Abstract: Even though Germany is one of the world’s most powerful economies, (relative) child poverty is a longstanding issue. Over the last couple of decades, the German government has introduced various measures to tackle it. However, one in five children in Germany is still considered poor. In this paper, I will look at the numbers of children and adolescents that are affected by poverty and explain what it means to grow up poor in Germany. I’ll then make the case for a new proposal that aims to ensure that all children and adolescents have a socially inclusive standard of living. The proposal, developed jointly by the project ‘Family and Education: Creating Child-Centered Policies’ of the Bertelsmann Stiftung, an expert advisory panel and a Young Expert Team, aims at drastically reducing the number of children, adolescents and their families in Germany who are affected by poverty.

Keywords:  
1. Child poverty  
2. Inclusive universal child benefit  
3. Needs survey  
4. Children’s rights  
5. Child participation

1. Introduction

Germany is one of the richest countries in the world. In 2020, it’s GDP amounted to 3.846 trillion US-dollars, making it the fourth largest economy in the world. In the same year Germany’s GDP per capita was 46,252 (current US-dollars). Nevertheless, child poverty is a long-standing issue (Bertelsmann Stiftung, 2020), as are income and wealth inequalities. Besides describing the impact of poverty in one of the world’s most powerful economies, this paper sketches a proposal for how to drastically reduce child (and family) poverty in Germany. The idea laid out here has been developed jointly by the project ‘Family and Education: Creating Child-Centered Policies’ of the Bertelsmann Stiftung, an expert advisory panel and a Young Expert Team, aims at drastically reducing the number of children, adolescents and their families in Germany who are affected by poverty.


3 See World Inequality Database. https://wid.world/country/germany/ (last accessed March 19, 2021)
Policies’ at the Bertelsmann Stiftung, together with an expert advisory panel and a Young Expert Team. After a short introduction (1), the main part of the paper has two sections. In Section 2, I describe the status quo of child poverty in Germany and lay out the dire multidimensional consequences growing up in poverty has for children in Germany. Section 3 is concerned with the proposal the Bertelsmann Stiftung has developed to address the problem, titled ‘A Plan for Ensuring that Children and Adolescents Have a Socially Inclusive Standard of Living’ (Konzept für eine Teilhabe gewährleistende Existenzsicherung). The three pillars the plan rests upon are also described in this section. Some brief concluding remarks (Section 4) round off the paper.

2. Status Quo: What Does it Mean to Grow Up Poor in Germany?

In Germany, more than one child in five (21.3 %) is affected by poverty. This means that 2.83 million children under 18 years are considered poor (Bertelsmann Stiftung, 2020, p. 2). This number is derived from two scientifically accepted definitions for poverty in Germany. One is the poverty line defined by the receipt of social benefits, i.e. a child is considered poor if he or she lives in a household that receives social assistance under (or pursuant to) the second book of the German Social Security Code (SGB II or Hartz IV benefits). These households are unable to earn an adequate living on their own and are entitled to help from the state to secure a minimum subsistence level (Seils & Meyer, 2012, p.2).

The second definition is relative income poverty. In general, relative poverty is defined “in comparison to other people’s standing in the economy” (Eskelinen, 2011, p. 942). In Germany, the basic needs of someone living in relative income poverty are generally met, but they cannot access or purchase other things that are considered ‘normal’ in their society. Following the above-mentioned definition, children are at risk of poverty if they grow up in households that only have a certain percentage of the median of the equivalized disposable income, i.e. the total income (including social transfers) of a household after tax and deductions.

There are two major conventions used to define relative income poverty. The German Government and the statistical offices in Germany use 60 percent of the median as their threshold for identifying those at risk of relative income poverty (German Government, 2021, p. XIII). So does the European Union’s statistical office Eurostat. By contrast, the OECD uses a

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4 The expert advisory panel brings together eight high-profile experts with a wide range of expertise ranging from law, economics and sociology to childhood and adolescence research. The Young Expert Team initially consisted of 17 young people between the ages of 18 and 25 from North Rhine–Westphalia. The team advised the project between fall 2017 and fall 2021.

