

**Ernst-Ulrich Huster
Benjamin Benz
Jürgen Boeckh**

**Implementation of the National Action Plan of Germany
against Poverty and Social Exclusion (NAPincl) on the Re-
gional and Local Level**

Second Report 2004 of the Non-governmental Experts

Bochum

15. October 2004

Summary

- All in all, the situation of each individual person depends in the final analysis on all three levels, i.e. Federation, *Länder* and municipalities, and more recently on the fourth level as well, i.e. the European level in a „social area Europe“, and that consequently a closer examination of decentralised levels and of private and public providers of social services is no substitute for an examination of the European and federal level. At the same time it becomes clear that monitoring of the complex interrelation of effects comes up against limitations
- The idea of an Advisory Commission to implement, throughout the country as it were, a new labour market system for the long-term unemployed with the goal to cut the number of unemployed persons by one half within no more than two years was and still is rather remote from reality. This is true in particular, if one also considers that for all the criticism of the previous labour market policy, this policy was also shaped not only by its own ineptitude, but before all by trends of a structural change of the economy with long-lasting effects, the immigration of labour and the change of qualification profiles of gainful employment. But it is before all the decentralised nature of the German welfare state which, in extension of the experience gained from the MoZArT programme, could be used to a larger degree than was usual to date to strive at, attain and secure the *final* viewpoint of a reintegration of the job-seeker, before all the long-term unemployed, in working life; in this connection, a multitude of possibilities could, for one, at least be considered by means of the Hartz legislation and, secondly, also be supplemented and extended through the wealth of experience of previous decentralised labour market approaches.
- As a result of the structural change of the German economy, the consequences of the establishment of German unity and the coping with strong migration processes occurring in waves, readjustments in social benefit laws as well as in social services were always made, although social segregation could never be abolished altogether. Nonetheless, congruities with the points of main emphasis set by the European Commission and the Nice objectives are actually to be observed.
- Federal legislation, regional and local pilot projects as well as efforts of individual federal states, partially in isolation, partially in co-operation and partially with inclusion of ESF funds, pursued the goal that offers of better counselling services, further training qualifications, better job placement and the linkage of qualifying elements with care services relating to social education were decentralised and in part firmly institutionalised and are still effective today. However, these projects were, as a rule, limited in duration, aimed at different groups of problem cases. It became more and more apparent that these projects have to be designed multi-dimensionally and, in addition to qualification and the general fitness for working life, also take into consideration essential further aspects of the whole situation of those affected.
- The Law Concerning Demand-Oriented Basic Security in Old Age and in Case of a Reduction in Earning Capacity (GSiG) - in force since 1 January 2003 - has had the nationwide uniform effect that annuitants whose pension is below a monthly amount of EUR 804 are automatically referred to the possibility to receive augmenting income support and

that before all family subsidiarity is handled more generously in these instances than in other areas of income support. Persons with disabilities excluding participation in gainful employment can benefit from this special security as well.

- Measures to secure appropriate housing opportunities, advice in case of overindebtedness, psycho-social emergency services, including in case of violence against children and women, as well as projects for the integration of foreign citizens are widespread in the meantime, although their existence is by no means secured and in some cases even strongly endangered as consequence of the funding bottlenecks especially of the *Länder*, counties and municipalities, as described above.
- All official agencies and associations of private welfare work contacted within the context of this report mentioned a considerable number of young persons failing to comply with compulsory school attendance and in fact playing truant. It also becomes clear that concepts are pursued on all levels to enforce compulsory school attendance, while at the same time focusing attention on the social and psycho-social causes and their attendant circumstances.
- The multidimensional nature of causes and effects of child poverty make it necessary to bring together different levels of action. With the introduction of a child benefit supplement regard-less of income which is to take effect on 1 January 2005, the government aims at concerted assistance for families in the low wage sector.
- In Germany - as frequently elsewhere -, the term „migrant“ or „ethnic minority“ comprises a broad group of persons whose common characteristics and differences require interventions which are concurring and deviating from each other. The German labour market has an ethnic substructure: In certain fields like the catering trade, parts of agriculture, the cleaning business etc., islands of employment for members of ethnic minorities have emerged. Foreigners are also granted permission to work in Germany for certain jobs (harvest of asparagus, vintage etc.).
- In the course of the current budget debates, nearly all social fields have been subjected to a massive savings policy in *NRW* as elsewhere. However, there is a common planning interest between the Ministry of Social Affairs and the associations of private welfare work in the further development of target-oriented social services. For quite some time, *Land NRW* has used the instrument of social reporting and social planning to a large extent. In this connection there is close co-operation with the associations of private welfare work about the determination of contents. For example, special problem groups are to be defined jointly and included in reporting (e. g. the disabled). This way, political actors and associations intend to further develop a multi-dimensional understanding of poverty and social exclusion and further extend the situation-in-life approach. Prior to the publication of a first Report on Poverty and Wealth in North Rhine-Westphalia planned for the autumn of 2004, the *Land* announces that in future it wants to adapt state social reporting to the Laaken indicators and to link this reporting with a regional NAPincl process.
- In connection with the debates about the *Land* budget 2004 strong disputes have occurred in *Hesse* in how far the thrust and the volume of the cutbacks of grants to local and/or private support agencies and the termination of the commitment of the *Land* as regards cer-

tain voluntary services, which were enacted under the slogan „Operation safe future“, seriously call into question the well developed social infrastructure in Hesse, are tantamount to a termination of the good interaction over many years between the *Land*, the local authorities and the private welfare associations, and all in all hit those problem groups the hardest in the process which are particularly in need of assistance. Beyond the formal platforms for discussion, the voluntary welfare associations are complaining that the *Land* has abandoned the shaping, maintenance and further development of quality standards in connection with putting social welfare institutions and services under the control of the local authorities, which has been initiated in their opinion.

- After the opening of the wall, **Saxony-Anhalt** essentially adopted the promotion practice of social services that is customary in the West. Individual measures are funded on the basis of guidelines and prescribed standards. The *Land* increasingly goes over now to the granting of per capita lump sums and leaves it to the local authorities to use these funds according to their self-defined main emphasis. With this procedure, the *Land* withdraws from social planning. At the same time, the agencies providing social services have to cope with across-the-board reductions for example in the field of debtors' counselling (50 %) and voluntary services. All in all, the network of care facilities for children supplementing the families is by far better developed in Saxony-Anhalt and East Germany as a whole than in West Germany (Ministry of Social Affairs: „best system in Germany“).
- **Bochum** distinguishes itself by communicative and co-operative dealing with the associations of private welfare work in the analysis and combating of social problem situations. There are no doubt groups of persons in the City who are especially affected by social exclusion, but from the point of view of the welfare associations hardly any problem situations that are not being dealt with, although this does not say anything about the respective quality of supply. But the avoidance of social exclusion and isolation is not a task for which public authorities and the associations of private welfare work are solely responsible. Since 1997, the Bochum Volunteers Centre has been in existence as network for the mobilisation of voluntary work by citizens and neighbourly assistance.
- Over the years, close co-operation between the City and social welfare associations has built up in **Frankfurt am Main**, which now also finds expression in the integration of approaches for assistance and the uniting of social institutions and services on the basis of secure standards. All the more clearly, bottlenecks are now seen to emerge, where *Land* policy has withdrawn from financing wholly or in part. In addition to the direct effects on existing facilities and the people employed there, the indirect - i. e. medium and long-term - effects are now emerging. Moreover, quality standards and professionalism in the handling of social problem situations go down. Broad protest against this policy has already manifested itself in Frankfurt am Main.
- The county **Bad Kissingen** has a well-developed spectrum of youth welfare services under the sponsorship of the local authorities, but also of various associations. Although the partial field of open and association-sponsored youth work constitutes in principle a compulsory task for the local authorities, concrete measures belong mostly to the voluntary services which are increasingly difficult to maintain under the pressure of the financial plight of the local authorities. The Bavarian *Landkreistag* [Association of Counties] states with

regard to its own sphere of activities and the voluntary services as a whole (hence including further education, libraries, cultural affairs and local public transport) that they constitute „the most important part of self-government of the *Landkreise*. ... However, due to the general financial plight of the local authorities, the extent of these responsibilities is constantly decreasing.”

- Throughout the county *Osterode am Harz*, billboards and leaflets inform different target groups about varied social institutions and services. Specialised institutions and services aiming directly at (groups of) persons particularly threatened or affected by poverty and social exclusion also exist in this rural area. But the tense budget situation of the county and its towns and cities is already causing a situation now, where these are short of funds running into „millions“ even for the fulfilment of their mandatory local services.
- The National Action Plans against social exclusion are relatively little known in Germany. It is self-explanatory that the federal Ministries involved are informed about them; the *Länder* contacted here are also involved, for one via the *Bundesrat*, namely through the political statements passed by it, but also insofar as they adopt rather a positive or rather a negative attitude towards this process.
- Nonetheless, initial effects of this method initiated by the EU Heads of Government are seen to emerge already. *Land* NRW, for instance, wants to adopt the Laaken indicators in its future social reporting. It also plans to initiate such a process itself on the *Land* level and include the various Ministries as well as decentralised institutions. The federal government has started a series of lectures informing about this process within the context of the Open Method (**Forteil** - „Forum Participation and Social Integration“). It has also just invited tenders for a project which is to record and publicly work up the multitude of projects against social exclusion in Germany („Information Exchange Participation and Social Integration“).
- Before all on the local level, and here among the private local sponsor institutions, the Open Method of Co-ordination is not known. If explanations are given what it is about, attention is drawn to the difficulty which has always existed, namely to co-operate with other sponsors in the town or in the region, let alone that pan-European co-ordination can even be imagined. Before all among the associations of private welfare work, Europe is regarded rather as a threat to their peculiar structure than as a help. One must seriously ask the question whether the concept of competition can and should be stretched so far that it undermines national peculiarities in fields which at heart resist pan-European competitive structures because of the dominant regional linguistic and cultural identity.

Content

I. NAPincl. 2003 - 2005 and Updating 2004

II. Framework Data for Regional and Local Social Action

III. Comparison of Different Regional and Local Units

1. Selection of investigated regions and municipalities

2. Regional and local policy against social exclusion

2.1 Regional and local common characteristics

2.2 Regional and local peculiarities

2.2.1 North Rhine-Westphalia

2.2.2 Hesse

2.2.3 Saxony-Anhalt

2.2.4 Bochum

2.2.5 Frankfurt am Main

2.2.6 Landkreis Bad Kissingen

2.2.7 Landkreis Osterode am Harz

IV. The NAPincl Process From a Regional and Local Perspective

I. NAPincl. 2003 - 2005 and Updating 2004

In late July 2004, the German federal government updated its NAPincl 2003 - 2005, taking particularly into consideration the considerable changes which resulted from the legislation with regard to the reforms of health services, pensions and the labour market. Large parts of this policy concerned at first and before all changes in substantive law in respect of benefits, i.e. they meant either restrictions of benefits, cuts in benefits, higher additional own payments and steps towards provision against social risks arranged privately to a larger degree. At the same time, the reform laws for the labour market, in addition to the elements of „demanding“, also aim at „promoting“ of unemployed persons or persons threatened with unemployment; however, the legislative and implementation process showed that the elements aiming more strongly at demanding had initially come to the fore, whereas the promoting elements still remained quite indistinct. Long-lasting public protests before all in East Germany, critical positions coming from the government camp and the realisation - also by the government itself - that individual components of the labour market reform were or will be contrary to other political goals of government policy have led to the situation that in individual fields corrections have already been initiated (e. g. the non-crediting of assets of children accumulated for their vocational or professional training to unemployment benefits II) or are being reviewed. Besides, the government plans to create the institution of an Ombudsman for contested cases. But the central element of the labour market reform, namely a reorientation of the entire integrated measures on the labour market by means of a closer linkage of the labour administration with the local social welfare authorities, is still outstanding or currently in the negotiating stage.

