

Poverty on the rise in Europe

By Elisabeth Zimmermann
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The results of the Social Justice Index 2016 were published by the Bertelsmann Foundation last week. The index is an annual study of social conditions in Europe that has been conducted for the past several years. The results provide a devastating indictment of the austerity policies imposed by the European Union (EU), led by Germany, in the face of widespread resistance since the global financial crisis of 2008.

According to the study, one in four citizens is affected by poverty or social exclusion. This is a total of 118 million people. The percentage of people who are poor in spite of having a full-time job rose to 7.8 percent in 2015, an increase of 0.6 percent from 2013. This means that growing numbers of people are employed in the low-wage sector.

This also applies to Germany, which came in seventh place in the Social Justice Index, even though it is the largest economic power. The percentage of those in Germany who live in poverty despite having a full-time job rose from 5.1 percent in 2009 to 7.1 percent in 2015, a consequence of the massive low wage sector, which emerged following the Agenda 2010 reforms and Hartz welfare changes under the SPD-Green government of Gerhard Schröder and Joschka Fischer.

The rise of the so-called working poor, meaning those who are unable to live despite working, and the potential for a social uprising are concerns occupying the authors. As the chief executive of the Bertelsmann Foundation Art de Geus commented, “A growing percentage of people who cannot live permanently from their work undermines the legitimacy of our economic and social order.”

Although the study’s authors seek to identify a few minimal improvements—such as the decline in the official unemployment rate in the EU from 10.4 percent in 2014 to 9.6 percent in the following year and the rise in the employment rate from 64.8 to 65.8 percent—the numbers showing increased unemployment and poverty

point to another trend.

In a brief summary of the results, the study therefore stated, “Social justice in Europe in 2016: Improvements on shaky ground.”

The risk of poverty within the EU remains high. As in 2008, the figure in 2015 stood at 23.7 percent. Conditions for children and young people are especially critical, particularly in southern Europe. The study states, “However, seven years after the outbreak of the world economic crisis, chances for participation for people in most European states—with few exceptions—have substantially worsened compared to prior to the crisis.”

Among the 28 EU states, Greece remains at the bottom of the Social Justice Index. The gap between Romania (ranked 27) and Bulgaria (ranked 26) has in fact grown.

But even conditions in the northern European countries of Sweden, Finland and Denmark, which captured first, second and third place respectively, have deteriorated. “Compared against the conditions in 2007-08, these states have suffered setbacks on matters of social justice,” the study states.

The social gulf between northern and southern Europe continues to be immense. This is above all due to the horrifyingly high poverty figures in Greece and Spain. In Spain, the poverty rate is 28.6 percent and in Greece it is 35.7 percent. The percentage of children and young people affected by poverty in these countries is even higher.

One particular focus of the study is the high rate of youth unemployment. 4.6 million young people in the EU are unemployed. In 2015, 20.4 percent of young people had no work, an increase of almost 5 percentage points since 2008.

Children and young people are also affected most severely by poverty and social exclusion. This applies to 25 million children and young people under the age

of 18. “In the vast majority of EU states, chances for children and young people since 2007-08 have—sometimes drastically—deteriorated,” the study stated. “The situation in the crisis states of southern Europe, Italy, Greece and Spain, as well as in the southeast European countries Bulgaria and Romania continues to remain very critical,” it added.

Romania leads the way in the percentage of children under 18 living in poverty with 46.8 percent, followed by Bulgaria with 43.7, Greece (37.8 percent) and Hungary (36.1 percent). But also in Spain (34.4 percent), Italy (33.5 percent), Britain (30.3 percent) and Portugal (29.6 percent) the share is very high. In Greece, the number of children facing severe material deprivation has almost tripled since 2007. It has risen from 9.7 to 25.7 percent due to the austerity dictates of the troika, the European Commission, European Central Bank (ECB) and International Monetary Fund (IMF).

The study explained, “Material deprivation means that the people affected must deal with severe deprivation and can no longer financially afford basic necessities of daily life (i.e., an appropriately heated apartment or a telephone).” It frequently also means that families can no longer provide adequate nourishment and medications.

In the countries hit hardest by the euro crisis, Italy, Spain, Greece and Portugal, the number of children in poverty or facing social exclusion has risen by 1.1 million since 2008.

Another section of the study focused on so-called NEETs (not in education, employment or training). This includes young people between ages 20 and 24 not attending school, who have no work and are not in professional training. Within the EU, the average rate was 17.3 percent, compared to 15 percent in 2008. Italy (31.1 percent) and Spain (22.8 percent) were well above the EU average.

The total number of unemployed young people in Spain and Greece amounted to almost 50 percent. In Italy, despite a modest decline, it was still 40.3 percent.

The high numbers of unemployed and impoverished young people without any future prospects is a devastating indictment of the EU’s austerity policies pursued for years. European governments, regardless of the parties involved, know no other policy than the offloading of the economic crisis onto the backs of the

working class. They are recouping hundreds of billions of euros used to bail out the banks and corporations by destroying jobs, cutting wages and slashing social welfare. The pseudo-left Syriza government in Greece has been especially brutal in this.

The Bertelsmann study commented on the levels of poverty within the EU, but says nothing about its origins and those who are politically responsible. Instead, it appeals to the EU Commission and governments of the EU states to ensure greater social justice. But nothing could be more delusional than expecting a more social policy from Europe’s capitalist governments. The main direction of their policies is the domestic and foreign build-up of the state apparatus and the preparation of new wars. This is how they respond to social tensions and the anger over social inequality.

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