

# Neglecting the poor and the environment



The change of government resulting from the 2009 elections has yet to produce any benefits for the poor or others affected by the financial crisis. No new direction is discernable in the labour market or in social policy, and the impoverishment of large sections of society is continuing. Moreover, environmental issues have played a very minor role in the Government's response to the crisis. According to World Wildlife Fund, only six out of the 32 stimulus measures had a positive impact on the environment, and just 13% of them can be considered sustainable.

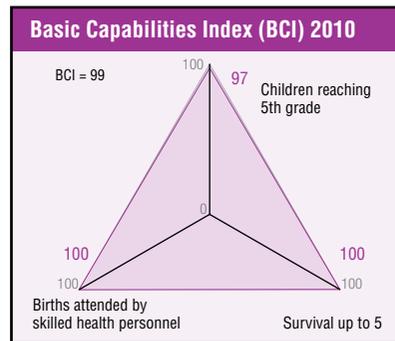
Social Watch Germany  
Uwe Kerkow

Despite the Government's support measures for banks and industry of EUR 480 billion and economic stimulus packages of EUR 107 billion, the financial crisis has clearly left its mark on the German economy. Admittedly there have been fewer job losses than previously feared, but those currently employed have to manage on less money. In 2009, for the first time in the Federal Republic's more than 60-year history, employees had to accept a 0.4% cut in real gross wages and salaries (approximately EUR 100).<sup>1</sup> This decrease in per capita earnings was mainly caused by the expansion of part-time work and a reduction in overtime. The manufacturing sector was particularly hard hit, with a per capita earnings decrease of 3.6% (although an increase of 4.4% could be observed based on hourly wages).

## Further worsening of social conditions

Some 6.5 million people – more than one in five employees – are working for hourly amounts below the minimum wage according to a report by the Institute for Work, Skills and Training of the University of Duisburg-Essen.<sup>2</sup> The percentage of employees with vocational qualifications who are forced to work in the low-wage sector has also increased substantially. Workers with no formal qualifications now account for only around 20% of this sector.

The worsening conditions are affecting all the disadvantaged groups in society: by mid-2009, the number of recipients of assistance from the Tafel food bank movement rose to more than 1 million for the first time.<sup>3</sup> Tafel welfare initiatives operate in most German cities, receiving food donations from the commercial sector and, with the support of around 40,000 volunteers, supplying basic provisions for people



who cannot meet their daily needs. The President of Bundesverband Deutsche, Tafel e.V., Gerd Häuser, has urged the Government to appoint an Anti-Poverty Commissioner "equipped with far-reaching powers to coordinate the activities of the four federal ministries<sup>4</sup> responsible for poverty reduction, and to act as a point of contact for private organizations such as the Tafel initiatives or welfare associations."<sup>5</sup>

## The focus on the environment is nominal

Environmental issues have played only a minor role in the Government's response to the financial crisis. Instead, the economic stimulus measures were heavily geared towards the expansion of private transport. The "cash for clunkers" component is particularly contentious. It consisted of a one-off payment of EUR 2,500 by the State to owners of older cars who purchased new vehicle and scrapped the old one. The Verkehrsclub Deutschland (German Transport Club – VCD) criticized the concept, arguing that far more could have been done to protect the environment if the allowance had been tied to environmental criteria or if the funds had been invested in alternative forms of transport. Moreover, in the VCD's view, developing public transport and retrofitting environmental technology would have had a greater impact in terms of creating jobs and improving the overall environmental balance sheet.<sup>6</sup>

A full analysis of the environmental impacts of the economic stimulus packages, produced by



the World Wildlife Fund, found that only 6 out of 32 measures have had positive effects. In terms of the financial resources deployed, only 13% of the measures can be considered sustainable.

The only item of direct relevance to the environment, according to the report, was the investment in energy improvements in the housing sector. What was lacking entirely were "innovative approaches for traffic reduction and the promotion of energy-efficient products and resource-efficient production processes." Some 8% of the stimulus measures actually damaged the environment, and environmental aspects barely featured in the criteria governing the allocation of funds.<sup>7</sup>

## A confusing and contradictory development policy

Germany is likely to miss, by a wide margin, the interim target for an increase in its official development assistance (ODA) to 0.51% of gross national income (GNI) in 2010. In late 2009, the new Federal Development Minister, Dirk Niebel, commented in an interview: "The EU's step-by-step plan is a declaration of intent, not an obligation under international law. With a starting position of 0.38%, there would be no way we could achieve an ODA ratio of 0.51% in just one year."<sup>8</sup> Germany's ODA contributions in 2009 amounted to USD 11.982 billion, down from

1 Federal Statistical Office, "Development of Earnings During the Economic Crisis in 2009," Press Release No. 117, 25 March 2010. Available from: <www.destatis.de/jetspeed/portal/cms/Sites/destatis/Internet/EN/Navigation/Statistics/VerdiensteArbeitskosten/Bruttoverdienste/Bruttoverdienste.psm!> (accessed on 31 May 2010).