In the project planning of the reform of the labour market named after the Personnel Manager of the Volkswagen AG, Dr Peter Hartz, in the legislative procedure up to the course of events in the Mediation Committee between *Bundestag* and *Bundesrat*, in the reached compromises and finally in the implementation differing from town to town and from county to county, both the strengths and the weaknesses of the German welfare state become abundantly clear. The German welfare state is structured federally. The reform of the labour market plans, inter alia, to reorganise these questions of competence at least as relating to the unemployed, before all the long-term unemployed. According to the intentions of the federal government, the Employment Agencies developed out of the traditional labour administration are to receive encompassing competencies for the entire social welfare of job-seekers together with the local social welfare administrations, co-operating in so-called joint teams. Not least Prime Minister Koch (Hesse) resisted this subordination of the local social welfare administrations to an institution federal by nature and pushed through that a total of 69 *kreisfreie* cities [forming an administrative district of their own] and counties were to be given the entire competencies for the social welfare of the long-term unemployed in accordance with the so-called Option Model.¹ Insofar, there will be parallel, competing models on the local level in future.

¹ Frankfurter Rundschau vom 16. September 2004; final decision cf. Pressemitteilung des BMWA vom 7.09.2004

Apart from this federal structure of the welfare state, there is a specific corporate co-existence between public and private welfare work in the field of social services in Germany. Under this system, the public territorial authorities accept a pre-eminence of private welfare work in partial fields of social services, provided no sovereign functions are affected and the degree of services provided can thus be secured better. Due to the use of own sources of revenue and the mobilisation of voluntary assistance, the voluntary welfare associations with partially confessional and partially political orientation can or could work more cost-efficiently than public services and/or secure a surplus of care. Not the least the increasing financial plight of the local authorities has had the effect that this corporate partnership is superseded by a contractual relationship, as a result of which the independent character of private welfare work loses in importance. Moreover, new forms of NGOs, questioning both the primacy of traditional private welfare work and its corporate co-operation with the local sponsors, have emerged to an increasing degree in addition to the large voluntary welfare associations.

It is the strength of the German welfare state that the mandate in Art. 72 para. 3 of the Basic Law to secure the „uniformity of living conditions“ in the territory of the Federal Republic of Germany has led to the result that initiatives, either of the Federation or the *Länder*, the local authorities, private welfare work and NGOs are always to be seen as being interrelated in the final analysis. For example, if one *Land*, municipality or county recognised the need of debtors' counselling, better care of single homeless persons, integrative steps for migrants etc., a process was set in motion which forwarded demands for learning to other levels of action, whether through federal-state co-ordination, the leading associations representing local authorities, the regional and nation-wide organisations of private welfare work, the German Society as clearing point between public and private care, the state and/or federal Working Groups etc. Voluntary services and performances often were the original idea for uniformly applicable nation-wide regulations or state-wide regulations or for professional standards which gradually caught on and should not, or were not allowed to, be undercut any longer. The local welfare state, the regional welfare state, the public and private welfare work, the social services organised corporately and those organised more strongly along the principle of self-help all aim as a rule at the compensation of social risks, search for answers to social exclusion and see themselves as a contribution to the strengthening of social inclusion. There is no single understanding of social inclusion; even when defining it, different concepts and approaches for action are already competing with each other.

Complementary to this process, it is the weakness of the German welfare state that these equalisation processes happen with strong time delays, can reach very different depths of effects and are also working not only across-the-board in the direction of reducing social disadvantages, but may conversely also function, when it comes to restricting social services. Local authorities, *Länder* and institutions responsible for private welfare work can also be pacemakers for the limitation of social assistance. The notion of social exclusion or social inclusion can be used in this connection in ways with diametrically opposed effects. There is no uniformity for this process as well, but at best discourse and, as a rule, social and political dispute.

In relation to the National Action Plans against social exclusion this means that the Federation as contract partner of the European Union can conceptionally present and further develop its policies, but time and again comes up against limiting factors, both constitutionally and politically, with regard to their implementation. Conversely, the decentralised regional and local levels are, in the final analysis, also subjected to heavy pressure emanating from the economic development inside the European Union and the supply orientation primarily becoming effective there as well as from the strengthening of competitive structures. The economic power of a region or municipality is thus co-determined by consequences of the Europeanization of the economy in the social sphere. At the same time, the assertion of national competitive advantages within the European Union also manifests itself in a race for tax reductions and hence revenue on all levels of the territorial authorities. Thus, the local and regional welfare state is, in the end, always also co-determined by European factors and in partial areas globally with regard to revenue as well as expenditures.

All in all, it seems to be quite sensible to look not only at federal German policies in the field of social inclusion, but also and especially at decentralised policies. Nonetheless, one should always keep in mind that the situation of each individual person depends in the final analysis on all three levels, i.e. Federation, *Länder* and municipalities, and more recently on the fourth level as well, i.e. the European level in a „social area Europe“,² and that consequently a closer examination of decentralised levels and of private and public providers of social services is no substitute for an examination of the European and federal level. At the same time it becomes clear that monitoring of the complex interrelation of effects comes up against limitations which can be surmounted only partially.

II. Framework Data for Regional and Local Social Action

Beginning with the 1960s, the mixed competency between the different levels of territorial authorities in the Federal Republic of Germany has strongly increased; at the same time, the so-called combined taxes distributed among them have gained in importance. Moreover, there are for one regulations between the federal states to equalise the differences in financial power in the same way as, secondly, a financial equalisation between a particular *Land* and its local authorities and among the local authorities themselves which has always existed within the federal states. In parallel, original local taxes have been abolished during the last decades.³ Consequently, the dependence of the local authorities on the grants of the *Länder* increased, or the municipalities must fall back on their local rates in order to open up new sources of revenue. For years, there have been attempts time and again to shift costs from one level to another or to strengthen the own financial power at the expense of others. Therefore, a great number of proceedings have been instituted, for example before the Federal Constitutional Court, to push through the respective legal position. In this connection, transfer payments to East Germany which have reached, and will continue to have, a remarkable extent since the establishment of German unity have special significance. Shortfalls in receipts in the public tills caused for one by the tax policies of the Federation and secondly as consequence of a

² Benjamin Benz, Jürgen Boeckh, Ernst-Ulrich Huster: Sozialraum Europa. Ökonomische und politische Transformation in Ost und West, Opladen 2000

³ Cf. Der Städtetag: Gemeindefinanzbericht, div Jahrgänge; cf. Ernst-Ulrich Huster: Struktur und Krise kommunaler Sozialfinanzen, in: Stephan Leibfried und Florian Tennstedt (ed): Politik der Armut und Die Spaltung des Sozialstaats, Frankfurt am Main 1985, p. 190 ff.

long-lasting economic slump phase have had the effect in the years 2003 and 2004, in interaction with the regulations of the Treaty of Maastricht which prevent an expansion of national indebtedness, that practically all territorial authorities look for possibilities through strict savings programmes and measures of budget consolidation to adapt budget expenses, in a deflationary way so-to-speak, to the volume of revenue.

These fiscal developments and the restrictive spending policy simply reflect the fact that funding of the previous welfare state model has obviously reached its limits. Whereas the old contribution procedure assumed a relationship between revenue from social security contributions and expenses through social benefit laws that was always balanced, this relationship has lost its balance to a large degree as a result of the change of economic structures, funding of German unity and the integration of migrants of German origin. In the political debate, demographic reasons are for the most part held responsible for this trend. In fact, fewer and fewer employed persons liable to contribute to social security must assume liability for more and more social risks.⁴ Besides, as consequence of the consolidation policy initiated with regard to the social security systems, lower benefits in spite of increasing charges are to be expected in future. For the regions and local authorities, federal policy has not only repercussions in the form of a reorganisation of competencies between the Federation, the *Länder* and the municipalities in the course of Hartz IV, but costs which are not yet clearly assessable so far are moved to and fro. In addition, this new integrated labour market policy presupposes close interlocking of social welfare and labour administrations which have so far been independent and working with different logic's and whose success can now only be hoped for, but not be predicted with any certainty. There can be no doubt that in the Federal Republic of Germany as large state very different solutions, accumulations of problems and adversities will occur in the same way as before. The idea of an Advisory Commission to implement, throughout the country as it were, a new labour market system for the long-term unemployed with the goal to cut the number of unemployed persons by one half within no more than two years was and still is rather remote from reality. This is true in particular, if one also considers that for all the criticism of the previous labour market policy, this policy was also shaped not only by its own ineptitude, but before all by trends of a structural change of the economy with long-lasting effects, the immigration of labour and the change of qualification profiles of gainful employment. But it is before all the decentralised nature of the German welfare state which, in extension of the experience gained from the MoZArT programme, could be used to a larger degree than was usual to date to strive at, attain and secure the *final* viewpoint of a reintegration of the job-seeker, before all the long-term unemployed, in working life; in this connection, a multitude of possibilities could, for one, at least be considered by means of the Hartz legislation and, secondly, also be supplemented and extended through the wealth of experience of previous decentralised labour market approaches.

⁴ Statistisches Bundesamt (ed.): Sozialversicherungspflichtig Beschäftigte am Arbeitsort am 30.6. des Jahres, Wiesbaden 2004

III. Comparison of Different Regional and Local Units

1. Selection of investigated regions and municipalities

The selection of regions and municipalities involved makes sense and is nonetheless always arbitrary. As regions, we first look at two different *Länder* in West Germany with different political majorities at least during the last years. North Rhine-Westphalia was chosen as *Land* governed by the SPD, Hesse as *Land* governed by the CDU. The question arises whether this has led to different analyses of problems, political concepts and ways of action. Looking at unemployment, unemployment rates, supply structures etc., a clear West-East drift to the disadvantage of the eastern part is clearly to be observed in Germany. Therefore, Saxony-Anhalt was chosen as third *Land*, because the structural problems of the collapse of large parts of the East German economy become extremely apparent and possibilities of compensation are largely lacking there. Besides, it is a *Land* co-governed for a long time - although indirectly - by the PDS under SPD leadership, but which is now governed by a CDU-FDP coalition.

For the comparison of cities, two *kreisfreie* large municipalities were chosen, namely Bochum as a city which since the beginning of the 1960s had to undergo strong structural change from mining town to service centre, and secondly Frankfurt am Main as epitome of a West German banking and boomtown.

Although the complexes of social problems frequently come to a head specifically in the large cities, life in the countryside is also shaped by economic and social change. The situation with regard to poverty and social exclusion in the rural districts is characterised for one, especially in West Germany, by unemployment rates which are - as a rule - comparatively low and by comparatively low income support rates. Secondly, the cost of living is mostly lower than in urban areas (and particularly in large cities). Third, social situations are rarely unfolding in anonymity and family nets are comparatively intact (although, for example, the number of divorces increases here as well). And fourth, the low population density partially means relatively long distances to infrastructure facilities on a private enterprise, public and charitable basis as well as to places of work. A network of public transportation and social institutions and services which are increasingly decentralised and/or making home visits try to cushion this.⁵ Nonetheless, a concentration of assistance in the towns and thus a special threshold impairing accessibility continue to exist. On the other hand, a cultural insistence on peculiarities of the rural way of life: the public nature of the village, the social control and the naturalness of (mutual) assistance, frequently persist. This shapes social inclusion and exclusion - also in the relationship of old-established persons and citizens having moved in more recently - in rural districts in a specific way.⁶ With the inclusion of two counties and their municipalities, this regional segment is likewise to be examined more closely. A county in Bavaria (Bad Kissingen) and a county in Lower Saxony (Osterode am Harz) were chosen as examples.

⁵ Karl August Chassé: *Ländliche Armut im Umbruch*, Opladen 1996

⁶ Cf. Manfred Zehe, Edmund Görtler: *Sozialraumanalyse für den Landkreis Bad Kissingen*, Bamberg 2002

2. Regional and local policy against social exclusion

2.3 Regional and local common characteristics

Germany has a long tradition of combating poverty by local, regional and voluntary welfare associations.⁷ With the Federal Social Security Act, a law was passed in 1961 which provided - and still provides as SGB [Code of Social Law] XII - for assistance in the individual case either of a financial nature, but also as benefits in kind and in the form of services in all those cases that are not adequately covered by the social security systems. Providers are the local authorities, as is the case with regard to the reformed provisions of child and youth welfare services (SGB VIII). Insofar, it can rightly be pointed out that even before the decisions of the heads of government of the EU at Lisbon and Nice in 2000, numerous regulations were in existence striving at the social inclusion of persons unable to achieve this by their own efforts. This was supplemented by reform policies since the 1970s which were aiming at an extensive offer of assistance and also caused the labour and social service markets to expand considerably.

