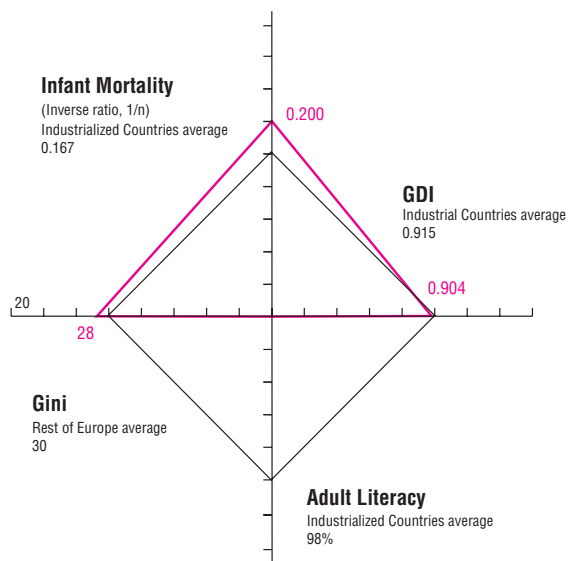


• RUTH BRAND
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FURTHER THAN EVER FROM THE 0.7%

objective of poverty eradication world-wide. The overall situation with regard to the quality of life—although deficient for some groups—is satisfactory compared with many other countries. The basic infrastructure is accessible to most, but the numbers of welfare recipients, homeless, street children, drug addicts, and AIDS victims have not decreased.



The Equity Diamond: National values in terracotta compared to regional ones in blue.
Source: **Infant mortality:** UNICEF, *The State of the World's Children, 1998*; **Adult literacy:** UNICEF, *The State of the World's Children, 1998*; **GDI** (Gender Development Index): UNDP, *Human Development Report 1998*; **GINI:** World Bank, *World Development Indicators 1998*. (The regional average for this indicator was calculated by *Social Watch*).

THE NATIONAL CONTEXT

In September 1998, a new German government of Social Democrats and Greens announced a fundamental political change. The government launched new initiatives to fight unemployment and the international debt crisis, but made severe cuts in the ODA budget—especially in multilateral aid.

Although Germany ratified the UN Convention on Human Rights (both civic and social covenants) as well as the European Convention for the Protection of Human Rights and Fundamental Freedoms of 1950 and the European Social Charter of 1961, it has not signed or ratified the Revised Social Charter of 1996. There seems to be a willingness to include a charter of basic rights (including social rights) in the EU treaties at the next revision planned for 2000. It did sign the Statutes for the International Court of Justice and the ILO Convention Against Child Labour, but has not yet ratified them.

Measured by the number of recipients of social benefits, there are almost three million poor. An estimated two million more people qualify but do not claim benefits either out of shame or for lack of information or because they dislike being dependent on public assistance or are afraid that their relatives could be forced to repay. There are one million children living in poverty. By the EU definition,¹ about 9% of the total population, i.e. 7.3 million Germans are poor, among them a disproportionate number of women and migrants. The government has finally taken definite steps to issue reports on poverty and wealth in Germany.

¹ Individuals or households are considered to be poor when their net monetary income is below 50% of the average income in their country.

There has been no substantial decrease in unemployment since 1998 and it still hovers around 10% or 3.9 million **with a percentage twice as high in the former East Germany (16.9%) as in the West (8.2%)**. Especially among the severely handicapped, unemployment remains high at 17.7% despite an obligation to employ a minimum quota. The programme offering job and qualification opportunities for 100,000 youth started by the new government in early 1999 is deemed to be a success and will be continued throughout year 2000.

Social service agencies are becoming increasingly rigid in handling claims of excluded groups. Demands for proof, declarations, confirmations—paper work that cannot easily be produced by these groups—amount to denial of access to rights.

Although immigration of asylum-seekers is still controversial and some 97% of applicants are rejected, severely traumatised refugees from Bosnia and families with children who entered Germany before July 1st 1993 have been authorised to stay in Germany. **A particular problem is constituted by dependent women migrants without their own right of residence if they separate from their husbands.** There are demands to acknowledge specific violations of human rights against women such as sexual violence as grounds for asylum.

Social security systems are under pressure because of unemployment, demographic development and growth stagnation. Demands for more competitiveness result in the reduction of resources set aside for social security and in calls for increased private individual contributions.

The introduction of market elements into the social sector, such as local policies to attract investors by enhancing the technical and cultural infrastructure, do not serve the excluded population. The state—or local authority—tends to withdraw from or reduce its involvement in securing the social infrastructure, which lays it open to commercial competition and profit-seeking.

On the other hand, there is a mounting consciousness that corruption may be a problem in Germany, too, and not a phenomenon restricted to developing countries. Public administrations at all levels (federal, state, regional and local) are taking measures to tighten controls and to sensitise their staff through education.

The new German government has demonstrated greater openness toward NGO participation than the previous one. Three representatives of the German NGO Forum WSSD participated in the official delegations to the Commission on Social Development and PrepCom I meetings in 1999. The Forum was also invited to comment on the draft national report prepared for the Copenhagen + 5 Special Session of the UNGA. It must be noted, however, that the time schedule was very unsatisfactory and would merit considerable improvement.