5 Let me note that I am well aware that poverty in Germany cannot be compared to poverty in countries in which not even the most basic rights are met for millions of human beings. As Thomas Pogge rightly argues, severe poverty is a massive human rights violation that our current global institutional rules preserve (Pogge, 2002). Without doubt we need to work towards broad institutional reforms to overcome these unjust (and unjustifiable) institutional arrangements.

6 To compare income data of households that differ in size and composition, equivalences scales are considered a ‘standard tool’ (Garbuszus et al., 2021, p. 855). A widely used (but contested) scale is the (modified) OECD-scale that ‘assigns a value of 1 to the household head, of 0.5 to each additional adult member [at the age of 14 or older, TL] and of 0.3 to each child’. OECD Project on Income Distribution and Poverty. [https://www.oecd.org/els/soc/OECD-Note-EquivalenceScales.pdf](https://www.oecd.org/els/soc/OECD-Note-EquivalenceScales.pdf) (last accessed June 1, 2022). For further information on why the OECD-scale is contested, see Garbuszus et al. (2021).

50 percent threshold. An explanation for the use of this threshold can be found in Förster (1994). It was originally introduced by Fuchs (1967), who developed it for the U.S., where it is still standard.

The reasons for the use of the two different thresholds do not seem to be clear cut. Garbuszus et al. (2018, p. 79, footnote 73) write that the 60 percent threshold was developed by European researchers to provide a safety margin to the 50 percent figure in view of uncertainties surrounding this threshold. The reasons why these researchers believed the 50 percent threshold was too low remain unclear.

Both definitions share the advantage of not setting an absolute poverty line but instead linking the poverty threshold to the economic performance of a given country and its income distribution. Since this text deals with poverty in Germany, I make use of the 60 percent threshold for reasons of comparability with official German and European data.

As mentioned above, the basic needs of children suffering relative income poverty in Germany are generally met. However, relative poverty hinders children and adolescents from meaningfully participating in society (see the next section for more details). Recent calculations by German economist Holger Bonin show that to close the relative (child) poverty gap (Armutslücke) in Germany, the relatively poor would need to have approximately 26 billion Euros more in annual income. To ensure that this investment has a positive impact on the life of children and adolescents, their needs must be properly understood (hence the demand for a Needs Survey in Section 3).

The threshold for being considered poor in Germany was 14,109 euros per year for one-person households in 2019 and 29,628 euros for a household with two adults and two children under 14 years. These amounts include social benefits like unemployment benefits or child allowance because they count as household income. Taxes and social contributions are subtracted.

The family types that are affected most by poverty in Germany are single-parent households and families with three or more children. For example, in 2019, 42.7% of single-parent families experienced relative income poverty (Lenze et al., 2021, p. 6), making it the group with the highest poverty risk. When comparing SGB II quotas (as explained above, SGB II refers to the people receiving social assistance under, or pursuant to, the second book of the German Social Security Code), one will find that in 2020 33.5% of single parents and 18.4% of families with three or more children received social assistance compared to 8.7% of the general population who receive social benefits (Lenze et al., 2021, p. 7). One can assume that due to the Covid-19 pandemic these numbers will gradually increase.

Poverty is a longstanding issue for two thirds of all affected children and adolescents in Germany. That means that they live in poverty for at least five years or experience it recurrently (Tophoven et al., 2017). In regard to the experiences of young people growing up poor, at least

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8 The OECD classifies people as poor ‘… when their equivalised disposable household income is less than 50% of the median prevailing in each country’. OECDILibrary: Poverty. [https://www.oecd-ilibrary.org/sites/8483c82f-en/index.html?itemId=/content/component/8483c82f-en](https://www.oecd-ilibrary.org/sites/8483c82f-en INDEX) (last accessed May 18, 2021).

9 In a presentation held at a digital expert workshop on June 29, 2021, Holger Bonin mentioned this number. A copy of the presentation is held by the author.


four dimensions have been identified in a literature review: (i) material; (ii) social; (iii) cultural; and (iv) health-related (Laubstein et al., 2016, p. 12). In this paper, I will focus on the material and social dimensions and briefly summarize the cultural one. The proposal that I will sketch does not yet directly name the health dimension. We are currently planning to explore this dimension in more detail and will probably revise the proposal afterwards. The ideas put forward in this paper reflect the current state of development.