At the same time, the support agency network is changing nation-wide due to the conditions of the refinancing of social work. On the state and local level, public grants are to an increasing degree converted to lump sums depending on results and to concrete service hours within the framework of targeting and controlling. This way, the public sector shifts the economic risk, namely to make available an adequate offer of assistance that is competitive vis-à-vis the administration as buyer of the service, unilaterally to the independent agencies. As providers of social services, they are subject to strong pressure of distinguishment and of innovation. The competition for budgets thus is a chance and a danger at the same time. On the one hand, competition can lead to an increase in creativity and effectiveness in social services as well. If, on the other hand, other public administrations use the budgeting of services in the first line for cost reduction, there is a danger that proven structures are jeopardised in their very existence and the economic risks are shifted unilaterally to the support agencies and their staff and, in the final analysis, to the customers. For contrary to private sector enterprises which can open up new markets for themselves, the associations of private welfare work remain to a large degree dependent on public refinancing, because their products - although to a different extent - can, as a rule, be refinanced by private persons at best partially and thus meet with demand only in case of public provision or partially even only under threat of (state) sanctions (e. g. certain offers of services for young persons, delinquents and drug addicts). All in all, the social services become subjected to considerable cost pressure, because as consequence of the establishment of a ceiling for refinancing, costs of the assistance programmes have to adapt to the fixed budget, and not vice versa. In view of the fact that, for example, in North Rhine-Westphalia large voluntary welfare institutions like the Workers Welfare Association (AWO), the Protestant *Johanneswerk* or the *Bodelschwinghsche Anstalten* have already served notice of termination of collective agreements or announced reductions in collectively agreed wages, there is indeed a danger that insufficient budgets for out-patient and in-patient services will be (at least partially) compensated by making employment contracts and wage conditions of skilled staff in social work more flexible.

⁷ Cf. Jürgen Boeckh, Ernst-Ulrich Huster, Benjamin Benz: Sozialpolitik in Deutschland. Eine systematische Einführung, Wiesbaden 2004

President Köhler recently set in motion a debate about the equivalence of living conditions and their standardisation. In fact, the Federal Republic has always been socially segregated from its formation to the present. This refers for one to the considerable differences in wealth between the various territorial authorities, but also between a *Land*, a county or a municipality. As a result of the structural change of the German economy, the consequences of the establishment of German unity and the coping with strong migration processes occurring in waves, readjustments in social benefit laws as well as in social services were always made, although social segregation could never be abolished altogether. Nonetheless, congruities with the points of main emphasis set by the European Commission and the Nice objectives are actually to be observed.

- ***Increased investment in and tailoring of active labour market measures to meet the needs of those who are most distant from the labour market; a better linkage between social protection, lifelong learning and labour market policies.***

Federal legislation, regional and local pilot projects as well as efforts of individual federal states, partially in isolation, partially in co-operation and partially with inclusion of ESF funds, pursued the goal that offers of better counselling services, further training qualifications, better job placement and the linkage of qualifying elements with care services relating to social education were decentralised and in part firmly institutionalised and are still effective today. However, these projects were, as a rule, limited in duration, aimed at different groups of problem cases (e. g. young persons without secondary school qualifications, welfare recipients, women re-entering working life, young persons with a migration background, long-term unemployed persons etc.). It became more and more apparent that these projects have to be designed multidimensionally and, in addition to qualification and the general fitness for working life, also take into consideration essential further aspects of the whole situation of those affected (e. g. dependence on drugs, debtors' counselling). The EU employment directives have had a positive effect on the development of concepts of social services, while at the same time bureaucratic application and reporting procedures in ESF project management confront concrete social projects with (bureaucratic) problems time and again. Not least in the transition phase of Hartz IV last year, this has confronted before all (local) agencies offering active labour policies with difficult refinancing conditions.⁸ At the moment, it is still unclear in how far it will be possible to link changed targeting in labour policy by way of the Hartz Laws with a broader understanding of integration. For the division, firmly anchored by Hartz IV in the end, between persons who are principally available to the labour market and those who are, at least for some time, incapable of being integrated into employment leads us to the principal question which factors determine this job placement capability or how personal and social disadvantages are to be judged in this context. Consequently, federal or state (labour) policy could either implicitly or explicitly interpret the group of persons who are not available to the labour market relatively narrowly and reduce social policy efforts for persons with special needs of assistance accordingly. Abandoning target group-oriented social policy and replacing it with the financing of support agencies tied to the success of a project measured in terms of placement on the first labour market thus leads to a selection process among the po-

⁸ DIE ZEIT Ausgabe 39/2004 vom 17. September 2004: Brüssel zahlt heute nicht; Gespräch mit der Vorsitzenden des DPWV Bochum

tential participants of a project („*creaming the poor*“), while at the same time the support agencies are held responsible for a labour market considered to be too weak all in all, if the success in placements does not materialise.

- ***Ensuring that minimum income schemes are adequate for those unable to work; in particular, to ensure the adequacy of pension schemes***

The Law Concerning Demand-Oriented Basic Security in Old Age and in Case of a Reduction in Earning Capacity (GSiG) - in force since 1 January 2003 - has had the nation-wide uniform effect that annuitants whose pension is below a monthly amount of EUR 804 are automatically referred to the possibility to receive augmenting income support and that before all family subsidiarity is handled more generously in these instances than in other areas of income support. Persons with disabilities excluding participation in gainful employment can benefit from this special security as well. Scientific surveys have time and again drawn attention to a large number of unreported cases of income support received by older people;⁹ however, the practice of Social Welfare Offices polled on this issue cannot confirm this assertion. For example, Department Heads and voluntary welfare associations unanimously report that the number of older people of pensionable age drawing income support has increased only moderately after the coming into effect of this law. Considering that the benefits under the GSiG follow the level of income support, the social controversy in how far poverty is actually fought against or whether a precarious material situation is simply consolidated still continues in spite of the apparent improvement.

As the principle of equivalence dominates in the German pension system and the personal biography of gainful employment is „inexorably determined“ (Erich Standfest), this old age security law constitutes an important correction. And there is no room for discretion here for the local authorities. Such discretion is rather given with regard to so-called non-recurring benefits, but as consequence of a flat-rate determination coming into effect on 1 January 2005 this discretion will likewise be limited in future to exceeding the flat rate in justified individual cases, or not, but will not be able to shape it restrictively in its own right. However, this would be called into question, if efforts of the *Länder* in the joint „Commission on the Reform of Federal-State Relations“ of *Bundestag* and *Bundesrat*, which has been meeting since late 2003, pushing for shifting of the regulatory power for youth welfare services as well as other public care systems (in particular income support, including the special scheme for asylum-seekers) from the Federation to the *Länder*, would be successful. In the common position paper of the Prime Ministers, sole competency of the *Länder* or alternatively a right of access of the *Länder* to the standards of the federal laws is demanded in this respect.¹⁰ The prospects of success of the whole work of the Commission are assessed very differently at the moment.¹¹

⁹ Wolfgang Strengman-Kuhn: *Armut trotz Erwerbstätigkeit. Analysen und sozialpolitische Konsequenzen*, Frankfurt/New York 2003, Seite 192

¹⁰ Kommission von Bundestag und Bundesrat zur Modernisierung der bundesstaatlichen Ordnung: *Föderalismusreform. Positionspapier der Ministerpräsidenten*, Kommissionsdrucksache 0045, Berlin 2004 (Typoskript)

¹¹ Cf. Frankfurter Rundschau vom 9. September 2004, Seite 4: Steinbrück sieht Stillstand. *Föderalismuskommission stockt*

But asylum-seekers have already been explicitly excluded from the catalogue of benefits of SGB XII during the first three years of their stay in the Federal Republic of Germany, since the coming into force of the Law in Respect of Benefits for Asylum-Seekers on 1 November 1993. However, this is regulated uniformly throughout the Federal Republic and cannot be changed by the *Länder* and local authorities.

- ***Increasing the access of the most vulnerable to decent housing, to quality health and long-term care services and the lifelong learning opportunities, including to culture***

It belongs to the obligatory and voluntary tasks of the local authorities to provide necessary social services, either directly by their own enterprises or indirectly by private institutions. The Social Welfare Office and Youth Welfare Office are supplemented by special services for the social and psycho-social supply and care of the population at-large and of special problem groups. Materially there are organisational and conceptional larger or smaller differences, but these have approximated in the course of time owing to the gradual development of social standards. In some towns and cities these services are interlinked more strongly, in others they exist more or less side-by-side. Measures to secure appropriate housing opportunities, advice in case of overindebtedness, psycho-social emergency services, including in case of violence against children and women, as well as projects for the integration of foreign citizens are widespread in the meantime, although their existence is by no means secured and in some cases even strongly endangered as consequence of the funding bottlenecks especially of the *Länder*, counties and municipalities, as described above.

- ***A concerted effort to prevent early school leaving and to tackle the continuing problem of the transition from school to work***

All official agencies and associations of private welfare work contacted within the context of this report mentioned a considerable number of young persons failing to comply with compulsory school attendance and in fact playing truant. It also becomes clear that concepts are pursued on all levels to enforce compulsory school attendance, while at the same time focusing attention on the social and psycho-social causes and their attendant circumstances. Manifold efforts are, therefore, undertaken to reduce police measures to the same extent to which social education measures begin to take effect. Making up for the secondary modern school qualification and integration into projects preparing for vocational training, if training as such is not possible, are among others aimed at.

- ***A focus on ending child poverty as a key step to combat the intergenerational inheritance of poverty***

The multidimensional nature of causes and effects of child poverty make it necessary to bring together different levels of action. With the introduction of a child benefit supplement regardless of income which is to take effect on 1 January 2005, the government aims at concerted assistance for families in the low wage sector. According to estimates of the German Child Welfare Association, the current amount of child benefits covers no more than ca. one quarter of the familial maintenance costs of child education. It is the pronounced goal of the federal government to increase the participation of mothers in gainful employment not the least for the purpose of improving the income situation of families. Care facilities for children, before all for children from 0 - 3 years and from 6 - 12 years, are to be extended. In East Germany,

the ratio of care facilities is much better than in West Germany today, although this has not led to higher employment of women. Recent studies prove a significant connection between poverty and illness among children; and the socially selective effect of school education has been known even before the publication of the PISA study. The *Länder* which are responsible for school education under the constitution are searching for answers, but use very different instruments in the process. The local authorities as institutions responsible for child care facilities are striving for improvements, with urban conglomerates having, as a rule, a better supply quota than rural districts.

- ***A concerted drive to reduce the levels of poverty and social exclusion and to increase the labour market participation of immigrants and ethnic minorities***

In Germany - as frequently elsewhere -, the term „migrant“ or „ethnic minority“ comprises a broad group of persons whose common characteristics and differences require interventions which are concurring and deviating from each other. On the one hand, numerous foreign citizens from other EU states are living in Germany whose situation is by no means deficient or conspicuous. A different situation is often to be found among the large group of Turkish migrants, where children even of the third generation still continue to have deficits in school education to a large extent. Lower vocational training quotas and higher unemployment are to be found among this group as well. In addition, there are persons coming from outside the scope of operation of the European Convention on Social and Medical Assistance who enjoy only very low social protection. With the institution of the Foreign Citizens Advisory Boards, some local authorities have created an opportunity to improve the participation of foreigners who are, as a rule, excluded from the franchise, in local affairs. The multicultural character of German society is a fact, but at the same time contested. The compromise in respect of an immigration law which has been found by now includes integration assistance for migrants, although this assistance still aims before all at linguistic skills.

