

## **Martin Huhn**

translated by Frances Kronenwett in 2009-03-13

# **Poor Rich Germany**

The title of my lecture contains two quotes "Poor Rich Germany" that is the title of the first year's book about justice that appeared in 2005, published by 26 church groups and institutions. The year book provides insight into the social and political background of private wealth and public poverty in Germany. The subtitles of my lecture contain a couple of words under which a memorandum of the Evangelical Church in Germany (EKD) appeared in 2006. In this poverty is understood in the sense of social exclusion and no guaranteed share in the activities and living conditions in society. Deficits in education and training as well as lack of access to the employment market are described as being the central problem areas for the rise in poverty. The problem of the social split in our society, causing an ever increasing gap between the wealthy and the poor, should be considered as being the main question when inquiring about the justice in our society.

What is just and what is unjust? We are often confronted with this question in everyday life, for example at a family meal, with the comparison of presents and sometimes when we compare ourselves to others. Whether something just or unjust is is not always that easy to decide.

When we consider the question of justice on a world wide scale we are soon plunged into a state of despair. The 200 richest people in the world have the same as the poorer half of the world population put together. Every five seconds a child dies of malnutrition and 47% of the world population must manage with two US dollars or less a day. That is less than the amount that every cow in the EU countries receives as subventions. It also cannot be called just when women the world over own only 1% of the world's wealth.

If we use Germany as a criterion for the question of justice we see that the comparisons are not so drastic. However we know that our land is richer than ever before and that wealth is increasingly being unevenly distributed. This means that the portion of those living in poverty is increasing and above all, the chances of getting out of poverty are becoming more difficult. Precisely those public institutions which could organise a social compromise are either becoming financially unable or are being systematically prevented from doing so.

I have mentioned this already: never before in the history of our country has there been so much wealth as there is today. When we consider this background and then talk about poverty, then we are talking in effect about a scandal. Whoever does not wish to discuss wealth cannot discuss how poverty can be abolished.

We must therefore consider: never before in Germany have so many people had so much wealth at their disposal as they do today.

The total wealth has increased even further during the last few years. However not everyone has a share in this development. Inequality is increasing. Whilst fewer people are becoming rich, more people have less money at their disposal and an ever growing majority is threatened with poverty.

Two years ago in Würzburg the Synode of the Evangelical Church of Germany (EKD) carried out some investigations into wealth and poverty and quoted in a document "In Germany wealth is particularly unevenly distributed. In the meantime the richest tenth of the population have almost over half of the private wealth at their disposal. On the other hand the lowest tenth possesses little more than a twentieth. Meanwhile more and more wages are being paid which are under the existence minimum, whilst salaries for top-earners are literally exploding. This development is devaluing the quality of life for millions of people. Society's acceptance of the increase in incomes for the rich can only be guaranteed when every sector of the population can benefit from this".

Poverty in a rich country must be described and defined. Only very few poor people live here in absolute poverty. However their chances of an appropriate share in life in society are limited in many ways. Their living conditions are worse than those of the average person and also their health and life expectancy. They experience social exclusion and many of them see no possibilities of changing their situation through their own efforts.

According to international definition, material poverty is measured against the average income of a society. Those who have less than 60% of the average income at their disposal are threatened by poverty. This poverty line lies today for example for a single person at 781 Euro. This can be read in detail in the third report on poverty and wealth put forward by the government in June this year.

People who, because of a long period of unemployment, are dependent on state benefits receive considerably less money. More and more people are falling into this category. At the end of 2007 7,9 million people were receiving Arbeitslosengeld II, Sozialgeld or similar benefits. A particularly frightening fact is that besides women between 20 and 40 years old, foreigners, people without a trade and also 2,5 million children and young people are also affected. That is more than 15% of those under 18 in Germany. This figure increases to 5 million children when one considers the families living just over the poverty line. These people and their families not only have less money at their disposal, they are also excluded from the chances of developments and shares in wealth. International studies show that many children are at a disadvantage in the German school system.

