourable economic context and the general improvement in living standards, the poverty threshold automatically rose, passing the level of minimum social benefits, which remained stable.

As such, depending on the fluctuations of thresholds and scales, and depending on the make-up of each household, a minimum subsistence level can be above or below the at-risk-of-poverty level (Tab. 3). The German social welfare system does not therefore necessarily protect individuals from the risk of monetary poverty. This state of affairs is tirelessly condemned by charities and the Die Linke party, as well as by many social science researchers, particularly since the "Hartz" reforms.
The Hartz IV reform, the decreasing unemployment and the rise of in-work poverty

When the German economic model started running out of steam towards the end of the 1990’s and the start of the millennium, Germany embarked upon a vast reform of its labour market and social welfare system, enacting four new laws. These “Hartz laws” came into force between 2003 and 2005, and were conceived and elaborated by a commission of experts appointed by the Schröder government and presided by Peter Hartz, a former human resources director and member of the board of directors at Volkswagen. The first Social Code reform (the Hartz I law) lessened the regulation of temporary work, and augmented unemployed people’s responsibilities. The second law, Hartz II, aimed to facilitate the performance of odd-jobs by creating a freelance status for such jobs, and rendering their regulation more flexible. The Hartz III law focussed on the reorganisation of the federal employment agency, and on overhauling the unemployment benefits system, notably by shortening the length of time over which the benefit can be attributed. Lastly, the Hartz IV law brought about a reform of the assistance system, primarily by redefining the boundary between what counts as prevention of long-term unemployment and what counts as actual social welfare.

In the previous system, unemployment benefit (Arbeitslosengeld II) was given to the long-term unemployed who were not eligible for unemployment insurance (Arbeitslosengeld I), and the value of this benefit was based on individuals’ former salaries. The social benefit (Sozialhilfe) was given to all those in need, notably to unemployed people who were eligible for neither unemployment benefit nor unemployment insurance.

After the “Hartz IV” reform, unemployment benefit (Arbeitslosengeld II – ALGII) is now calculated on a fixed-rate basis, and given to all individuals over 15 who are unemployed but fit to work, whether or not they are looking for work. In short, the reformed unemployment benefit system has brought together on the one hand the long-term unemployed who are suffering the significant hardening of the conditions of access to unemployment insurance, and on the other hand, some 2.5 to 3 million people who before the reforms were covered by the social assistance system and/or various social integration schemes (BOEHNKE & WOLL-MANN 2006).

For the former category, long-term job-seekers, who in 2013 made up two-thirds of job-seekers, the fall in income is undeniable, for two reasons: firstly, the benefit is fixed-rate, no longer indexed on former salaries, and secondly, the attribution of the unemployment benefit depends on the income of the whole household, and so a long-term job-seeker loses his or her benefit if their partner has a sufficient income. This aspect of the reform, which considerably lowers unemployment benefits, thus contributes to the extension of poverty.

For the latter category, those fit to work but not looking for work, who were transferred from the former social assistance system to the “Hartz IV” system, this change has not had a significant impact on their income, which remains limited.

The Hartz IV reform has in fact brought down standards so that all are virtually equal, but at the level of those who were worst-off under the previous system. It did this by aligning the benefit system for the long-term unemployed on the social benefit system, financed by taxes, and calculated on a fixed-rate basis too low to guarantee adequate protection against poverty. This resulted in a considerable increase in the number of people living on minimum basic social benefits: from about 3 million in 2003 to over 7 million in 2005 [HAUSER 2008]. Since then there has been a reduction in the use of minimum basic social benefits.

Between 2006 and 2016 the unemployment rate in Germany fell substantially from 12 % to 6.1 % (see Fig. 2). This reduction is not a statistical illusion but is clearly due to the improvement in Germany’s economic performance, and also to the demographic change that Germany is currently experiencing. The decline in unemployment is even more remarkable when one considers that this statistic covers not only unemployed people covered by unemployment insurance, but also the long-term unemployed, covered by the Hartz IV scheme and receiving the ALGII unemployment benefit (Fig. 2).

As such, the fall in the unemployment rate has a direct impact on the attribution of benefits under the Hartz IV scheme: the number of recipients has fallen by 16 % since 2005, and even by 17.9 % for those who only received unemployment benefits (ALG II) (Tab. 3).