The German labour market has an ethnic substructure: In certain fields like the catering trade, parts of agriculture, the cleaning business etc., islands of employment for members of ethnic minorities have emerged. Foreigners are also granted permission to work in Germany for certain jobs (harvest of asparagus, vintage etc.). Besides, there are also a number of service enterprises owned by migrants and members of ethnic minorities who in turn offer job opportunities and in part vocational training places for other migrants.

More recently, migrants of German origin from Eastern Europe form a distinct group. While the older people among them succeed in getting established on the labour market, although as a rule in less qualified employment relations, all agencies contacted by us unanimously report about problems of young persons and young adults who - with insufficient command of the German language - have difficulties at school, do not obtain secondary school qualifications and have no chance in the field of vocational training as well. Problems with alcohol and overindebtedness aggravate the situation of this group of persons, and frequently an outlet is then sought in (auto-)aggression. State and local programmes are supposed to come to the aid of this group of persons and at the same time help to make them immune in general against xenophobia and right wing radicalism.

2.4 Regional and local peculiarities

In the regional and local administrative units under review here, we can also find peculiarities which are not to be offset against each other, but where questions, systematics and consequences can give an important impetus to other regions and municipalities. It cannot be the task of this report to give a detailed account for the whole Federal Republic. Besides, it is of no relevance that not all seven regional and local levels are scrutinised here with regard to the individual questions posed. Where no special mention is made, the general explanations provided above apply. In essence, the following aspects are covered:

- *Increased investment in and tailoring of active labour market measures to meet the needs of those who are most distant from the labour market; a better linkage between social protection, lifelong learning and labour market policies*
- *Increasing the access of the most vulnerable to decent housing, to quality health and long-term care services and the lifelong learning opportunities, including to culture*
- *A concerted drive to reduce the levels of poverty and social exclusion and to increase the labour market participation of immigrant and ethnic minorities*

Supplementary to the six questions posed by the EC, an assessment is to be given in how far co-operation of the active players is being reached in the regional and local administrative units and how it is judged by themselves

2.2.1 North Rhine-Westphalia

After 1945, North Rhine-Westphalia was governed for a long time by the CDU alone or in coalitions, before a change of government to the SPD took place in the mid-Sixties. Denominationally, NRW is shaped both by Protestant and Catholic regions and has, therefore, always been characterised by very different political majorities and (socio-)political approaches to solutions on the local level. As fourth-largest *Land*, NRW is not only the most populous state in Germany with a population of ca. 18 Mill. (among them 11 % foreigners), but also has the highest economic capacity as measured against the gross national product. In 2003, 22 % of the total economic output were produced here. The *Land* is comprised of regions with very different economic capacity. As former coal and steel region, it continues to be characterised by an industrial-commercial sector of high overall importance, although the service sector is meanwhile dominating in terms of both the number of employed persons and the contribution to the net product. At the same time, NRW is at the top of the old *Länder* with an average unemployment rate of 10 % (2003). Here one can see the consequences of a change of the industrial structure which in terms of regions refers before all to the Ruhr Industrial Area and, despite a policy of locating new industries, the establishment of modern service centres and before all the massive development as location of colleges and universities, has not been overcome to date as far as the consequences for employment are concerned. Between 1975 and 1985, 500,000 industrial jobs were lost. Insofar, a „‘structural’ change of poverty“ has taken place here, during which the number of old people affected rose to a moderate degree only, but the number of young children and adults of family age very significantly.¹²

¹² Ministerium für Gesundheit, Soziales, Frauen und Familie des Landes NRW (ed.): Landessozialbericht 2003. Menschen in NRW in prekärer Lebenslage, Düsseldorf 2003, Seite 38 f.

The economic problems and the loss of income for private and public budgets connected with them characterised the socio-political debate last year. Whereas during the last decades the *Land*, the local authorities and the associations of private welfare work could shape the social infrastructure of NRW in close co-operation, a dispute between the *Land* government and the associations of private welfare work arose in the course of the budget debate over the dual budget for 2004/2005. In a joint strategy paper, the *Land* government consisting of SPD and Alliance 90/The Greens presented guidelines for a reform of the social infrastructure in NRW in September 2003 („Düsseldorf Signal for Renewal and Concentration”). According to this paper, state politics want to concentrate before all on framework legislation having positive effects on employment and strengthening the personal responsibility of the individual. In this connection, the *Land* government also pushes for quick implementation of the Hartz Laws. In the co-operation with the local authorities and the associations of private welfare work, the state-wide networking of offers of social assistance enjoys the highest priority. The promotion of local relief organisations is to be reduced to a basic infrastructure which is to assume a pilot function for the activation of additional assistance in case of need. The existing diversified social infrastructure is to be concentrated in order to achieve synergies and quality enhancements.

A broad alliance of voluntary welfare associations has formed in NRW last year in order to mobilise a public movement against the savings plans of the *Land* government. With this step, the associations responded for one to the current cutbacks in the 2003 budget estimated at EUR 70 Mill. for the Ministry of Social Affairs and EUR 130 Mill. for the Ministry of Labour, and on the other hand to the reductions in the dual budget for 2004/2005 amounting to EUR 300 Mill. The State Working Group Private Welfare Work started off a broad protest movement acting in solidarity under the slogan „NRW, remain social!“, manifesting itself in more than 350 decentralised actions.¹³ As a result, the movement managed to achieve a reduction of the volume of savings by EUR 80 Mill..¹⁴

In the field of open youth work, a public counter-movement could likewise modify original plans of the *Land* government. The government had, among others, planned to cut promotion funds of open youth work (open doors, youth centres, leisure time activities, education offers etc.) by EUR 18 Mill. to half the original amount. Consequently, as the Working Group Open Door Houses in North Rhine-Westphalia (AGOT-NRW) predicted, more than 1,000 facilities would have been forced to close and about 1,000 qualified educational employees would have to be laid off. Triggered by the (first) successful initiative „Youth Needs Future“, advocating the statutory securing of public promotion of child and youth (social) work, a Youth Promotion Act has meanwhile been submitted, providing for annual promotion funds in the amount of EUR 96 Mill. as from 1 January 2006. With this planning, a shortage of funds nonetheless remains for 2005. In the opinion of the private support agencies, the structures of child and youth work thus continue to be threatened with shattering, the more so as the demand, raised for instance by the *Landesjugendring* NRW [central organisation dedicated to youth work], to make sustainable child and youth welfare planning for five years at a time mandatory by law

¹³ NRW Bleib sozial!, <http://www.nrw-bleib-sozial.de>

¹⁴ Arbeitsgemeinschaft der Spitzenverbände der freien Wohlfahrtspflege des Landes Nordrhein-Westfalen (ed.): Stellungnahme zum Entwurf des Landeshaushaltes NRW für die Jahre 2004/2005, o.O. 2003

for the municipalities as well is so far refused by the leading associations representing local authorities, because they consider that, due to the competency for youth welfare services, they are already bearing an overproportional share of the total costs of youth work..¹⁵

Despite the savings for the purpose of consolidating the budget, one must not ignore that the *Land*, all in all, has a sophisticated structure of support agencies and social services. Main emphasis is given to employment policy. During the promotion period 2000-2006, the *Land* makes ca. EUR 1.8 Bn. available to active labour policy; half of this money are ESF funds. During the promotion period 2000-2003, 13,900 projects with a total of 75,500 participants were appropriated already.¹⁶ With regard to the range of promotion, labour policy orientates itself to five fields of politics formulated by the ESF as guidelines on employment policy. In the course of a realignment of state labour policy, promotion of the fitness for employment is supposed to become the central field of action. Structural, technological and labour policy are to be interlinked more closely and contribute to the promotion of innovation and employment within the framework of a new regional policy. Simultaneously, state labour policy is to withdraw from those fields where the Federal Agency for Employment will take over competence in the course of the Hartz Laws.¹⁷ Thus it is unclear in how far promotion measures aiming at state-wide coverage will be preserved in future and what is to happen with those projects that are remote from employment in the accumulation of exclusion risks. In this context one must also see apprehensions of the *Caritasverband* NRW [large Catholic welfare association] that debtors' counselling offices will in future counsel only persons who are to be integrated into the labour market, whereas persons already employed can no longer claim a legal right to get advice.

In NRW, as in other federal states, numerous social exclusion risks exist as well. At the same time, a regional distinction is to be observed here. The *Land* government tries to counteract this situation by means of numerous (pilot) projects aiming at the integration of specific target groups. In this connection, some projects may be mentioned which have partially been concluded and are partially still running, as for example the testing of integrated counselling services in the pilot project „Social Welfare Office“, the state programme addiction (LPS) designed as joint initiative, or the promotion of initiatives and networks for the prevention of poverty among children and families.¹⁸ As a study of the German Youth Institute has shown, *Land* NRW, in the close linkage of schools and youth welfare work, also assumes a pioneer role with regard to help for children fed up with school. With the massive extension of all-day schools, the care situation as a whole and at the same time the integration of non-German pu-

¹⁵ epd Wochenspiegel West vom 22. Juli 2004: Jugendarbeit in NRW droht Zerschlagung

¹⁶ Gesellschaft für innovative Beschäftigungsförderung (ed.): Landesbericht über die Umsetzung 2000 bis 2003 der ESF-kofinanzierten Arbeitsmarktprogramme des Landes NRW - Stand Mai 2004

¹⁷ Ministerium für Wirtschaft und Arbeit NRW, Das MWA informiert: Aktive Arbeitsmarktpolitik in NRW, <http://www.arbeitsmarkt.nrw.de>

¹⁸ Ministerium für Arbeit und Soziales, Qualifikation und Technologie NRW (ed.): Modellprojekt Sozialbüros in NRW, Endbericht, Düsseldorf 2000; Ministerium für Gesundheit, Soziales, Frauen und Familie NRW (ed.): Landesprogramm gegen Sucht, Düsseldorf 2003; Ministerium für Gesundheit, Soziales, Frauen und Familie NRW (ed.): Kooperationsformen und -strukturen von Runden Tischen/Arbeitskreisen zum Abbau häuslicher Gewalt in NRW. Ergebnisse einer Bestandsaufnahme, Düsseldorf 2002; Arbeiterwohlfahrt Bezirksverband Niederrhein (ed.): Kleine Kinder - Große Chancen, Initiativen und Netzwerke zur Armutsprävention bei Kindern und Familien, Essen 2003; Ministerium für Arbeit, Soziales und Stadtentwicklung, Kultur und Sport NRW (ed.): Wohnungslosigkeit vermeiden - dauerhaftes Wohnen sichern. Ein Landesmodellprogramm, Düsseldorf 1998

pils are to be improved. As far as family counselling is concerned, the *Land* government favours concepts with stronger preventive effect. It is planned to give the family counselling offices earlier access to special problem situations, before all in cases of divorce and with regard to families of migrants, by way of stronger local involvement.¹⁹

North Rhine-Westphalia sees itself as immigration country whose industrial and social history is very closely connected with migratory movements.²⁰ Integration policy is regarded here as multi-portfolio task. The *Landtag* of NRW is the only state parliament with a separate Migration Committee; as early as in 1994 an Intra-Departmental Working Group Immigration in which all *Land* government departments participate was established. The *Land* government regularly submits reports on immigration and supports local integration work, for example by publishing an integration manual.²¹ Main emphasis is placed here on promoting linguistic and reading competence. The ratio of migrants in state labour policy is twice as high as its relative share in population. Finally, the action project „Social Town“ co-funded by the *Land* also aims at projects which are meant to improve intra-cultural communication and forms of participation of migrants in local affairs (establishment of migration committees, right to vote in local elections).