2 Institut Arbeit und Qualifikation, "IAQ-Report 2009-05," July 2009. Available from: <www.iaq.uni-due.de/iaq-report/2009/report2009-05.php>.

3 ARD, "Zahl der Tafel-Empfänger auf eine Million gewachsen," 12 June 2009. Available from: <www.tagesschau.de/inland/tafel1106.html>.

4 Federal Ministry of Labour and Social Affairs; Federal Ministry of Family Affairs, Senior Citizens, Women and Youth; Federal Ministry of Health; and Federal Ministry of Finance.

5 ARD, 12 June 2009, *Ibid.*

6 VCD background information. Available from: <www.vcd.org/konjunkturpaket\_ii.html>.

7 Von Sebastian Schmidt, Florian Prange, Kai Schlegelmilch, Jacqueline Cottrell and Anselm Görres, "Sind die deutschen Konjunkturpakete nachhaltig?" Study commissioned by the WWF (Green Budget Germany, 12 June 2009). Available from: <www.wwf.de/fileadmin/fin-wwf/pdf\_neu/Konjunkturpaket\_D\_V25\_12-06-2009.pdf>.

8 "EU-Stufenplan ist keine völkerrechtliche Verpflichtung," Domradio online, 18 November 2009. Available from: <www.domradio.de/aktuell/artikel\_58664.html>.

USD 13.981 billion in 2008. This fall of almost USD 2 billion was mainly due to the end of budget write-downs of debt relief and corresponds to a decrease in the ODA/GNI ratio from 0.38% to 0.35%.<sup>9</sup> Nonetheless, Federal Chancellor Angela Merkel said: “We are, and remain, committed to achieving the Millennium Development Goals for Africa. We remain committed to the goal of allocating 0.7% of our gross national income for development by 2015. This is a moral responsibility as well.”<sup>10</sup>

In order to achieve this goal, German ODA would have to be increased by around EUR 2 billion annually with immediate effect. In 2010, however, the budget of the Federal Ministry for Economic Cooperation and Development (BMZ), which accounts for around 54% of German ODA, was increased by only EUR 256 million to EUR 6.07 billion.<sup>11</sup> In total, German ODA will reach approximately 0.4% of GNI in 2010.<sup>12</sup>

What is particularly lacking in German development cooperation at present is an ambitious commitment to protect the climate. In advance of the UN Climate Change Conference in Copenhagen, Germany pledged EUR 420 million for international climate protection.<sup>13</sup> In early March 2010, however, it emerged that only one sixth of this – EUR 70 million – is actually “new money.”<sup>14</sup>

One aspect that is increasingly dominating development policy is civil-military cooperation. In Afghanistan in particular, where Germany’s armed forces, the Bundeswehr, are providing part of the intervention force, there are greater efforts to dovetail German development services with military strategies. The aid organization Welthungerhilfe describes the problem as follows:

Mixing the military and reconstruction mandates has caused serious damage. Because the development assistance provided by the provincial reconstruction teams has become part of the military

## Disabled children’s right to mainstream schooling is ignored in Germany

Vernor Muñoz, the UN Special Rapporteur on the right to education, visited Germany in early 2010 and once again voiced clear criticism of the education authorities’ failure to provide enough places in mainstream schools for children with disabilities such as Down’s syndrome. Although inclusive schooling is a requirement of the UN Convention on the Rights of Persons with Disabilities, which Germany ratified in 2007, around 400,000 disabled children (85%) attend special schools.<sup>A</sup>

Muñoz had already submitted a report to the Human Rights Council in 2007 on his mission to Germany the previous year. In it he stated his belief that: “the classification process which takes place at lower secondary level (...) does not assess students in an adequate manner and instead of being inclusive, is exclusive; since he could verify during the visit that, for example, poor and migrant children – as well as children with disabilities – are negatively affected by the classification system.”<sup>B</sup>

The Government’s response to this report consists of just a few paragraphs that do not address the substance of the criticism: “Compulsory school attendance applies to [disabled children] just as it applies to non-disabled children and young people. (...) Students with disabilities are taught either in mainstream schools together with non-disabled students or in special schools [Sonderschulen] or special needs schools [Förderschulen].”<sup>C</sup> However, it is taking the issue more seriously than the statement quoted above might suggest: in 2008, the German Institute for Human Rights was commissioned to monitor implementation of the Convention in the country.<sup>D</sup> The funding for this work is provided by the Federal Ministry of Labour and Social Affairs and the annual budget for the monitoring unit is currently EUR 430,000. ■

A Christian Füller, “Menschenrechte nicht für den Mond”, taz.de, 9 June 2009. Available from: <www.taz.de/1/zukunft/wissen/artikel/1/menschenrechte-nicht-fuer-den-mond>.