In the same time, the reduction in unemployment is partly due to the fact that Hartz reforms put unemployed persons stronger under pressure to accept a work, even a badly paid work or a part-time job. Using EU-SILC data, SPANNAGER et al. can show that the “working-poor-rate” has doubled between 2004 and 2014: the greatest increase in the European Union (SPANNAGER et al. 2017). In 2016, the in-work at-risk-poverty rate in Germany (9.6 %) nearly reached the EU28 rate (9.5 %). The German case confirms that ’improvement in labour market conditions does not necessarily lead to poverty reduction’ (EUROPEAN COMMISSION 2016, p. 57), and the “working-poor” phenomenon becomes a matter of concern in the public discussion.

Ageing and migration: new challenges for the German Social welfare schemes

The reduction in the use of minimum social benefits could be linked to the increase in hidden poverty (defined as poverty not covered by social welfare systems). According to a 2013 study from the Institut für Arbeitsmarkt- und Berufsforschung (BRUCKMEIER et al. 2013), between 34 % and 43 % of those who are entitled to minimum social benefits do not claim them, for various reasons. Firstly, the level and the limited duration of the benefits discourage those who are entitled to them, as does the potentially complex administrative procedure necessary.
to obtain benefits. Furthermore, fear of stigmatisation and embarrassment, and also ignorance, are other factors which are cited to explain why there is such a high level of hidden poverty.

Nevertheless, although the use of the Hartz IV scheme is decreasing, the use of other social assistance schemes has increased, bringing to light new forms of poverty. Thus the number of people living on the benefit for elderly and disabled people more than doubled between 2006 and 2016 (+50.4%), as did the number of beneficiaries of the last-resort social benefit (Hilfe zum Lebensunterhalt: + 63%). This increase is partly linked to the reduction in the use of the Hartz IV benefit: once they take early retirement or reach 65, people whose professional careers were irregular or punctuated with periods of unemployment are now covered by the benefit for the elderly and disabled. The number of people unfit to work and in poverty has greatly increased over the past few years, notably due to the fact that Germany’s population is ageing. Poverty among the elderly, which is today still low thanks to a series of measures taken since 1980 to limit it, will eventually become one of the most important challenges that social policymakers in Germany will have to face. The IMF recently raised attention on this risk.5

Finally, and most importantly, the influx of refugees in Germany has led to a significant increase in the number of people claiming the asylum seekers’ benefit (see Tab. 4). This has also led, with a certain delay, to an increase in the proportion of foreign claimants of the so-called Hartz IV benefits (Tab. 4). Indeed, once asylum is granted, beneficiaries move from the asylum seekers’ benefit scheme to the Hartz IV scheme, unless of course they are employed. The wave of immigration in 2015 and 2016 has lead to an increase both in the number of job-seekers and in the part of foreign people among the beneficiaries of unemployment benefits. The integration of migrants in the job market is therefore a major issue for German social policy.

The spatial patterns of poverty

In the early 2000’s, Britta Klagge presented a district-scale geographical study of social assistance in Germany (Klagge 2001). She highlighted two important regional contrasts, East-West and North-South, together with serious inequalities between suburbs and rural areas, and city centres. Although her results are founded on an index (the density of social assistance) which is now obsolete after the profound reforms in social welfare for the most needy, it is nonetheless possible to examine the progression of the geographical disparities in poverty in Germany.

The persistence of three Germanies?

The cartography of at-risk-poverty rates in 2006, based on the NUTS II territorial units (Map 1) exposes a fairly conventional social geography of Germany, with its double East-West and North-South contrast. New Länder (states in East Germany) were characterised by rates which were strongly superior to the rate for Germany as a whole (14%): this statistic

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Monetary poverty and its evolution in Germany’s regions, 2006–2016

Map 1: Monetary poverty and its evolution in Germany, 2006–2016: the reduction of regional contrasts

At-risk-poverty rate: the proportion of the population with incomes below 60% of the equalised median federal disposable income. The equalised income is calculated according to the new OECD reference NUTS II.

Sources: DESIS (2013, Mikrozensus, Sozialberichterstattung, 2013). Map made with Processing by Helene Roth, Clemens/Augustiner University, LMR Territorial.

Map 1: Monetary poverty and its evolution in Germany, 2006–2016: the reduction of regional contrasts
shows that the reunification of Germany was unfinished. The southern states of Bavaria and Baden-Württemberg both had, on the other hand, at-risk-poverty rates under the federal rate. Between Saarland and Schleswig-Holstein there were generally average at-risk-poverty rates, although with important contrasts. Looking at this data, it can be concluded that the contrasts between the three Germanies indeed persisted until the end of the 2000 decade.