The tone between the voluntary welfare associations and the *Land* has become rougher in NRW as well. Whereas for many years increases in grants could be distributed and the social infrastructure extended in the first line, the situation slowly began to change in the 1980's.²² In the course of the current budget debates, nearly all social fields have been subjected to a massive savings policy in NRW as elsewhere. However, there is a common planning interest between the Ministry of Social Affairs and the associations of private welfare work in the further development of target-oriented social services. For quite some time, *Land* NRW has used the instrument of social reporting and social planning to a large extent. In this connection there is close co-operation with the associations of private welfare work about the determination of contents. For example, special problem groups are to be defined jointly and included in reporting (e. g. the disabled). This way, political actors and associations intend to further develop a multi-dimensional understanding of poverty and social exclusion and further extend the situation-in-life approach. Prior to the publication of a first Report on Poverty and Wealth in North Rhine-Westphalia planned for the autumn of 2004, the *Land* announces that in future it wants to adapt state social reporting to the Laaken indicators and to link this reporting with a regional NAPincl process.

¹⁹ epd Region West vom 23. Juli 2004: Mehr offene Ganztageseschulen in NRW; dies. vom 13. Juli 2004: Neue Schwerpunkte in der Familienberatung in NRW; dies. vom 4. August 2004: Nordrhein-Westfalen Vorreiter für schulmüde Kinder

²⁰ Ministerium für Gesundheit, Soziales, Frauen und Familie NRW (ed.): Zuwanderung und Integration in Nordrhein-Westfalen, 3. Bericht der Landesregierung, Düsseldorf 2004

²¹ Ministerium für Gesundheit, Soziales, Frauen und Familie NRW (ed.): Integrationsarbeit - effektiv organisiert. Ein Handbuch für Kommunen, Düsseldorf²2004

²² Jörg Steinhausen: Statement zur Eröffnung der Kampagne „NRW bleib sozial!“, Düsseldorf 2003

2.2.2 Hesse

Hesse - governed for a long time by the SPD - has undertaken concerted efforts, e. g. through the „Large Hesse Plan“ produced here, to develop the infrastructure of the *Land* as a whole and in particular allow the northern part of the *Land* whose economy is considerably weaker to participate in the successes of the South which is particularly prospering economically. As the big cities and before all Northern Hesse were also governed by the Social Democrats for a long time, a dense social infrastructure developed successively, also in context with other agencies offering social services.²³ In parallel, considerable efforts in the fields of education and higher education were made in the 1970's in order to improve equal opportunities. Hesse was and still is a donor *Land* in the federal-state financial equalisation scheme.

Hesse has a below-average unemployment rate of ca. 8 %. Nonetheless, it has always been the goal of state politics to offer special assistance particularly in structurally weaker areas and in case of problem groups on the labour market, whether by means of supporting local employment measures or by promotion programmes for individual problem groups or by own state programmes. With the change in government in 1999, confirmed by the state elections in 2003, state policies rely increasingly on promotion of the economically strong South. In the end, the effect of the Rhine-Main area as regards the labour market has meanwhile spread far to the North so that, instead of continuing the policy of establishing large industrial plants, the extension of the infrastructure for the purpose of increasing mobility has assumed priority. This economic orientation is supported by turning to a policy, at first programmatically and later also politically, to recruit unemployed persons fit for work and income support recipients for work to a larger degree and to aggravate sanctions, if those affected do not meet this demand. Prime Minister Koch popularised the experience he had made during a stay in Wisconsin in the USA, according to which the linkage of material penalisation with specific sanctioning elements would lead to the result that the high numbers of unemployed persons and recipients of income support would decrease considerably. The *Land* government started a legislative initiative via the *Bundesrat*, aiming at an amalgamation of income support and unemployment assistance, more effective structures of job placement and clear linking between promoting and demanding elements within the framework of contract management.²⁴ At the same time, the *Land* supported the pilot project MoZArT on the local level or initiated such pilot projects itself. Simultaneously, it nonetheless maintains its policy to support, for example, young persons depending on state welfare assistance in vocational training measures by means of specific promotion programmes.²⁵ Funds from the EFS are also integrated into such measures.

In connection with the debates about the *Land* budget 2004 strong disputes have occurred in Hesse in how far the thrust and the volume of the cutbacks of grants to local and/or private

²³ Ernst-Ulrich Huster: Die Sozialpolitik des Landes Hessen. Zur Sozialpolitik der Länder als Scharnier zwischen kommunalem und zentralem Sozialstaat, in: Michael Th. Greven und Hans-Gerd Schumann (ed.): 40 Jahre Hessische Verfassung – 40 Jahre Politik in Hessen, Opladen 1989, p. 163 ff.

²⁴ Cf. Hessische Staatskanzlei: Ministerräsident Roland Koch legt OFFENSIV-Gesetz zur Sozialhilfe reform vor, Pressemeldung, <http://www.hessene-hessen.de>

²⁵ Hessisches Sozialministerium: Presse-Information „Benachteiligte Jugendliche erhalten Ausbildungschance. Land stockt Fördermittel auf“ vom 23.06.2004; ders.: Presse-Information „Ausbildungschance für junge Sozialhilfeempfänger“ vom 17.08.2004

support agencies and the termination of the commitment of the *Land* as regards certain voluntary services, which were enacted under the slogan „Operation safe future“, seriously call into question the well developed social infrastructure in Hesse, are tantamount to a termination of the good interaction over many years between the *Land*, the local authorities and the private welfare associations, and all in all hit those problem groups the hardest in the process which are particularly in need of assistance.²⁶ In comparison with the estimates in the social field originally planned for 2004, the *Land* has cut ca. one-third of all voluntary services, with the main emphasis on debtors' counselling offices, the social welfare of single homeless persons, projects for women and social work among foreigners.²⁷ Looking after asylum-seekers on the Frankfurt Airport was taken away from the Christian Associations of Welfare Work and is now to be undertaken directly by the *Land*. Whereas the *Land* does not consider the social infrastructure to be jeopardised, but rather believes to have brought about concentration, the affected voluntary welfare associations indeed see consequences partially threatening the very existence of institutions offering counselling and care, but in addition before all a progressive deterioration for groups especially affected by social exclusion. Besides, they fear a „domino effect“ in areas, where the granting of other subsidies, e. g. by the Federation, is tied to a contribution of state funds. For instance, the *Land* reduced all previous subsidies to additional assignments within the framework of the pilot project „Social Town“.²⁸

On the other hand, *Land* politics are indeed interested in partially continuing preventive combatting of exclusion elements by means of new promotion programmes, e. g. for the equipment of nursery schools with computers, for the extension of facilities providing care for children below three years of age and in the primary school sector, or by measures to promote linguistic competence among pre-school-age children.²⁹ This also includes an „anti-truant programme“, aiming at the establishment of networks initially in eight project schools in one county, in which legal, educational and social counselling services are to merge in a multiprofessional and interdisciplinary way.³⁰ In parallel, Hessian education policies draw the conclusion from the results of the PISA study, which were not exactly flattering for *Land* Hesse, either, to enhance the standard of education of Hessian pupils to an increasing degree through traditional structural elements in the education system („structured school system“) in conjunction with stronger uniform assessments of achievement. Simultaneously, the number of teaching staff has been increased.

²⁶ Hessische Staatskanzlei: Pressemitteilung „Lautenschläger: Soziale Infrastruktur bleibt trotz Einsparungen erhalten“ vom 14. 11.2003, <http://www.hessen.de> – hessen.de; cf. Caritasverband für die Diözese Limburg e.V. und Diakonisches Werk in Hessen und Nassau: Offensiv aus der Sozialhilfe – zum Paradigmenwechsel in der Sozialpolitik. Dokumentation einer Fachtagung am 24.10.2002 in Frankfurt am Main; Wolfgang Gern, Vorstandsvorsitzender des Diakonischen Werkes in Hessen und Nassau, Rede am 15. 10.2003 in Wiesbaden, Typoskript; Hartmut Fritz, Caritasdirektor in Frankfurt am Main: Rede am 9.10.2003 in Frankfurt am Main, Typoskript

²⁷ interner Bericht des Caritas-Verbandes Limburg; Liga der Freien Wohlfahrtspflege in Hessen e.V.: Zwischenbericht zu den Konsequenzen der „Operation Sichere Zukunft“ vom 31.03.2004

²⁸ Frankfurter Rundschau vom 13.05.2004, p 35

²⁹ cf. u.a. Hessische Staatskanzlei: Pressemitteilung „Qualitätsverbesserung in der vorschulischen Bildung ist ein vorrangiges Ziel“ vom 10.07.2003, <http://www.hessen.de> – hessen.de

³⁰ Cf. u.a. Hessische Staatskanzlei: Pressemitteilung „Wolff und Bouffier: Schulschwänzerkarrieren schon im Ansatz verhindern“ vom 24.11.2003, <http://www.hessen.de> – hessen.de

All in all, a change in policy is becoming apparent insofar as former social programmes of the *Land* allowed social integration outside the labour market a certain intrinsic value side-by-side with integration into the labour market as dominant target. One should mention here the very successful projects for the dissolution of social focal points, for the establishment of networks providing assistance to drug addicts and in connection with projects for women. As regards the concept of putting social services and their benefits under stronger control of the local authorities which had been developed for quite some time between the *Land*, the local authorities and the associations of private welfare work by way of consensus, the current round of cutbacks has now come as *fait accompli*, presenting the actors with facts, instead of finishing the way together on which they had already travelled a long distance. What had been promised were across-the-board allocations of funds to the local authorities which were to enable them to provide a qualified infrastructure of social institutions and services relevant to the problem situations. Instead, *Land* policy has cut the subsidies for numerous concrete individual projects completely or in part, shifting the consequences to the local authorities and all but putting the voluntary welfare associations under their control.³¹

Hesse is a *Land* with a high proportion of foreigners. This group of persons is very heterogeneous. In the large cities, but partially also in smaller political subdivisions, there are the beginnings of ghetto-formation. Frankfurt with its airport at a central location in Germany continues to be an important destination for asylum-seekers and persons facing deportation. Conversely, Hesse also is the location of organised crime controlled from abroad in which foreigners who have not been integrated socially may well be, and in fact are, involved. All in all, this led to the situation that *Land* policy paid attention to the implementation of specific steps of integration. For instance, Foreign Citizens Advisory Boards were established on the local level. Children were admitted to the regular pre-school and school institutions. Migrants of German origin from Eastern Europe have caused a further differentiation of the migrants' scene lately. After an immigration law has finally been passed in the Mediation Committee by common consent of the federal government made up of SPD and The Greens and the *Bundesrat* dominated by the CDU/CSU, a legal basis has been created whereby the Federation now has to share in integration measures on the *Land* level as well. Notwithstanding this, the *Land* government had previously cut all state subsidies for social work among foreigners in the budget for 2004 and partially called into question social welfare measures for the benefit of foreigners provided for many years by municipal social welfare agencies and associations of private welfare work. At the same time, the notion of integration in Hesse focuses heavily on linguistic integration.³²

In Hesse - as in other federal states - private welfare work is organised in a *Land* Working Group, the League of Voluntary Welfare Associations. Its representatives emphasise the good cooperation over many years between the *Land*, local agencies or leading associations representing local authorities and the associations of private welfare work in the formation of so-

³¹ Walter Hanesch: Soziale Dienste zwischen Haushaltskonsolidierung und Ökonomisierungsdruck, in: Walter Hanesch, Karl Koch, Franz Segbers: Öffentliche Armut im Wohlstand. Soziale Dienste unter Sparzwang, hg von Caritaserband Limburg und Diakonisches Werk in Hessen und Nassau, Hamburg 2004, p. 122

³² Hessisches Sozialministerium (ed.), Abteilung Integration: Förderprogramm Deutschkenntnisse für Kinder im KiGa-Alter, Download; derselbe: Presseinformation „Hessen wird sofort mit weitere Integrationskursen starten – Sozialministerin Silke Lautenschläger begrüßt Einigung zum Zuwanderungsgesetz“ vom 17.06.2004

cial networks, the division of work and the development of quality standards in all fields of social services. The abrupt renunciation by state politics of this consensus procedure and the policy of strict cuts have led to the situation that at least since the fall of 2003 the line of communication between the associations of private welfare work and the *Land* has been interrupted. At public protest meetings, the voluntary welfare associations have clearly opposed *Land* policies. In some cases, attempts were made by legal process to have financial recourse against the *Land* in the field of debtors' counselling, because the insolvency law for civil persons provides for obligatory legal advice. Beyond the formal platforms for discussion, the voluntary welfare associations are complaining that the *Land* has abandoned the shaping, maintenance and further development of quality standards in connection with putting social welfare institutions and services under the control of the local authorities, which has been initiated in their opinion. In view of further savings to be expected and the weakness of local budgets, the policy of reductions, especially with regard to benefits for groups of persons distant from the labour market may well be continued. However, a parallel to the NAPincl process, or an integration of the strategies of the *Land* government in the social field into this process, is not discernible here, nor is it aimed at politically.