When we speak of poverty we should not only look at the bottom end of the scale. For a long time our society was convinced that things were getting better and that we were living in an ascending society. "Our children should have a better life!" That was the motto with which I grew up. This picture of the ascending society in which everyone would enjoy a better life, where the rich would get richer, but where the situation of the poorer people would also improve, has in reality not materialised. For a long time the middle classes have also been struggling to exist.

Children with good training do not get jobs, but drift from one practical training to the next and from one temporary job to another. Now the comfortably off middle classes are beginning to experience the fact that life has become financially insecure.

The reason that the risk of falling into poverty has increased is quite simple. In the third report on poverty and wealth already quoted a rise from 12 to 18% of those at risk of poverty from 1998 to 2005 has been reported. As I have mentioned before those people are counted as being poor whose income is less than 60% of the average income. That means that every eighth person in Germany is considered statistically to be poor.

This measured material poverty represents the main reason for the exclusion of a share in society. Unemployment, very little access to education, a lower than average state of health, cramped living conditions and limited mobility – these are the situations in which people who are poor find themselves. When children have to grow up under such situations, then this miserable state of affairs is passed on.

However, what do these figures tell us? We are told that the quota of those who are at risk of living in poverty lies by 18%. The factor that is measured here is the inequality of income. In the memorandum of the EKD as regards poverty in Germany it is explained that poverty is more than just low incomes. Poverty is described as having little chance of sharing in society. This has been defined in the second national government report on poverty and wealth. There it is defined as "poverty in the sense of social exclusion and no more guaranteed share is possible when the financial means of people are so limited and equal chances of sharing in the activities and living conditions of society are impossible".

I would like to describe this situation more clearly as regards children. It is wet outside, but in spite of this the children in the Beetle Group of the Evangelical Church's children's day group want to go out into the playground. They meet in the cloakroom and put on waterproof clothing. Only Jessica cannot go outside with them. She has neither rubber boots nor a rainproof jacket. The economic situation of her parents is very precarious. They have debts and find it hard to cope financially with four small children.

Lara has her birthday in three days' time and will be five years old. She tells

everyone in the kindergarten that, in order to celebrate her birthday, she, her mother, father, brothers and sisters will be taking a trip to a place faraway and with a lovely surprise. She will therefore not be coming to the kindergarten that day. The kindergarten teachers suggest to Lara that, should the trip not take place, the birthday preparations could be made in the kindergarten with cake baking and the folding of serviettes. Lara agrees straight away.

The teachers are acquainted with the situation of Lara's single mother with the three children. Therefore they guessed that Lara did not want to come to kindergarten because she had no birthday cake to bring.

The visit to the swimming pool is a problem for Kevin. On Friday all pre-school children go swimming in the indoor pool. The children discuss the things they have to bring. Swimming things, for example a towel, a swimming bag, the admission ticket or 1,30 Euro. Kevin does not want to go swimming. The other children do not understand why. When the kindergarten went to see the fairy tale festival, Kevin stayed at home.

Yes, we have to face it. Child poverty in Germany has reached a historic new dimension. Every fifth to sixth child under 15 years lives under the poverty line and this poverty is increasing.

Children, as the last and weakest link in the chain, suffer especially under the different forms of exclusion. They are ashamed of their families' situation. They suffer under the feeling that they are to blame for this situation. They cover up their family misery by boasting of utopian fantasy wishes full of harmony, wealth and peace.

Many children suffer from a lack of love and attention, from parents who are not competent enough to bring them up properly and also from a lack of education and training possibilities. Children from poor families have more frequent health problems caused by the wrong nutrition and lack of exercise. They cannot concentrate during lessons and often drop out of school.

When talking about poverty in Germany we must also talk about social benefits. At the end of 2004, before the introduction of the Hartz reforms, 2,6 million people had to live on social benefits. However since the introduction of the Hartz reforms in January 2005, this number has risen to 5 million. After investigations one can assume that at a rough guess 60% are worse off and 40% are better off through the new regulations of Hartz IV.