THE INTERNATIONAL CONTEXT

At the Social Summit, Germany committed itself to fight poverty, unemployment and exclusion at home and world-wide. This was

Although the availability of child care has increased in recent years, there are still important differences between Western and Eastern Germany. In the East, available places for 3–6 year-olds exceed the total number of eligible children by 116.8%. In the West, places are available for 85.1% of eligible 3–6 year-olds. For ages 0–3, the figures are 41.3% for the East and 2.2% for West. As German schools do not offer instruction in the afternoon, daycare arrangements are also important for working parents of children aged 6–10. It is provided for 5.1% of children in the West and 34.1% in the East. The differences are owed to stronger traditions of women's employment in the former GDR with arrangements provided through the state. In Western Germany, private arrangements (supported by public finance) are more common. On the whole, provisions are still considered unsatisfactory and often do not meet the needs of working mothers.

to be achieved by additional financial contributions, additional debt relief, and re-orientation of Structural Adjustment Programmes (SAPs) toward the goals of social development. Further means mentioned were: stability of financial markets and trade measures basis for social development in the South.

GERMAN POLITICS HAVE A MIXED BALANCE IN THESE AREAS.

Since Germany depends strongly on exports, German industry is interested in open markets world-wide. In the EU, WTO and OECD, the government acts as advocate of these business interests. In the OECD, *eg*, the German government was an active supporter of the Multilateral Agreement on Investments (MAI). In 1998, the new government announced a political change: *«International economic regimes such as the WTO or the planned Multilateral Agreement on Investments (MAI) have to be reshaped according to ecological and social criteria.»*² This announcement has shown no substantial results, however. **At the 3rd Ministerial Conference of the WTO at the end of 1999, the German government supported a new WTO round on trade liberalisation. It refused NGO demands for an assessment of the social and ecological impacts of past liberalisation measures and for fundamental reform of the WTO.** In negotiations for a new treaty on cooperation between the EU and the Africa, Caribbean and Pacific (ACP) countries, the German government supports the elimination of non-reciprocal trade preferences and the establishment of regional free-trade agreements. Warnings by numerous NGOs

² *Aufbruch und Erneuerung – Deutschlands Weg ins 21. Jahrhundert. [Break-up and Renewal – Germany's Path to the 21st Century].* Coalition agreement between the German Social Democratic Party and the Greens, Bonn, October 20th 1998, Chapter XI.11.

and scientists from ACP countries against the negative social impacts of these free-trade agreements have been ignored.

THE ROLE OF GERMANY IN DEBT RELIEF

As one of the world's biggest creditors—in particular of the 41 Highly Indebted Poor Countries (HIPCs)—the former government did not actively promote international debt strategies favouring the poorest countries. Immediately after its election, the new government initiated an accelerated and expanded HIPC Initiative. In January 1999, it presented a proposal to the other G7 countries. Germany took many of the proposals of the Jubilee 2000 campaign into consideration and fought especially for a link between debt relief and poverty eradication. In 2000, Germany will contribute DM 50 million (approx. USD 26 million) to the HIPC Trust Fund, and it is committed to the same amount in 2001. We cannot, however, expect any further initiatives regarding HIPC (*eg*, lowering the debt-to-export ratio) or any additional financial contributions by Germany to the HIPC Trust Fund. After the implementation of HIPC II, the bilateral debt (ODA and exports credits) of the HIPCs will still be 1 billion German Marks (USD 0.6 billion).

The old government supported the traditional creditors' concept of linking debt relief and the allocation of new loans to Structural Adjustment Programmes (SAPs). The new government still links debt relief to SAPs and accepts the macroeconomic demands of SAPs for deregulation and privatisation. In the coalition agreement of 1998, the government stated: «*The new Federal Government promotes a reform of the structural adjustment programmes of the IMF and the World Bank according to the criteria of development needs and ecological sustainability.*»³ But the finance ministry has not yet presented any concrete proposals for the reform of SAPs or for alternatives to SAPs. Instead, the government has focussed on a stronger poverty orientation of programmes in the HIPC context. The development ministry enthusiastically welcomed the Poverty Reduction Strategy Papers in the context of the Highly Indebted Poor Countries initiative and regards them as a change in the paradigm of structural adjustment policy. Many German NGOs do not share this optimism.

FINANCING OF SOCIAL DEVELOPMENT

The clearest indicator of Germany's failure with regard to the Copenhagen commitments is the decline in ODA. From 1995 to 2000, the budget of the Ministry for Economic Cooperation and Development was cut from DM 8.052 billion (approx. USD 4.150 billion) to DM 7.089 billion (approx. USD 3.645 billion). ***In the same time period, the ODA/GNP ratio went from 0.31% to approximately 0.20%, further than ever from the 0.7 % target.*** In the coming years, the cost-cutting policy of the government will strain in particular the ODA budget. By 2003, the government wants to cut the ODA budget to DM 6.704 billion (USD 3.456 billion).

German development policy fails the Copenhagen commitments in quality as well as quantity. Central aspects of poverty eradication are neglected by the government. The government has repeatedly promised to support the 20:20 Initiative, but has not done so in practice. In 1999 the proportion of ODA spent for basic social services was only 17.3%. The 20:20 Working Group of the German NGO Forum WSSD sharply criticised this development in November 1999 stating: »*The Development Ministry fails to fulfil its international commitment to make a substantial contribution to well-targeted poverty eradication in the South.*»⁴

The same criticism applies to Germany's multilateral ODA. The Copenhagen commitments gave an important role to the UN development funds, especially UNDP. The new German government explicitly supported the strengthening of the UNDP. Nevertheless, the contributions to UNDP have fallen continuously since 1993 (highest level: DM 138 million, approx. USD 71.2 million). Instead of reversing this downward trend, the new government cut the German contribution to UNDP to an all time low of DM 42.5 million (USD 21.9 million) in 2000.

- German NGO Forum WSSD
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³ Ibid.

⁴ German NGO Forum WSSD/20:20 Working Group. Press Release, January 16th 1999.