5 FACTS ABOUT POVERTY IN GERMANY

The[fourth-largest economy](https://www.britannica.com/place/Germany) in the world and the most influential nation in the European Union, Germany plays an integral role in global politics. A parliamentary democracy based in Berlin, the country has experienced several regime changes within the 20th century alone. Despite a history of conflict, Germany has made much progress leading to exceptional growth, however, poverty in Germany still remains a challenge.

The History of Germany

In the early 1900s, the country had been unified under the banner of [the German Empire](https://www.britannica.com/place/German-Empire). A decade later, it was one of the world’s leading economic and industrial powers, rivaled only by the United States and the British Empire. After its defeat in World War I, Germany was forced to pay humiliating reparations that indirectly led to the formation of the[far-right Nazi Party](https://www.history.com/topics/world-war-i/treaty-of-versailles-1).

Under[Adolf Hitler’s reign](https://www.history.com/topics/world-war-ii/nazi-party), the Nazis consolidated control over Germany, engaged in vast human rights atrocities, and waged a global war against the Allied nations. Berlin was defeated for a second time, leading to a partition between East and West Germany, where the Soviets controlled the East and NATO controlled the West for the duration of the Cold War.

During this period, West Germany rebounded economically, becoming a global powerhouse. The [fall of the Berlin Wall](https://www.nationalgeographic.com/history/article/why-berlin-wall-built-fell) in 1989 signaled the beginning of reunification and Germany’s newfound place in the modern world.

Despite an expansive social safety net, poverty continues to brew in Germany. In the mid-2010s, Angela Merkel, the country’s chancellor, agreed to admit into the country hundreds of [thousands of refugees](https://www.theguardian.com/world/2020/aug/30/angela-merkel-great-migrant-gamble-paid-off) fleeing the Syrian civil war.  A few years later, COVID-19 hit, throwing the nation yet another curveball. Through it all, Berlin has shown a keen ability to survive and adapt while maintaining openness and transparency, even as poverty alleviation remains a challenging goal.

5 Facts About Poverty in Germany

1. **In Germany, poverty is on the rise.** Since reunification, poverty is increasing, with Berlin defining the poverty threshold as anything [less than 60%](https://www.dw.com/en/poverty-in-germany-at-its-highest-since-reunification/a-18268757) of the average income. In 2013, that figure was 15.5% of the total population.  In the years since, it has [increased to 15.9%](https://www.dw.com/en/poverty-in-germany-on-the-rise/a-54553080). From an outsider’s perspective, this view of Germany seems contradictory. According to the World Bank, [Germany’s poverty rate](https://data.worldbank.org/topic/poverty?locations=DE-US) in 2016 — defined as $1.90 a day in 2011 — was 0%. This compared well with the United States, which had a poverty rate of 1% by the same metric.
2. **Germany retains a high standard of living.** Pundits often overlook Germany’s high standard of living. This fact makes poverty comparisons confusing and difficult. Compared to most nations, Germany is fairly well off. The [country’s GDP per capita](https://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD?locations=DE-GB-FR-IT) adjusted for purchasing power parity was $53,694 in 2020, higher than the United Kingdom, France and Italy.
3. **Over the past few decades, growth has been slow and steady.** Since reunification, German economic growth has been mostly constant. Barring the brief contractions of 2009 and 2020, the German economy has expanded consistently. In 2019, German [GDP growth of 0.6%](https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/DEU/JPN/FRA/GBR) was faster than stagnant Japan but slower than other developed countries such as the United Kingdom and France.
4. **German inequality is serious but manageable.** Compared to the United States, Germany has[lower levels of income inequality](https://www.cia.gov/the-world-factbook/field/gini-index-coefficient-distribution-of-family-income/country-comparison). In the same vein, however, the situation in Germany has not significantly improved since the 1960s. Income inequality [remains much the same](https://ourworldindata.org/income-inequality#inequality-of-disposable-incomes-over-the-long-run) as it was several decades ago. Despite significant investment in areas like universal healthcare and free college, the German government has thus far failed to reduce income inequality by large margins.
5. **Germany has a life expectancy well suited to a developed nation.** Germany has one of the [highest life expectancies](https://data.worldbank.org/indicator/SP.DYN.LE00.IN?end=2019&locations=US-DE&start=1960&view=chart) in the world. At 81 years in 2019, it surpasses the United States, which had an average life expectancy of 79 years.

The overall outlook for Germany is mixed. Its long-term prospects remain uncertain, with a steady yet slow growth rate and hard-set levels of income inequality. Under the surface, poverty continues to brew. But, all is not lost. The country benefits from an extremely high life expectancy and average per capita GDP. Furthermore, Germans are innovative people, building one of the world’s most successful societies in the post-World War II period. With more adaptability and innovation, the possibilities of poverty reduction are limitless.

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Photo: [Flickr](https://www.flickr.com/photos/75487768@N04/9738760659/)

States formerly belonging to Communist East Germany showed slight decreases in at-risk poverty levels overall in the past decade, with only Berlin bucking the trend.

*Read more:* [Germany: Poverty gap widens between rich and poor regions](https://www.dw.com/en/germany-poverty-gap-widens-between-rich-and-poor-regions/a-51637957)

The rate fell in eastern states by 1.6% to 17.9% of the population.

Mecklenburg-Western Pomerania showed the greatest reduction, from 23.1% down to 19.4%.

References

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