The Deutsche Paritätische Wohlfahrtsverband (DPW) could, in an expert report, prove that by the new calculations of the regulations and the fixing of Arbeitslosengeld II, those responsible had not given proper consideration to the matter, but had merely done what they wanted as quickly as possible, namely to calculate at a glance the lowest amount of money on which a person could survive.

The DPW not only checked afterwards, but also pre-checked what is hidden behind the report of the poverty quota and the poverty risk: whoever draws social benefits, namely Hartz IV, has, according to government intentions, the following expenditure entitlements for his or her needs: for food he/she is entitled to 130 Euro, for clothing 32 Euro, for transport 26 Euro and 10 Euro for the entertainment of guests. Nothing at all is provided for education and training. The figures for children are: 3,60 for shoes for growing children, 13,88 Euro for clothing, 1,41 Euro for toys, 1,33 Euro for school notebooks and 1,26 Euro for a visit to the zoo or the cinema. The aim of the whole reform, namely a share in social and cultural life, is supposed to be achieved with these ridiculously small amounts of money!! That this is of course totally impossible becomes clear when one considers the cost of living. It is clear that social benefits and Hartz IV (Arbeitslosengeld II) do not protect people from poverty – instead they throw many people into it.

As I have already said, the development of child poverty is alarming. The abolition of Arbeitslosenhilfe, the massive reduction in the period of time allowed to draw Arbeitslosengeld I and the conversion of Arbeitslosengeld II into a lump sum are responsible for a frightening situation in child poverty. Whereas in 2004, according to official social statistics, the number of children living on social benefits was 965,000, today over 2,5 million children are dependent upon social benefits. Child poverty has doubled. Out of 15 million children 2,5 million have hardly any chance of education and are in danger of health risks.

However the following must also be mentioned. Whilst Germany is richer than she has ever been before, she is experiencing a drastic sinking of taxes. It was political tax measures, especially by the last government, that led to less taxes being paid. We are all glad of course that more cash is flowing in the economy, but at the same time at a considerably lower level. This poverty caused by politics is an important factor in the development of public poverty. We are dealing with private poverty, private wealth and public poverty.

The situation of people in poverty is not only affected by the level of private income, but essentially through the provision of public works and expenditure. Admission tickets for the swimming pool, zoo, theatre and cinema, the level of rubbish disposal costs, the tickets for public transport, learning material in schools, the provision of play areas, advice centres, costs for a place in a kindergarten or in a full day school are all essential factors in deciding whether the public households of the provinces and communes improve the situation of those affected by poverty or strengthen their social exclusion. Because these tasks can only be set in motion by taxes, this means that the question of tax burdens for rich households and also the limitations of wealth are decisive factors as to what sort of quality of public existence can be financed. Thus: private wealth must be used again for the welfare of everyone.

Here is a further example of a group particularly affected by poverty, namely single mothers:

Sandra married at the age of 18 when she was 6 months pregnant. She could not begin her apprenticeship as a hairdresser. She became a housewife and therefore did not have her own income. Her husband was a cleaner. When Sebastian was a year old Sarah was born. Two years later Sandra and her first husband separated. He paid no child support. However Sandra made no reproaches against him. "He only had enough to exist".

Sandra got to know her second husband, the father of her third child. There were problems between him and Sandra. Sandra left her husband. After the divorces both men had left her with debts totalling 30,000 Euro. Eventually she stopped opening correspondence containing bills and simply put them away in a drawer. Her electricity was cut off and the landlord threatened to evict her. She did not receive the full rent allowance from the local authorities because the flat was too big. The bailiff arrived, but there was nothing of great value in the flat to collect. As a recipient of Arbeitslosengeld II it was not possible for her to pay off the debts. The money was just adequate enough for her to exist. There was no financial support possible from her family.

Sandra often tried to change her life, but unfortunately in vain. At job interviews she was told that she, as a single mother, could not be employed due to company reasons. When a job, whereby she would be socially insured, eventually became available, it was not possible for the children to be taken care of during her working hours.

We must therefore ascertain: women run a higher risk of falling into poverty. The salaries of women are lower than those of men and through the birth and rearing of children their employment periods are interrupted. Their entry into the employment world is made more difficult through the duties of caring and supervising a family.