Note that besides the dimensions I outline in more detail below, other factors such as gender, migration or educational background also influence how somebody is affected by poverty (poverty in general, not only child poverty). According to the so-called Mikrozensus (a small census that is conducted with a smaller sample and in shorter intervals than the large census in Germany), for all age groups, the share of females in poverty is higher than the share of males in poverty (16.6 percent to 15.2 percent in 2019) (Bäcker & Kistler, 2021). Regarding educational background, the numbers are even further apart. The share of people in poverty whose qualification level is considered ‘low’ was 32.9 percent compared to 6.2 percent for people with a ‘high’ qualification level (Bäcker & Kistler, 2021) (differentiated by the qualification level of the main income earner). In addition, migration still has a huge influence on the risk of poverty. While in 2019 the share of people in poverty without a migration background in Germany was around 11.7 percent, the share of those with a migration background was around 27.8 percent.

2.1 The Material Dimension of Poverty

The material dimension is concerned with material endowments as well as the possibility of participating in age-related consumption. Housing is a crucial indicator in this dimension (Laubstein et al., 2016, pp. 44-5).

For example, children who grow up in a poor household less often have their own room or a quiet place for themselves where they can relax and/or study for school (ibid.). Especially during the Covid-19 pandemic, when remote learning became a necessity and thus a quiet place was crucial, this aspect took on increased significance. If one compares children between the ages of 6 to 14 who grow up in a financially deprived family to children of the same age group who live in a family that is financially secure, one will find that only 0.7% of the latter do not have their own place to study and do their homework, while 13% of children who grow up in a poor family lack such a place (Lietzmann & Wenzig, 2020, p. 20). Nutrition and clothing are two other aspects where poor children experience material deprivation (Laubstein et al., 2016, p. 46). Regarding nutrition, the authors’ meta-analysis finds that poor families reduce the quality of food (i.e. choosing cheaper products) to secure a sufficient quantity (ibid.).

As mentioned above, the material dimension of poverty also includes the aspect of participating in age-related consumption. This can be illustrated by the fact that poor children less frequently get pocket money from their parents than their peers in financially secure families. Lietzmann & Wenzig (2020, p. 20) write that 20% of the children between the ages of 6 and 14 who grow up in poor families do not get pocket money on a regular basis, compared to 1.1% of children in the same age group from non-poor families. The lack of pocket money limits the possibility of relatively poor children and adolescents spending money on things often

12 In their meta-analysis Laubstein et al. devote a whole sub-chapter to poverty-related health issues, ranging from a higher risk of obesity to a less healthy lifestyle with regards to issues such as smoking or diet (2016, pp. 66, 68).
14 For more on preliminary effects of the Covid-19 pandemic on students see Grewenig et al. (2020).
considered discretionary, such as computer games, fashionable clothes, or going to the movies with friends. Furthermore, they cannot save for the future. These examples already point us towards the social dimension of poverty.

2.2 The Social Dimension of Poverty
Following Laubstein et al. (2016, p. 49), the social dimension of poverty focuses on the basic need to interact with other people. Poverty can sometimes have an influence on social integration and interaction with peers. All studies considered by the authors find that poverty itself cannot be seen as a single explanation for the kind of relationships young people who grow up poor have (ibid.).

One consequence of growing up in poverty can be a difficulty in establishing secure friendships. One cause for this is the lack of reciprocity that is considered a basis for friendship. Due to monetary restrictions, poor children might be unable to return favors like presents or invitations. Another cause might be that parents limit the contact children have with their friends due to the family’s bad housing situation (ibid., p. 50f).

The above-mentioned aspects have an influence not only on the social situation of poor children but also on the relationship between them and their parents (ibid., p. 51). For example, from an early age, poor children might be required to take on responsibilities, such as caring for younger siblings, that their parents might be unable to discharge because of illness or long working hours. This role reversal can result in mental overload for the children (ibid.). Moreover, children are sensitive to their parents’ financial situation, which burdens their everyday family life (Andresen & Galic, 2015). The last aspect points towards another dire consequence of growing up poor. Young people who worry about the financial situation of their families, experience bullying more often than their financially-secure peers, as the following passage indicates.