2.2.3 Saxony-Anhalt

The economic and social problems consequent on the process of unity can be seen in Saxony-Anhalt in an exemplary way. Developed into the dominant location for the chemical industry - besides agriculture and mechanical engineering - in the course of the forty-year history of the German Democratic Republic, large parts of the economic structure collapsed after the opening of the wall. Only parts of the chemical industry could be continued under the regime of West German capital. Besides, the infrastructure as a whole was modernised with West German promotion funds, as in other parts of East Germany. In addition to the establishment of a few new industries, the economy of the *Land* grew in the service sector; but altogether the attempts of the governments led by the SPD to support the change of the economic structure, among others, by an expansion of institutions of higher education did not lead to the desired success in the field of employment policy and thus were also unable to counteract the high migration losses among persons fit for work.³³ The change to a CDU-FDP government was supposed to set in motion a catch-up process, but this could not be achieved to date. The policy of promoting „lighthouses“ as especially efficient prestige projects, as for instance the establishment of plants of the automobile industry at Eisenach and Dresden, turns out to be unsuited to reduce mass unemployment as a whole, but before all in somewhat remote areas. At the moment, Saxony-Anhalt has the highest unemployment rate of all *Länder*. In addition, there are high losses of population because of moves, vacancies of living quarters and, all in all, a certain incompatibility of the existing social infrastructure with the current problem situations. Therefore, the *Land* and its capital Magdeburg have put the main emphasis on the vocational integration of persons capable of gainful employment, aiming in part at special groups of persons and in part at all persons who can be gainfully employed. Special attention is due to efforts of the *Land* to offer a vocational training place for all young persons willing

³³ Cf. u.a. Die Flucht in den Westen, in: Frankfurter Rundschau vom 14.08.2003, p. 4; Aussichtslose Einsichten. Eine SPD-Studie sieht trostlose Zeiten für Sachsen-Anhalt voraus – und keiner widerspricht, in: Frankfurter Rundschau vom 02.03.2004, p. 5; Sozialbericht von Sachsen-Anhalt: <http://www.empirica-institut.de/kufa/empi075rbmtk.pdf>

to be trained, and to an especially high extent in an industry-wide training centre. But whereas *Land* policy is rather successful in this respect³⁴, keeping those having undergone training in the *Land* succeeds to a very modest degree only because of a lack of jobs. This enormous effort to provide vocational training constitutes an indirect subsidisation of the West German labour market, because those having trained in Saxony-Anhalt search for work in West Germany. Besides, the *Land* specifically supports the establishment of small firms, not the least in the hope for multiplying effects. Public promotions on the labour market, assistance for the integration of people with disabilities, qualification programmes for women who want to go back to working life („learning by doing“) and many more are an indication for the high central importance placed on an active labour policy in a region, where there are, as a rule, about 30 job-seekers for each job today.

Within the framework of the pilot project MoZArT, the capital city Magdeburg has gained good experience which is to be integrated into the agreed co-operation between the City and the Agency for Employment.³⁵ It is generally welcomed that because of the insolvency of Maatwerk which was supposed to become active in Saxony-Anhalt as well room for smaller agencies with higher field competence has now been created. It is seen critically that the ratio between recipients of unemployment assistance and income support in East Germany is the opposite of the situation in West Germany, which means that - relatively speaking - more persons will drop from unemployment assistance to unemployment benefits II than in West Germany, while fewer recipients of income support can profit from the new legal regulation. Whether the regulations found with regard to the financing of Hartz IV will actually return those costs to the cashier's offices of the local authorities which these have incurred when implementing the law, remains unclear.

Not the least in view of the lack of perspectives regarding reintegration into working life in future, high mass unemployment has led to the result that on the one hand trying new things out is demanded time and again, while at the same time protest against changes of any kind increasingly raises its voice. This concerns in particular changes in the general and specific transfers from West to East, at the moment in the first line benefit payments under unemployment assistance and the future unemployment benefits II („Monday demonstrations“).³⁶

Saxony-Anhalt knows hardly any housing shortage because of a surplus of homes. Nonetheless, there are cities with a special need for renewal so that for instance Magdeburg, Dessau and Halle are participating in the project „Social Town“. In East Germany, so-called „home reduction programmes“ are decisive: *Plattenbauten* [large blocks of flats consisting of prefabricated building components] are either demolished completely or cut down from six to fewer storeys and simultaneously modernised.

After the opening of the wall, Saxony-Anhalt essentially adopted the promotion practice of social services that is customary in the West. Individual measures are funded on the basis of guidelines and prescribed standards. The *Land* increasingly goes over now to the granting of per capita lump sums and leaves it to the local authorities to use these funds according to their

³⁴ Zwischenevaluierungsbericht zum ESF des Landes Sachsen-Anhalt: <http://www.sachsen-anhalt.de/pdf15517.pdf>

³⁵ Endstand Projekt „MoZArT“ vom 31.8.2003, Tyoskript

³⁶ Miese Stimmung, in: Frankfurter Rundschau vom 11.8.2004, p.3

self-defined main emphasis. With this procedure, the *Land* withdraws from social planning. At the same time, the agencies providing social services have to cope with across-the-board reductions for example in the field of debtors' counselling (50 %) and voluntary services. All in all, the network of care facilities for children supplementing the families is by far better developed in Saxony-Anhalt and East Germany as a whole than in West Germany (Ministry of Social Affairs: „best system in Germany“).

There are persons particularly faced with social exclusion in Saxony-Anhalt, but a distinction must be made. Some of them move from these mainly rural areas to the anonymity of large cities, i.e. to Berlin or to West Germany. Single homeless persons or urchins can be found in Saxony-Anhalt as well, but considerably fewer and also more occasionally than in large West German cities.³⁷ Left behind are groups of persons who do not have a chance on the labour market in West Germany, either, or do not want to, or cannot, bring themselves to move away because of age and/or disability. Therefore, care services, the establishment of networks for older people, but also for young persons, take on special importance. The capital Magdeburg tries to meet respective requirements by means of information offices and social centres. In the same context, Magdeburg employs streetworkers within the framework of youth welfare services, equips youth centres with new media and, very successfully on the whole, reintegrates truants into the educational process through special social education courses. The goal to complete at least secondary modern school is reached in most cases. The capital also offers advice for parents with educational problems.³⁸

All in all, East Germany has fewer migrants than Berlin and West Germany. A special group are the Vietnamese still present from the old time of the German Democratic Republic, complemented more recently by migrants from Russia of German origin and of Jewish faith. Among the migrants from Russia, linguistic integration problems are particularly prevalent, but also problems of professional integration as a consequence of the overall situation on the labour market. Nonetheless, the multicultural character of Saxony-Anhalt, as of East Germany as a whole, is clearly less marked than in West German areas. Deliberate integration programmes are not pursued. However, in the context of schools and youth welfare work there are initiatives - co-funded by the *Land* - against right-wing radicalism and xenophobia. Magdeburg has a Foreign Citizens Advisory Board on which active clubs and groups are represented.

Private welfare work suffers from funding relations becoming more restrictive. In the field of social work, more and more persons are active, but fewer and fewer in secure employment relations. „Voluntary work“ searches for meaningfulness in social commitment, where paid gainful employment is becoming less frequent in the social field as well, where the alternative is: mini job or no job at all. In the process, the divide between very high quality standards and the financial possibilities continues to grow. Important fields of social services, in particular marriage and life counselling, are not refinanced by the *Land*. In view of the overindebtedness of many households in East Germany and the increase of drug consumption, these counselling facilities are more important than ever. What is demanded, is state-wide planning of social

³⁷ Ein ganzes Leben aus halben Sachen, in: Frankfurter Rundschau vom 02.01.2004, p. 8

³⁸ Sozial- und Wohnungsamt der Landeshauptstadt Magdeburg: Sozialbericht der Landeshauptstadt Magdeburg 2000/2001, Juni 2002

services and hence a departure from the competitive structures currently implemented to an increasing degree by *Land* policy. Closer co-operation between the associations of private and local welfare work is also requested.

2.2.4 Bochum

For a long time, Bochum was the centre of mining in the Ruhr Industrial Area and the seat of the Federal Miners Insurance. In the meantime, the newly established Opel automobile plant and the Ruhr University have become the two largest employers. The City does not stand out either positively or negatively. While there is social segregation, for instance of various town districts, it is not nearly as marked as in other cities of the Ruhr Industrial Area or in North Rhine-Westphalia.³⁹

Like all cities in the Ruhr Industrial Area, Bochum has been caught in a far-reaching change of the economic and social structure for years. At 13.3 %, the local unemployment rate in August 2004 was clearly higher than the nation-wide average of 10.5 %. In relation to the rate of 8.4 % for West Germany, it becomes apparent that the Ruhr Industrial Area belongs to the problem zones in the old *Länder* in respect of labour policy. In the past the City has, for the purpose of combating unemployment, continuously improved measures for the vocational integration of welfare recipients who are fit for work (ASS, Jump plus, „Sprungbrett“ and others) both qualitatively and quantitatively by means of local promotion of employment. In this connection, dense network structures to the local labour administration and the local agencies responsible for employment and qualification facilities have emerged.⁴⁰ Bochum did not take part in the project of co-operation between the Social Welfare Office and the local Employment Office (MoZArT) named as best-practice example in the NAPincl. However, a long-standing co-operation agreement exists between the Social Welfare Office and the labour administration; under this agreement, a joint drop-in and advice centre has been established. At the moment, Bochum attempts, in co-operation with the Agency for Employment and the associations of private welfare work, to implement the labour market reforms (SGB II - basic security for persons searching for employment) in terms of organisation. As from 1 January 2005, ca. 9,000 recipients of income support capable of gainful employment and ca. 11,000 recipients of unemployment assistance (communities of persons in need) will draw unemployment benefits II. As for looking after these persons, Bochum has decided against the Option Model and in favour of setting up a joint team (ARGE) made up of the Social Welfare Office and the Agency for Employment. It is in the interest of the city administration to preserve the structures of local employment policies evolved over the years.⁴¹ The majority groups on the Bochum City Council (SPD and Alliance 90/The Greens) have tabled a privileged motion for the Committee of Social Affairs and Public Health, calling for the establishment of a labour market conference during the implementation phase, bringing together representatives of the local administration, the Agency for Employment, the Chamber of Handicrafts and the various welfare associations. In addition, the establishment of a perma-

³⁹ Stabstelle Sozialplanung (ed.): Sozialdaten der Stadt Bochum (Sozialberichterstattung), Bochum 2004

⁴⁰ Stadt Bochum - Sozialamt, www.bochum.de

⁴¹ Stadt Bochum: Sachstandsbericht zur Umsetzung des Sozialgesetzbuches II (SGB II), Vorlage zum Sozial- und Gesundheitsausschuss vom 8. September 2004

nent Advisory Board on which the various associations of welfare work will be represented is to be provided for in the co-operation agreement for the ARGE.