Through reduced employment women have often only a very small pension entitlement and are predominantly occupied in precarious working situations. Approximately 60% of all those employed in the low pay sector and 70% of those in extremely low paid jobs are women. Single mothers are more at risk of poverty than married or childless couples. The number of single mothers living in poverty has increased during the past years. 52% of single mothers belong to the group at risk of poverty in our society, whereas couples with up to two children are a little more than 3%.

At the beginning I asked the question what the expression "justice" means. In the biblical translation the word "justice" means a sound and successful situation in life for everyone. The idea of justice puts forward the elementary question of how a society should be formed in order to enable a lot of people to lead a good and worthy life.

The Bible uses the perspective of the victim as an answer to the question of justice. In this way justice becomes a dynamic idea. For justice to occur

means the creation of a happy relationship in life and to give back recognition and esteem to the victims of unjust relationships. Justice is connected together with peace and with redemption and freedom. Every person achieves dignity and the right to take an active part in society, independent of performance and social position.

The Bible is not at all neutral in dealing with the subject of poverty and wealth. The demand for an option for the poor has become a part of standard Occumanish social ethic concerning Latin American liberation theology. The biblical vision of social justice is concrete: it protects the weak against the strong and concentrates on the welfare of the poor, the workers, widows and strangers. That is apparent in the text on justice in the Old Testament, the social criticism of the prophets right up until the proclamation and lifestyle of Jesus and the theology of the New Testament.

A noteworthy document of biblical tradition can be found in Psalm 82, the minutes of a heavenly meeting of the gods. The God of Israel speaks to the deities and warns them thus:

*"How long will you defend the unjust and show partiality to the wicked? Defend the cause of the weak and fatherless, maintain the rights of the poor and oppressed. Rescue the weak and needy, deliver them from the hand of the wicked".*  
**(Psalm 82, 2-4)**

This is a clear challenge. The poor and disadvantaged are pointed out and the tasks of the deities are to free them and help them to their rights. However the deities are not prepared to do this.

*"They know nothing, they understand nothing. They walk around in darkness. All the foundations of the earth are shaken".*  
**(Psalm 82, 5)**

This means: because the gods do not commit themselves to helping the poor, they shake the foundations of the earth. Because they do not commit themselves to advocating justice they will be condemned to death and must die.

*"I said "You are "gods"; you are all sons of the Most High". But you will die like mere men; you will fall like every other ruler".*  
**(Psalm 82, 6-7)**

The gods have not rescued the poor and have not committed themselves to them. Therefore they lose their status as gods, then only those who defend the cause of the poor can claim divine worth. Because the gods do not create justice for the poor they must die. When one considers justice for the poor, then one considers the centre of theology. The question as to whether the poor receive their share of justice, then the decision lies with God.

God himself binds his existence to this criterion. He is a God of the poor or is he is no God. Whoever considers the question of fair distribution only as an

ethical or political question cannot refer to the Bible. The option for the poor in the Bible is not just one theme amongst others, but a theme which decides the existence of God.

Despite the differences between the old land of Israel and our country, there are essential characteristics common to those affected by poverty that can be compared. The poor are those who fall out of the social safety net. They cannot, although employed, sufficiently keep themselves and their families and are socially uprooted with social and cultural consequences. The poor are poor in relation to others, to the rich and to the powerful. The social history of Israel shows that the existence of the poor, like that of the rich and powerful is not the result of the laws of nature, but the result of political decisions through which the gap between them increases.

In the history of Christianity the question of poverty and wealth is only seldom formulated. During the immediate post war period in Germany it was possible to establish clearly and critically according to biblical tradition:

We have failed to help those who are poor and also those who have been deprived of their rights. This is however a matter for Christianity (Fifth Thesis of the "Darmstädter Wortes" of the Bruderrats EKD).