Worries about the family’s financial situation also have a significant influence in terms of children experiencing exclusion or violence at school. Of those children who never worry about their family’s financial situation, 69.8 percent said they had experienced no type of attack in the previous month (...) This contrasts with the experiences of children and adolescents who constantly worry about their family’s financial situation. Among this group, only 45.3 percent said that they experienced no form of abuse in the previous month, a difference of 24.6 percentage points (Andresen et al., p. 38).

Although it is not clear cut whether poverty is the sole cause for an increased risk of bullying, the authors’ finding highlights that growing up in poverty burdens young people with multiple challenges (ibid., p. 39).

2.3 The Cultural Dimension of Poverty
The previous sections have explored in detail how material and social factors influence a child’s upbringing. The cultural dimension of poverty is concerned with the participation in education and the educational opportunities of poor children. Given the limited space available to me in this paper and the variety of studies that have been conducted in this field, I will only briefly summarize the following aspects: According to a German study AWO-ISS15 (see Holz et al. 2012
for an overview in German), poverty affects the whole educational biography of a child. For example, poor children are less likely (e.g. due to developmental delays) to have a regular start into school life, often starting school at a later age than their peers (Laubstein et al., 2016, p. 55; Bertelsmann Stiftung, 2020, p. 7). Moreover, they must repeat classes in primary school more often, especially if they come from single-parent families or families that live in long-term poverty (Laubstein et al., 2016, p. 55). Except for sports classes, their grades are lower than those of their peers and they less often receive a recommendation for college-preparatory schools (Gymnasium, the highest form of secondary school education in Germany), even if they come from a poor family where parents have a relatively high level of formal education (ibid.). According to Laubstein et al., this last aspect can be seen as proof of an independent poverty effect. Of course, this claim should be handled with care, since correlation does not automatically prove causation. More work to exclude other possible explanations is needed.

Besides formal education, that is any form of education linked to the federal education system from primary school to university, non-formal education is also influenced by the disposable income of families. For example, children who grow up in poverty are less often members of clubs and have fewer opportunities to participate in leisure activities (Tophoven et al., 2018, p. 17ff).

3. A Proposal to Eradicate Child Poverty in Germany

After having outlined the significance of relative poverty in Germany as well as the dimensions that are affected by it, this section of the paper focuses on one possible solution to child poverty in Germany.

As shown above, poverty comes with a lot of disadvantages and setbacks for those who suffer from it and has multidimensional consequences that range from housing to health. Although the German government has introduced various measures over the last decades to support children and their families financially, the overall number of those who live in poverty consistently remains at a relatively high level for one of the world’s most powerful economies. In response, the project ‘Family and Education: Creating Child-Centered Policies’ has developed a proposal for ensuring for all children and adolescents a socially inclusive standard of living that rests on three pillars: (i) a new form of financial support; (ii) a Needs Survey; and (iii) effective on-site support. This chapter is devoted to explaining these pillars in more detail. It is the aim of our proposal to put the perspective of children and adolescents on their own lives front and center. Please note that the proposal is a ‘work in progress’, which means that some ideas are presented in more detail than others, and the final proposal may differ from what is presented here. As the statistical foundation for the determination of a new form of financial support (i) is provided by the Needs Survey, I will outline the second pillar first.

3.1 A Needs Survey

Data on the requirements, desires, concerns and interests of children, adolescents and their families in Germany are sparse. Neither official statistics nor information in social-welfare

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16 This chapter builds upon texts that have been written jointly by the ‘Family and Education’ project team, Antje Funcke, Sarah Menne, Mirjam Stierle and me, for our English website. Bertelsmann Stiftung. Familie und Bildung: Politik vom Kind aus denken. https://www.bertelsmann-stiftung.de/en/our-projects/family-and-education-creating-child-centered-policies (last accessed June 2, 2022). The text has been adapted and revised for the purposes of this paper.
reports give us a sufficient overview to draw meaningful conclusions about the needs or consumption patterns of these groups. Thus, a new, regular and representative survey of young people is required: a Needs Survey (Bedarfserhebung) for and with children and adolescents.