The at-risk-of-poverty rate map 2016 (Map 1) shows important developments: it confirms the persistent position of Southern Germany (Bavaria, Baden-Württemberg, and the region of Frankfurt), where poverty affects less than 15% of the population. However, between 2006 and 2016, the at-risk-poverty tends to shrink in the East of Germany (Map 1) and to increase in most of the Western regions: so far, the reduction of regional contrasts is ongoing. Although three regions with the highest rates of monetary poverty 2016 are situated in the ex-German Democratic Republic (Western Pomerania, Saxony-Anhalt, and the region of Leipzig), other Eastern regions such as Thuringia, Brandenburg, and Southern Saxony have poverty rates similar to those of West-German regions, notably the Rhineland whose at-risk-poverty rate considerably increased. As such, Germany’s former internal border is no longer the key feature of the geography of monetary poverty in Germany.

However, setting the at-risk-of-poverty rate at 60% of the median income of each state (Land), rather than at that of the median income of the country as a whole, gives a different image of Germany’s social geography (Map 2). Unlike the previous maps, here the at-risk-of-poverty rate is calculated on the basis of the poverty threshold of each state (and not the whole of Germany). It corresponds to the proportion of the population which has an equivalised income inferior to that of 60% of the median state equivalised income. This statistic thus facilitates a comparison of the extent of income inequality between states. The map shows that the states of North-West Germany (from Saarland to Schleswig-Holstein) are characterised by greater inequality than in the South and the East of the country. The states of Saxon and Thuringia stand out as the states with the lowest rates of income inequality (12% and 12.4%). So we can depict three different Germanies: a richer, more egalitarian Southern Germany, a relatively poor but egalitarian Eastern Germany, and North-Western Germany, with high income inequality and varying rates of poverty.

**Recent changes in the geography of poverty**

The persistence of contrasts between three Germanies must nonetheless be nuanced with a consideration of a more detailed analysis of the statistical indicators discussed above and their progression over time.

Map 3, based on the NUTS IV units (Städte und Landkreise) and on an indicator of administrative poverty, reveals that the close presence of a border can have an influence on a region’s uptake of “Hartz IV” unemployment benefits: the flow of German workers to Luxembourg and the Netherlands allows east Rhineland-Palatinate and Emsland respectively to reduce their rates of use of the Hartz IV benefits, while commuters travelling from Thuringia to Bavaria or Hesse, over the former East-West border, limit the uptake of social welfare in the border districts of this region.

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6 The equivalised income is calculated according to the new OECD scale.
Furthermore, this map brings to light the fact that the use of Hartz IV unemployment benefits is a primarily urban phenomenon: there are proportionally more recipients in cities than in the regions around these cities, including in southern states. This is due to the being greater numbers of people living in precarious situations in cities. Early studies (Klagge 2001) mentioned that people in rural areas are less likely to claim the benefits they are eligible for, for various reasons (e.g. more developed informal support networks, fear of stigmatisation, and ignorance of welfare schemes), but the causes of urban-rural differences are ignored by more recent studies on hidden poverty (Becker 2007; Stoll et al. 2013).

In the Ruhr, Saarland, and the State of Bremen, areas which over the past forty years have been characterised by the economic restructuring of their industries, the proportion of Hartz IV benefit recipients is close or even superior to that of Eastern Germany. And most importantly, the rates of Hartz IV claimants here have stagnated since 2008, whereas in all other regions of Germany, especially in western states, both the number and proportion of recipients have been falling.

This tendency is in accordance with other changes affecting poverty in Germany, although these changes are not uniform but variable, depending on the state and the socio-economic context concerned. Whereas the risk of poverty is receding in all eastern states, and in some western regions and cities (Emsland, München), it has grown significantly in the Rhineland, Schleswig-Holstein, and in Germany’s city-states Berlin and Bremen, particularly since 2009–2010. Although the concentration of poverty in major cities is not a new phenomenon (Farwick 2007), its progression is particularly alarming in several urban areas, particularly in the Ruhr, but also in conurbations which had until recently been immune to poverty, such as the Cologne-Düsseldorf area or Nuremberg (Tab. 5). As such we are witnessing a reduction of the east-west disparity with regards to poverty rates, but a concentration of social distress in urban areas which were once heavily industrialised, where the most vulnerable populations are clustered (particularly unemployed and foreign people), and where Germany’s remarkable economic recovery seems to be largely unfelt.

As a consequence, the socio-economic situations of the large agglomerations of Northern Germany, North Rhine-Westphalia and Berlin are once again political priorities for German regional and social cohesion, no longer side-lined as they were for 20 years by the concerns...
of eastern regions (Der partätische Wohlfahrtsverband 2015).