Today we can relate to the economic and social word of the two big churches from the year 1997. In the words of the Bishops' Conference and the EKD. For a future in solidarity and justice the following is formulated:

"Not only poverty, but also wealth should be a theme of political debates. Distribution is currently the distribution of want because the abundance on the other side is protected. It is not only a question of a wider accumulation and distribution of wealth. From the social ethical point the wealthy also have certain duties. The power to distribute and to carry burdens in society is not only determined by current income but also by wealth. If wealth is not used in the appropriate way to finance social and public works then they will either be more limited or abolished altogether.

The memorandum of the EKD has stated very clearly that one should not speak of poverty whilst remaining silent over wealth. Both belong together. When poverty leads to insufficient shares then wealth is in danger of gaining excess shares therefore leading to a onesided rule being exercised.

When poverty is more than just material want then wealth is more than just a lot of money. Wealth has to do with fortune in the truest sense of the word. Whoever is rich is able to achieve a lot in society. His influence is greater and his children have a better chance of passing their school exams and then studying. Whoever is rich lives on average seven years longer than someone who is poor.

A glance at the social situation, at exclusion and poverty was given in a report by Ijoma Mangold in the South German Newspaper. The title was "The New

Sub-proletarian".

"The new sub-proletarian is not simply poor because he does not earn enough, but because he cannot participate in the manner of life and chances in society. The new lower classes cannot enjoy the mutual social recognition that normally exists in society. They know that they will be refused any contact".

Next to their lack of material provision, the lower classes have other characteristics that separate them from society. They fall through all the screens of educational institutes and are too poorly qualified for the employment market. The ways of life in society become strange to them and they degenerate at an alarming rate. Because social origins are decisive for the education of the children they become trapped in poverty and lose any chances they may have had to leave the ghetto of poverty.

We experienced probably the biggest social political restructure of the German postwar period with the so-called Hartz IV law four years ago.

With the introduction of this law the old Arbeitslosenhilfe was abolished and replaced by Arbeitslosengeld II. Without going into detail about the various changes and effects brought about by this reform, it can be established that Hartz IV, instead of stopping the trend of increasing poverty in Germany, has strengthened it! Now regular working conditions have not been created. On the contrary the reforms raise the pressure on the lower wage groups and increase the sectors in which low wages are paid. A new lower class has been created that is no longer in the position to interact socially or share in our society.

This situation now concerns the question of justice in an elementary way because the idea of a successful and good life, apart from the material dimension, also means the possibility of social interaction and a share of the country's wealth. Massive restrictions in social interaction and the refusal of social participation stand in the way of social justice.

The change in the social politics through Hartz IV from a safeguarding of people's living standards down to a basic existence has, apart from the effects already described, had effects on the middle classes and their lives. Then the struggle to avoid poverty, which seems to have been overcome, is coming back into the middle classes. The intensification of poverty for a minority is one consequence of the reform. The fact that relative poverty, which means a descent and a new beginning of principally everyone who is in employment and of all those in well paid jobs is the other serious consequence which has changed life in Germany.

The Social State in Germany had the hope of a social ascent and a safety net from below. It combined perspectives for social ascent with the minimum of social risks. With Hartz IV we now have an unavoidable crash from a level of prosperity to a level of social security for many people. The fear of this crash

offsets the self-consciousness of the middle classes and compels more people to work harder to maintain their living standards. Whereas before the expectation of getting more preyed on people's mind, now it is the fear of getting less.

Whoever occupies him or herself with the ever increasing social gap in our country should not only look at those who are really poor and the upper ten thousand. The middle classes, as I have already said, are also feeling the effects.

In March this year the German Institute for Economic Research in Berlin submitted a study entitled "The Shrinking Middle Class". A sign of a continuous freezing of income? It was established that the number of those earning an average income in Germany over the past years has clearly shrunk. It shrank from 62% in 2000 to 54% in 2006. In other words the middle class has lost five million people between 2000 and 2006. The descent is more clearly marked than the ascent into higher income classes. Only 11% of the middle class in 2002 succeeded in climbing up into a higher income bracket.

"Fair Share" is the title of the memorandum of the EKD on poverty already quoted. Fair shares – that is the goal that we must aim for in our society. The memorandum says "Prosperity and social stability should be there for everyone. When a large part of the population is excluded and the differences between rich and poor increase then there can be no fair social development"