Bochum distinguishes itself by communicative and co-operative dealing with the associations of private welfare work in the analysis and combating of social problem situations. There are no doubt groups of persons in the City who are especially affected by social exclusion, but from the point of view of the welfare associations hardly any problem situations that are not being dealt with, although this does not say anything about the respective quality of supply. The City has set up projects as reaction to children fed up with school, young persons with special problems of job placement are looked after by social education workers in a youth workshop, and in the municipal nursing schools meals for children (at cost) were introduced, after it had become apparent that children were coming there insufficiently nourished. All in all, a fragmented structure of offers hampers planning and controlling of social processes. Owing to the financial situation of the City, the scope to react to new challenges is reduced and the securing of existing programmes takes first place. The City has set up a staff position Social Planning which has, among others, drawn up and updated a social atlas (list of facilities, agencies offering services, clubs, associations, initiatives and movements from the social field) and submitted an encompassing social report (as at January 2004), looking at the various town districts as distinct social areas.⁴² However, in the area of conflict between town marketing and social planning such initiatives are often considered to be detrimental to the image. In spite of indications of social segregation processes, the City does not take part in projects within the framework of the programme platforms „Social Town“ and „Development and Chances of Young People in Social Focal Areas“.

As part of the modernisation of administrative structures, the social welfare administration advocates an extension of interlinked services. The Social Welfare Office, for instance, was decentralised, and youth welfare services aligned along social areas and aiming at better interlocking of the offers of nursery schools, schools and youth work were implemented. At the same time, budgeting of services in youth welfare work and youth (social) work was effected. Responsibility for a particular case, i. e. determination of the need for assistance, no longer rests with the agency providing a measure, but with the competent case manager in the social welfare administration. With the introduction of this new control system, refinancing of the mandatory services is not called into question in principle, but the form in which a service is rendered is realigned.⁴³ In contrast, the voluntary offer of youth work is directly subjected to the development of public budgets. In the course of the budget deliberations of the *Land* government, promotion funds for open youth work (open doors, youth centres, leisure time activities, education offers etc.) were reduced. In order to preserve deep-rooted structures nonetheless, the savings were almost completely made up for by a grant of the City in the amount of EUR 200,000 for 2004. No promise for 2005 has been received as yet.

Among the cities with more than 300,000 inhabitants, Bochum has the third-lowest portion of foreigners. The City administration is planning a report on the social situation of migrants.

⁴² Stabsstelle Sozialplanung (ed.): Sozialatlas für die Stadt Bochum, www.bochum.de/bochum/sozialatlas-deckblatt.htm

⁴³ Evangelische Fachhochschule RWL, Stadt Bochum (ed.): Workshop Sozialraumorientierte Jugendhilfe in der Stadt Bochum, Dokumentation der Beiträge, Bochum 2004

Besides, the draft for an outline concept on migration work is discussed in political circles. The Foreign Citizens Advisory Board is to be replaced by a Migration Committee to improve interlocking with the administration. But altogether, an integrated blueprint for action is lacking to date. Ethnic German emigrants have not been integrated into the new concept, and it remains unclear how advice services for asylum-seekers and ethnic German emigrants are to be guaranteed in future, when the central accommodation in hostels is abandoned, as planned.

But the avoidance of social exclusion and isolation is not a task for which public authorities and the associations of private welfare work are solely responsible. Since 1997, the Bochum Volunteers Centre has been in existence as network for the mobilisation of voluntary work by citizens and neighbourly assistance. Project partners are the City of Bochum, the Employment Agency Bochum and the voluntary welfare associations. A register of honorary and voluntary positions has been set up in the Internet, offering all social institutions, associations and clubs a forum for self-portrayal. Simultaneously, one can find a volunteers' exchange forum online, where offers and requests for honorary activities can be researched. For conceptional further development, the work of the Bochum Volunteers Centre is to be scientifically evaluated on behalf of the City administration.

2.2.5 Frankfurt am Main

Frankfurt is a booming banking and service town, where a contrast is becoming apparent at the same time, namely the concurrence of problem groups gathering in the city. Governed by the Social Democrats for a long time, but now led by a Mayoress belonging to the CDU and a broad political alliance consisting of CDU, FDP, SPD and The Greens, a broad social supply spectrum has formed in this city which has always had, and still has, innovative elements, not the least because the new problem situations which are typical for a boomtown have become apparent here for the first time in a particularly glaring way.

The unemployment rate of ca. 7 % in the City and its environs is clearly lower than the rate in *Land Hesse*.⁴⁴ The metropolis on the river Main has top jobs in banking as well as in modern services.⁴⁵ At the same time, the City is a magnet for special problem situations, and strong tendencies of polarisation occur, where the requirement for social integration and social services is especially large. Contrary to the modern trend throughout the *Land*, the current government alliance has tried to continue the numerous integration projects, although state politics have cut the subsidies for social projects in Frankfurt am Main alone by ca. EUR 4 Mill. from 2003 to 2004.⁴⁶

The City had decided against the option chance in connection with Hartz IV. Instead, a joint team with the Agency for Employment was formed, where the work of the former (partially decentralised) Social Welfare Offices and the former Employment Office is to be combined. Besides, Frankfurt and its neighbouring city Offenbach and their local employment agencies have formed another joint team, as the respective local labour markets are very closely intertwined.⁴⁷ In parallel, on the local level there were and still are employment initiatives for spe-

⁴⁴ Frankfurter Rundschau vom 9./10.06.2004, p.15; *ibid* vom 5.08.2004, p. 9

⁴⁵ Eine gute Stadt – für Besserverdienende, Studie: Frankfurt bietet bundesweit die zweitbeste Lebensqualität/Hohe Löhne und produktive Unternehmen, in: Frankfurter Rundschau vom 15.04.2004, p. 38

⁴⁶ Caritas Frankfurt: 2003 Jahresbericht, Frankfurt am Main

⁴⁷ Frankfurter Rundschau vom 19.07.2004, . 26

cial problem groups on the labour market run either by the City or by private non-profit institutions. The Employment Office, the City and private institutions use the instruments, either of active labour policy or of employment opportunities within the framework of SGB XII, to employ problem groups. For instance, the *Caritasverband* has set up an employment project for homeless persons in close co-operation with the Social Welfare Office; in 2003, the project was able to offer at least temporary employment and hence also social stabilisation to 48 of these persons belonging to the most vulnerable.⁴⁸ But as regards the assistance for initiatives to gain more independence in economic life, the City experiences at the same time the negative reverse, namely overindebtedness and business insolvency.⁴⁹

In close co-operation with the associations of private welfare work, the City has set up a tightly knit network of social institutions and services. The municipal Social Welfare Office has been split up into 12 decentralised „Social Town Halls“ distributed over the municipal territory, although certain special services are still offered centrally. The local authority relies on a widely developed infrastructure in the field of counselling, including in particular educational counselling, not the least to avoid, through preventive action, the spreading of social problems and hence higher consequential costs. As far as nursery schools and schools are concerned, efforts are made at a social integration of children and young people with disabilities. Altogether, great importance is attached to child and youth welfare services. The City provides numerous facilities, either under the direction of private non-profit institutions and/or decentralised under its own direction; in addition, there is a well-developed network of streetworkers. Finally, the „Frankfurt Ticket“ provides numerous reductions for persons and families with a low income. Taking into consideration an ageing population, a broad offer of out-patient and in-patient facilities in the fields of old people's welfare and nursing care exists. In addition, Senior Citizens Advisory Boards are to make possible the conveyance of interests of private persons, the district and the City.

With the project „Frankfurt - Social Town - New Neighbourhoods“ begun in 1999 by decision of the City Council, the City aims at better integration and activation of the people living in the various districts, thus simultaneously at an improvement of equal opportunities, employment and qualification, housing and living conditions. The town district Unterliederbach-East has been admitted to the federal programme „Social Town“. According to the annual report 2003, the co-operation of active players and residents is the focus of attention. Investment and social projects serve the same purpose. A „production school“ with a new kind of learning and social integration has been set up for young persons with learning and motivation problems who can no longer be reached with institutionalised methods of vocational training.⁵⁰ Projects and programmes for the reintegration of truants also deserve to be mentioned.⁵¹

Over the years, close cooperation between the City and social welfare associations has built up in Frankfurt, which now also finds expression in the integration of approaches for assistance and the uniting of social institutions and services on the basis of secure standards. All

⁴⁸ Caritasverband Frankfurt e.V.: Jahresbericht 2003, Beschäftigungsprojekt für Wohnungslose, Frankfurt a.M. o.J.

⁴⁹ cf. for this and the following facts <http://www.frankfurt.de>

⁵⁰ Stadt Frankfurt am Main, Freischlad + Holz, Caritasverband Frankfurt am Main e.V.: Frankfurt am Main Unterliederbach-Ost, Jahresbericht 2002, Frankfurt am Main 2003

⁵¹ 800 Schwänzer müssen Bußgeld zahlen, in: Frankfurter Rundschau vom 02.04.2004, p. 37

the more clearly, bottlenecks are now seen to emerge, where *Land* policy has withdrawn from financing wholly or in part. In addition to the direct effects on existing facilities and the people employed there, the indirect - i. e. medium and long-term - effects are now emerging. Moreover, quality standards and professionalism in the handling of social problem situations go down. Broad protest against this policy has already manifested itself in Frankfurt am Main. The *Caritasverband* has sued *Land* Hesse to revoke the cutbacks for the legal advice centres to conduct insolvency proceedings of private households. The proceedings have not yet been brought to a conclusion.

Frankfurt is a magnet for persons of all nationalities. Not the least with the establishment of an Office for Multicultural Affairs, the City has much earlier than other municipalities admitted its own multicultural character and the fact that Germany is an immigration country. A Foreign Citizens Advisory Board also exists. It is its goal to provide necessary advice, offer concrete assistance, but in particular deal with questions of the cultural, legal and social co-existence in an integrative way.⁵² Because of this encompassing integration approach the City was, and today partially still is, attacked by conservative circles.

Nonetheless: Boomtown has its drawbacks. Two poverty reports have meanwhile been drawn up⁵³ which at the same time clearly underline the socio-physical segregation of the City into more prosperous districts and problem areas. The voluntary welfare associations regularly report about these developments, for example in their annual or other reports, and simultaneously work out clearly that an integration of all active players and the inclusion of those affected in the provision of social services („co-production“) is more urgently required than ever before.

2.2.6 Landkreis Bad Kissingen

The county Bad Kissingen is located in northern Bavaria. Economically, the county is shaped in the first line by the health resort business which - in addition to employment in agriculture - increases seasonal employment and temporary unemployment connected with it. The county is governed by a CSU *Landrat* [Chief Administrative Officer] and a CSU majority on County Council. As regards financial power, the county takes a midfield position in Bavaria, but is nonetheless effected by the nation-wide financial plight of the local authorities owing to their dependence on the trade tax and financing of the assessment levied by the county against the municipalities. In 2003 and 2004, the public budgets in the county were/are, as a rule, still capable of approval, but partially with imposed conditions. This is still uncertain for 2005. With regard to a number of parameters, the county rather takes a midfield position among all counties in Bavaria (population, economic power, no border region, no socio-economic or socio-demographic peculiarities etc.). The service sector (cure and health sector, leisure time and tourism) plays a large role; it accounts for more than 70 % of the local economy. Besides, handicraft enterprises are dominating, whereas industrial structures are represented to a minor degree.

⁵² Wohnbereich für Muslime im Heim, in: Frankfurter Rundschau vom 07.05.2004, p. 38

⁵³ Treffpunkt der Heimatlosen. Wie ein Magnet zieht das Bahnhofsviertel Menschen, die durch alle soziale Netze gefallen sind. In: Frankfurter Rundschau vom 28.05.2004, p.38; Peter Bartelheimer u.a. (ed.): Armut am Main, Vorarbeiten zu einer Frankfurter Armutsberichterstattung, Offenbach/Main 1994; Stadt Frankfurt am Main: Sozialbericht – Teil V: Segregation und Wohngebiete, Frankfurt am Main 2003

The county does not take the option with regard to Hartz IV. This summer, the Federation, *Länder* and municipalities agreed on a compensation of 30 % for additional expenses incurred by the local authorities for accommodation. No decision has been made as yet, whether there will be regional modifications. However, the additional expenses are unevenly distributed over the regions. In regions with a low income support rate, savings by the local authorities will be minor, whereas high additional expenses for accommodation are to be expected in case of a simultaneous large number of recipients of unemployment assistance. (Among the probable 5,200 recipients of unemployment benefits II in the county, only approx. 850-900 will be former recipients of income support.) Therefore, the *Landkreis* Bad Kissingen expects additional net expenses for unemployment benefits II in the amount of EUR 6.7 Mill. p.a. (or EUR 4.5 Mill., taking into account a 30 % compensation).