By exploring what makes a ‘good’ or ‘average’ childhood in Germany with regard to issues such as mobility, leisure-time activities, clothing, non-formal education, digital media, and pocket money, the Needs Survey would provide valuable information. Its design must include different formats for collecting data and involving participants. While its foundation should be a regular and representative quantitative poll, more in-depth qualitative studies must also be included. These qualitative probes could be based on interviews, group discussions, children’s conferences, peer-to-peer research and the like.

The basis for the Needs Survey are so-called ‘needs dimensions’ (Bedarfsdimensionen). These dimensions depict a normative framework that gives a (preliminary) answer to the question what children and adolescents require to grow and develop as they should. Currently, seven dimensions have been identified: (i) Education for Life; (ii) A Healthy Environment; (iii) Access to Quality, Needs-Based Education (which includes measures to protect children and adolescents from violence and bullying in school: see The Social Dimension of Poverty above); (iv) Time, Attention and Care; (v) Securing Financial Needs; (vi) Rights, Participation and Quality Interactions; and (vii) Adults’ Attitudes (Bertelsmann Stiftung, 2018). In addition to all the information that could be gathered via qualitative and quantitative approaches in the Needs Survey, further information must be collected on the requirements specific to families and parents of younger children.

A regular and representative Needs Survey, combined with available data from other sources such as official statistics, could provide us with a statistical foundation that helps determine how high the More Inclusive Universal Child Benefit (explained below) should be and what would be needed to enable meaningful participation in society. Moreover, it could be used to gather information on how education, family and community policies that actually put the focus on children and adolescents should be designed. Such a project requires politicians, academia and other players to work together and to think in broad terms. The main goal should always be to actively involve and consult children and adolescents in the process to develop policies that are designed in alliance with, or at least under consideration of, their views.


There are various government measures in Germany meant to support children and their families financially. In general, families must apply for them – often to different government agencies, depending on the support they seek. The actual amount of support often depends on the parents’ income and the circumstances in which the children and their families live. In most cases, the given financial support is not sufficient to ensure that lower-income children and families have a fair chance of participating in society. Thus, in our view, children and their families in Germany need a new form of financial support: the More Inclusive Universal Child Benefit (das Teilhabegeld).

The idea is that this financial payment would combine and replace a number of government support mechanisms that families can currently apply for. These are: (i) the child benefit; (ii) the statutory allowances for children’s needs granted under Germany’s social insurance laws; (iii) the supplementary allowance for low-income families; and (iv) the lump-sum benefits from the

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17 For a more detailed explanation of some of the above-mentioned needs dimensions and a first attempt to evaluate a survey against this backdrop, see Andresen et al. (2020).
country’s education and participation package. The More Inclusive Universal Child Benefit would be reduced as household income rises so that support goes especially to the neediest children. What is new in our proposal is that children and adolescents themselves would be the recipients of the benefit.\textsuperscript{18} The way in which this would best work in practice is still up for debate.

Funding of the new benefit would be the responsibility of the federal government. Alongside the pooling of the various government measures, other criteria for the new financial support should be: transparency, low levels of bureaucracy and an easy application process that could be conducted through digital means.

In our view, proposals for the exact amount of the More Inclusive Universal Child Benefit must reflect age-appropriate needs of children and adolescents and would be developed by an interdisciplinary expert commission in collaboration with young people. The amount of money should be based on what can be considered a ‘good’ or ‘average’ childhood in Germany. Children and adolescents know best what growing-up well means for them, which is why their viewpoints (in addition to those of their families, educators or else) must be considered when the amount for the More Inclusive Universal Child Benefit is set. This should be done on the basis of the newly proposed Needs Survey discussed in the previous section. The above-mentioned process for setting the level of the new child benefit should of course be legitimized democratically, and it should leave open the possibility of revising the amount of the benefit when circumstances change. In addition to the basic amount of the More Inclusive Universal Child Benefit that is tied to a household’s income, factors like the needs of young people who are ill or disabled, and children and adolescents in single-parent households or whose parents share custody, should be considered \textit{additionally}. That means that these children and adolescents would receive additional money to the basic amount of the More Inclusive Universal Child Benefit. Moreover, as explained above, besides single-parent households, those with three or more children have a much higher risk of being exposed to poverty. In order to be able to cover their extra needs to reduce the high poverty rates experienced by these families, it is important to ascertain these additional needs empirically and provide additional financial support.\textsuperscript{19}

\subsection*{3.3 Effective on-site support}

Children and adolescents spend a considerable amount of their time in early childhood education and care (ECEC) centers and schools. These organizations have always been an important part of young people’s lives, but over recent decades they have become even more important, due to the expansion of ECEC centers and the extension of school hours through the introduction of all-day schools, previously uncommon in Germany.