Social transfers and territorial cohesion

These important regional contrasts are the subject of regional and town planning schemes at several levels of government in Germany, one of the principles of which, inscribed in the Federal Republic’s constitution, is equality of living standards. These planning policies, alongside the system of regional realignment, have led to significant transfers of resources since German reunification (Grésillon 2009).

Although less studied by geographers of Germany, social redistribution schemes, including all minimum social benefits, have also helped to lessen the inequalities of living standards between regions, both between old and new states, and between large states and city-states. Incidentally, the Federal Ministry of spatial planning considers social redistribution schemes to be mechanisms which are effective on a spatial level (“Raumwirksame Mittel”). In light of the problem of spatial inequalities, the continuation of these transfers (and perhaps also their adjustment to take into account poverty’s geographical evolutions) is crucial in order to honour the constitutional principle of socio-spatial justice. These inequalities should also provoke reflection with regards to the roles of different levels of government in promoting social and spatial cohesion.

The Social Code reforms (books II and XII) of 2003–2005 moved towards such a way of thinking, here going against the current European tendency of decentralising social welfare schemes. Indeed, the protection scheme for people fit to work is financed and managed by the Federal Employment Agency. On account of the transfer of people previously covered by the social welfare scheme (of Social Code Book XII) to the Hartz IV scheme (SGBI), a large part of social welfare, that of people fit to work, is no longer managed municipally, but is now covered by the federal government. This centralisation is not complete, as it faces strong resistance, but it moves Germany towards a more uniform approach to poverty, mitigating the organisational and managerial differences of policies which protect individuals in poverty (Roth 2014). This centralisation is a continuation of an enduring movement towards the nationalisation of social welfare in Germany (Kott 1995).

Conclusion

“Work is the best way to prevent poverty”: this recurrent adage, from the National Action Plans for Social Integration which are regularly published by German governments, explains why the primary means of combatting poverty in Germany is an economic policy which favours employment and economic performance, and secondly a family policy which allows professional and family lives to be more easily consolidated (Bundesministerium für Arbeit und Soziales 2008; Eichhorst 2010). The unemployed are thus held to be responsible for their own material situations (e.g. because they are under-qualified, or insufficiently mobile), in a liberal, free-market manner that is entirely unexceptional within Europe. This “activation” strategy has led to a considerable worsening of unemployed people’s material situations, as well as to a significant reduction in the number of unemployed people. In reality the substantial decline in unemployment in Germany since the mid-2000’s has led to a reduction in administrative poverty and contributed to the development of monetary in-work poverty.

Two-thirds of the increase in the use of social welfare schemes between 2012 and 2016 is due to the arrival of hundreds of thousands of refugees, to whom Germany granted assistance during their asylum claims, and who were later eligible for unemployment benefit (ALG II), if they had not found a job. This new situation tends to dull the criticisms that might be made of the new German social model, which is currently wholeheartedly fulfilling its function of providing minimal social protection. At the same time it also challenges the model, as it will likely take some time to find places in the job market for these newly-arrived people, who do not speak German and who are rarely highly-qualified.

The socio-spatial sustainability of the German method of combatting poverty does nonetheless raise questions. The places and regions which concentrate the core of structural unemployment, that of the most vulnerable people (i.e. the least qualified people, often single mothers and/or those of an immigrant background) who are difficult to integrate in the labour market, are at the bottom of the class in the otherwise economically flourishing German landscape of the 2010’s. Germany’s fragile regions are still the new states of East Germany, even if their situations seem to be slowly improving and unifying, but poverty has notably increased in the large cities of North Rhine-Westphalia and the city-states of Bremen and Berlin, particularly since 2010. Because of the new nature and scale of the poverty and inequality that Germany is experiencing, the reinforcement of the various mechanisms of

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<th>Tab. 5: At-risk-of-poverty rates in large German cities, 2005–2015</th>
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Sources: Destatis, Mikrozensus, Sozialberichterstattung, 2018
social and regional solidarity is one of the major issues that Germany must grapple with over the next few years.

**Bibliography**


Повышение уровня бедности или статистическая иллюзия? Закономерности, тенденции и территориальные различия в уровне относительной бедности в Германии

В Германии уровень бедности среди безработных, а также родителей-одиночек и людей с миграционным прошлым больше, чем в любой другой стране Европейского союза. В этой работе на примере двух статистических показателей относительной бедности исследуются закономерности, тенденции и территориальные различия в уровне бедности в Германии. До сих пор сохраняются существенные региональные различия (север-юг и восток-запад), однако наиболее значимой тенденцией в последние годы является повышение уровня бедности в крупных городах в Рейнской области и на севере Германии.

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