B Human Rights Council, “Report of the Special Rapporteur on the right to education, Vernor Muñoz. Addendum: Mission to Germany, 13–21 February 2006,” A/HRC/4/29/Add.3.

C Federal Ministry of Education and Research, “Bericht des UN-Sonderberichterstatters für das Recht auf Bildung.” Available from: <www.bmbf.de/de/7763.php>.

D See <www.institut-fuer-menschenrechte.de/de/monitoring-stelle.html>.

9 Organisation for Economic Co-operation and Development (OECD), “Development Aid Rose in 2009 and Most Donors Will Meet 2010 Aid Targets,” press release, 14 April 2010. Available from: <www.oecd.org/document/11/0,3343,en\_2649\_34487\_44981579\_1\_1\_1\_1\_00.html>.

10 Federal Government “Regierungserklärung von Bundeskanzlerin Merkel im Wortlaut,” policy statement, 10 November 2009. Available from: <www.bundesregierung.de/Content/DE/Regierungserklaerung/2009/2009-11-10-merkel-neue-Regierung.html>.

11 BMZ, “In Spite of Difficult Environment, Germany’s Development Ministry Takes Germany’s Commitments Seriously,” press release, 19 March 2010. Available from: <www.bmz.de/en/press/pm/2010/march/pm\_20100319\_45.html>.

12 EU, “Where is the EU in Terms of Financing for Development and Where Should the EU Go?” press release, 21 April 2010. Available from: <ec.europa.eu/development/center/files/europa\_only/twelve\_points\_MDG\_en.pdf>.

13 Focus online, “Deutschland zur Zahlung von 420 Millionen für Klimaschutz bereit,” 11 December 2009. Available from: <www.focus.de/politik/weitere-meldungen/klimagipfel-deutschland-zur-zahlung-von-420-millionen-fuer-klimaschutz-bereit\_aid\_462180.html>.

14 Spiegel online, “Regierung Knausert bei Klimaschutz-Zahlungen an Arme Länder,” 5 March 2010. Available from: <www.spiegel.de/wissenschaft/natur/0,1518,681989,00.html>. See also: <www.wir-klimaretter.de/nachrichtensep/politik-nachrichten/5463-neuer-haushalt-neues-glueck>.

strategy, opposition forces are now attacking development workers as well – even though they are politically neutral and are bound solely by the principles governing the provision of humanitarian assistance.<sup>15</sup>

BMZ’s total support for stabilization and development in Afghanistan in 2009 amounted to some EUR 144 million,<sup>16</sup> making Afghanistan the largest recipient of German development assistance.<sup>17</sup> Moreover, at the London Conference on Afghanistan in early 2010, Niebel announced that the contribution would be increased further to EUR 250 million annually. “To that end, we will use the funding of EUR 1 billion for the period up to 2013,” according to a press release issued by the BMZ.<sup>18</sup> In comparison, the Civil Peace Service (established by Germany in 1999 as a new instrument for peacebuilding and

crisis prevention) received EUR 30 million annually for its activities in both 2009 and 2010.<sup>19</sup>

### Moving forward

The Government needs to put more emphasis on economic stimulus measures that are sustainable and that address the growing numbers of people living in poverty. Ensuring that people can meet their daily needs is a role that, according to Social Watch, is one of the core functions of the State in advanced industrialized countries.

As regards its development cooperation, Germany needs to live up to its ODA responsibilities and also commit more funding to climate protection. In the case of Afghanistan, Welthungerhilfe has called for the strict separation of mandates, with the Bundeswehr dealing with security and development workers dealing with development. In view of the financial scale of the support being provided there, this demand is gaining weight. ■

15 Welthungerhilfe, “Entwicklungshelfer in Afghanistan: ‘Nie war die Sicherheitslage so explosiv wie jetzt.’” Available from: <www.welthungerhilfe.de/afghanistan-sicherheit-entwicklungshelfer.html> (accessed 12 April 2010).

16 BMZ, “Additional Funds for Stabilisation Measures in Afghanistan and for Fostering Good Governance in Pakistan,” press release, 24 November 2009. Available from: <www.bmz.de/en/press/pm/2009/november/pm\_20091124\_103.html>.

17 Terres des Hommes and Welthungerhilfe, “Kurs auf Kopenhagen,” *Die Wirklichkeit der Entwicklungshilfe*, 17 (2009), 57. Available from: <www.tdh.de/content/themen/weitere/entwicklungspolitik/shadow-dac/index.htm>.

18 BMZ, “Civilian Reconstruction in Afghanistan to Be Strengthened,” press release, 28 January 2010. Available from: <www.bmz.de/en/press/pm/2010/january/pm\_20100128\_15.html>.

19 *Ibid.*, 55.