Hence, children and adolescents are dependent on reliable, high-quality ECEC centers and schools that make them feel comfortable and boost their self-confidence through the possibility to participate and to feel valued as individuals. In order to ensure this, pupils need educators whom they trust and who support them.

As mentioned before, in Germany the social background of students and their educational achievements are still closely intertwined. To reduce this linkage, Germany must invest broadly in the quality of its educational institutions. As the country is organized in a federal system this task must be fulfilled jointly by the country’s states, municipalities and school boards. A high-

\textsuperscript{18} According to Kingreen (2017), this would mean that the benefit would not be linked under European law to the employment status of the parents. Therefore, in contrast to the current child allowance, there would be no obligation to provide the new benefit to children and young people who do not reside in Germany.

\textsuperscript{19} See Lenze (2021) for more detailed thoughts regarding single-parent/shared-custody households.
quality school system naturally needs to ensure that inclusion, digitalization and all-day schools are fostered. Moreover, investments in the infrastructure of schools (buildings and equipment), and, above all, in well-qualified educational professionals, school social workers and school psychologists must be a given. Besides investing in education, however, money must be spent to reduce and prevent poverty. There must be no ‘either or’.

Besides places that afford children attractive leisure-time opportunities, effective on-site support for families should also include contact points in all municipal districts or schools or family centers where children, adolescents and their families can get information on benefits (e.g. the More Inclusive Universal Child Benefit or housing benefits) that they might be entitled to. These contact points should provide easy and unbureaucratic support and help those who seek assistance. Studies show that families in need of such assistance due to various burdens (such as missing support networks, poverty, psychological problems) are harder to reach than those who are less affected by these burdens. Researchers call this a ‘prevention dilemma’. So as to overcome this dilemma, different approaches on various levels must be taken. As it is not the focal point of this paper to discuss this in more detail, only two points will be made here: (1) It is important to find systematic and comprehensive access to the respective families, which can be achieved through so-called ‘door-openers’, which could be educators, teachers or pediatricians; and (2) the offers made to these families should fit their needs and approach them directly where they live, which means that the focus should lie on work on the ground in the respective communities.\textsuperscript{20}

4. Concluding Remarks

Every child has the right to grow up well and participate effectively in society. The United Nations Convention on the Rights of Children not only guarantees development rights such as the right to education, access to information or leisure but also, inter alia, participation rights that include freedom of expression and the right to be consulted in matters that affect their own lives. These rights apply to every child in the world. Barriers that hinder children from exercising their rights ought to be removed.

In this paper, I have outlined how child poverty in Germany makes meaningful social participation harder for over one-fifth of children by setting higher hurdles in many different situations (see part 2 above). The aim of the proposal presented in the paper for a socially inclusive standard of living is to overcome these barriers.

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Tobias Lentzler studied Philosophy, Politics and Economics at Witten/Herdecke University, Germany. He worked as manager of the project ‘Family and Education: Creating Child-Centered Policies’ at the Bertelsmann Stiftung in Gütersloh, Germany until June 2022. He is now a PhD student in the history of ideas at the Chemnitz University of Technology, Germany. He wishes to thank his colleagues Antje Funcke, Sarah Menne, and Mirjam Stierle for their valuable advice on the text. In addition he wishes to thank Najid Ahmad, Alberto Minujin, Kieran Donaghue, and Thomas Pogge for their helpful remarks and suggestions on earlier versions of this paper. No potential conflict of interest exists in respect of the research, authorship or publication of this essay.

\textsuperscript{20} These approaches are discussed in more detail in a presentation by Paul (2019).
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