As far as the extension of all-day care for children from 0 - 3 years and school children which matches demand is concerned, the county concentrates at first on its larger towns. However, in the county's extensive and up-to-date planning and reporting system, no further extension of the nursing school facilities for the age group from 3 - 6 years will be necessary in the medium and long term, or a reduction of care places is even expected.⁵⁴ About 92 % of the nursing school places are all-day offers, although more than one third of the facilities close temporarily during lunchtime.⁵⁵ On looking more closely, prognosticated overcapacities in the rural communities will be up against an increased demand in the towns Bad Kissingen and Bad Brückenau during the next few years.

The county has a well-developed spectrum of youth welfare services under the sponsorship of the local authorities, but also of various associations. Although the partial field of open and association-sponsored youth work constitutes in principle a compulsory task for the local authorities, concrete measures (subsidies for the private providers, for the *Kreisjugendring* as central organisation of associations dedicated to youth work, for holiday leisure times, the promotion of sports etc.) belong mostly to the voluntary services which are increasingly difficult to maintain under the pressure of the financial plight of the local authorities. The Bavarian *Landkreistag* [Association of Counties] states with regard to its own sphere of activities and the voluntary services as a whole (hence including further education, libraries, cultural affairs and local public transport) that they constitute „the most important part of self-government of the *Landkreise*. ... However, due to the general financial plight of the local authorities, the extent of these responsibilities is constantly decreasing.”⁵⁶

Due to the tense situation of the public budgets, debtors' counselling is likewise coming under mounting pressure in the county. Throughout the Federal Republic, insolvency's of private households have increased dramatically over the last few years.⁵⁷ But whereas Bavaria has, by and large, still guaranteed financing of debtors' counselling in the county in 2003 and 2004, it is jeopardised in 2005. State-wide, debtors' counselling offices complain that the state gov-

⁵⁴ Manfred Zehe, Edmund Görtler: Kindertagesbetreuung im Landkreis Bad Kissingen. Teilbericht 2: Quantitative Bedarfsermittlung und Bedarfprognose, Bamberg 2002, Seite 37

⁵⁵ Manfred Zehe, Edmund Görtler: Kindertagesbetreuung im Landkreis Bad Kissingen. Teilbericht 1: Bestandsaufnahme der Kindertagesstätten, Bamberg 2002, Seite 12, 16

⁵⁶ Bayerischer Landkreistag: Eigener Wirkungskreis, www.bay-landkreistag.de/lkt/wir/landkreis/wirkung.html

⁵⁷ siehe hierzu: AWO-Magazin, Nr. 4/2004: In der Schuldenfalle. Private Insolvenzen steigen – Schuldnerberatung vor dem Konkurs (Titelthema), Bonn

ernment at first wanted to cut subsidies for private insolvency counselling down to zero this year and eventually granted EUR 800,000 (2002: EUR 2.5 Mill.) after massive protests only.⁵⁸ These cuts fit in with the policy of the Bavarian government to reduce its expenses considerably altogether and to withdraw from counselling offers.⁵⁹

Poverty of children - referring in particular to children on income support and the situation of single mothers - is not generally conceived as problem and subject of importance. In recent years a great number of ethnic German emigrants have moved to the county. Problems arising in this connection are widely conceived. And although the number of asylum-seekers in the county is low, some importance in the perception of problems is in fact attached to the Law in Respect of Benefits to Asylum-Seekers because of frequent legal disputes. These disputes are on the one hand seen in connection with a more restrictive handling of the law demanded by the Bavarian State Ministry.⁶⁰ Secondly, judgements in favour of recipients are apparently communicated quickly among those involved, which in turn increases the number of objections. The socio-physical conditions of integration are not considered by the social welfare administration to be sufficiently shaped; in one district a concentration of migrants is said to have occurred. However, examples for social work in town districts and in particular socio-physical approaches are - even beyond the problem of migration - all in all infrequent in the county. A Foreign Citizens' Advisory Board or similar forums of participation of affected persons do not exist, either. The socio-physical segregation of migrants appears to be due for one to the practice of housing them (partially in former U. S. barracks) and secondly to the purchase of houses by large families in particular small areas. As the social welfare administration has stated, the latter also leads to „social envy“ among the locals in a few individual cases. Young ethnic German emigrants are conspicuous because of an increased number of bodily injury offences, abuse of alcohol and hard drugs as well as conspicuous behaviour at school. This is the reason for the existence of two independent projects co-financed by the county: KiDro („Kissingen help for drug addicts“) and KWaDro („Kissingen escape from drugs“) aimed - with the cooperation, for instance, of a Russo-German sports teacher - before all at the clientele of young ethnic German emigrants.

These two projects in the field of addiction problems show that particular problem situations are addressed by means of special facilities and services in rural districts as well. Public and voluntary welfare associations often cooperate in such projects, concentrate their efforts and draw on the specific resources of the involved actors, e. g. in case of the „Table“ (feeding of the poor) and the „warm-up room“ for the homeless in Bad Kissingen. As regards the warm-up room, the public authorities make the premises available free of charge. The voluntary welfare institutions Workers' Welfare Association, *Caritas*, *Diakonie* [ecclesiastical social welfare institution] and Red Cross maintain the facility with their own funds and by collecting additional donations of their members and from the population at-large. Despite this commitment, financing is not secure. Because of the expiry of a job-creating measure, the meeting

⁵⁸ Wolfgang Heininger: Bundesländer streichen Schuldnerberatern die Mittel, in: Frankfurter Rundschau vom 18. Juni 2004, Seite 12

⁵⁹ Bayerische Staatskanzlei (ed.): Perspektiven für Bayern schaffen. Sparen – reformieren – investieren. Regierungserklärung des Bayerischen Ministerpräsidenten Dr. Edmund Stoiber am 6. November 2003, München 2003, Seite 18, 21

⁶⁰ zur Migrationspolitik der bayerischen Landesregierung vgl.: dies.: Bericht der Staatsregierung zur sozialen Lage in Bayern, München 1999, Seite 13f

place „warm-up room“ remains temporarily closed this summer. Honorary helpers nonetheless try during this time to continue to offer a meal at least once a week. On the other hand, the „Table“ co-operates with out-patient care services which pass the donated foodstuff on to immobile persons in need.

2.2.7 Landkreis Osterode am Harz

The county is located in the centre of Germany and governed by a County Council dominated by the SPD and an SPD *Landrat*. On a nation-wide scale, the county has one of the highest rates of senior citizens among the total population. On the one hand, a problem is publicly made of this fact, but on the other hand, this certainly also offers chances to assume a pioneer role in shaping local politics in a way more suitable to the needs of senior citizens. The rate of recipients of income support is low in the county, when compared with many conurbation's, but is above the average of all German counties (roughly at the average level of all territorial authorities in Germany). At a rate of 12-15 %, unemployment has been comparatively high for many years. For a rural area, the economic structure is characterised by producing industries to an unusually large degree. This sector comprises almost 50 % of all local employment relations. Another characteristic feature is the former location of the county in the south-east of Lower Saxony in the border area between West and East Germany, while today it borders the East German *Länder* Thuringia and (indirectly) Saxony-Anhalt. Finally, the county belongs to the smallest in Lower Saxony and comprises unusually much unincorporated territory (ecological systems).

The county has successfully applied for having competency for the long-term unemployed (Hartz IV/SBG II) put under the control of the local authorities. In the course of the law amendment, single parents are before all to be „activated“ for gainful employment to a larger extent. For this purpose, an improvement of all-day care is necessary, before all in many rural areas. Means and instruments taken from the restructuring of assistance to the long-term unemployed are to be used in the county for an extension of offers; for example, recipients of unemployment benefits II could be employed here within the framework of additional job opportunities, but without skilled personnel being ousted. Since 1998, the county has run the project „Local job placement and advice for self-help - KommAS“ (local JobCenter). It now forms the basis for the planned local labour policy within the framework of Hartz IV. As from January 2005, unemployment benefits II in the county will affect ca. 5,000 persons in 2,800 households. It seems that there are no special structural reasons (for example, unusually large/low numbers of unemployed persons or persons drawing income support) in the county for putting responsibility for the long-term unemployed under the control of the local authorities.

The following motives are rather mentioned:

- professional reasons: The county has long and good experience in local labour policy for recipients of income support and „combined recipients“ of unemployment assistance and income support, before all in connection with the KommAS project. The possibility to shape this policy and its adaptability to local needs, resources and priorities are especially appreciated;
- the estimation that the SGB II will not lead to surmounting of the dual competency within the framework of the JobCenter solution (joint teams);

- financial reasons: The county's creative leeway which is larger in case of local control is to be used to reduce expected additional burdens on the local budgets. The *Landrat* expects that the option model will be ca. EUR 1.1 Mill. cheaper for the county than the joint team solution.⁶¹

It is pointed out that the success of local labour policy in the *Landkreis* Osterode am Harz (and not only there) in essence also depends on the case ratio which is so far clearly better in comparison with the Employment Agency (1:200 vs. 1:350 at the moment). Insofar, the local solution is said to be the better one under the given circumstances as well, and not *per se*.

Building on the project KommAS and its integrated measures, the application for the option suggests six pillars for the county's „Regional Competence Center for Employment“ (among others an employment project in private enterprise, services for older people and day nurseries with all-day care).⁶² As core component, structured activating case management divided into six stages (from initial advice to the preparation of an integration balance sheet) is planned. The following are identified as special target groups of the local promotion of employment: single parents, young people up to 27 years of age, migrants, ethnic German emigrants, poorly qualified persons, older job-seekers and truants. The goal is a reduction of the rate of long-term unemployed persons by 20 % by the end of 2005.

Throughout the county, billboards and leaflets inform different target groups (children, young persons, women, senior citizens) about varied social institutions and services. Specialised institutions and services aiming directly at (groups of) persons particularly threatened or affected by poverty and social exclusion also exist in this rural area, e. g. a women's shelter and a meal service for poor children and families.⁶³ In the context of opportunities and risks of electronic media, the County Adult Education Centre offers training courses directed, among others, specifically at women and senior citizens. Moreover, the Centre offers a broad range of educational opportunities (e. g. music, political, vocational and linguistic education). But as the *Landrat* said, the tense budget situation of the county and its towns and cities is already causing a situation now, where these are short of funds running into „millions“ even for the fulfilment of their mandatory local services (and further cuts in the local financial equalisation by *Land* Lower Saxony are coming up for 2005).⁶⁴

Statements that poverty and social exclusion of children and young people are no problem and subject of importance in the county are contradicted not only by a high number of persons drawing income support and the statement in the Youth Welfare Report: „Before all, children and young people are affected by poverty“,⁶⁵ but also by significant increases of expenses for out-patient, partial in-patient and in-patient youth welfare benefits (ca. 10 % p. a.). Roughly 20 % of the total expenditures are by now spent for families (burdened with problems more

⁶¹ Kommunale Trägerschaft ALG II: Große Erfahrung und Kompetenz beim Landkreis, Pressemeldung, www.landkreis-osterode.de

⁶² Landkreis Osterode am Harz: Eckpunkte. Regionales Arbeitsmarktkonzept 2005, Osterode am Harz 2004, Seite 4 (Typoskript)

⁶³ Deutscher Kinderschutzbund: Konzept der Bunten Tafel des Deutschen Kinderschutzbundes OV Osterode e.V., Osterode am Harz 2004 (Typoskript)

⁶⁴ Landrat Bernhard Reuter kritisiert Kabinettsbeschluss zum kommunalen Finanzausgleich, www.landkreis-osterode.de

⁶⁵ Landkreis Osterode am Harz: Jugendhilfeplan, Osterode am Harz 1999, Seite 46

frequently than on average) who have moved to the area from the eastern *Länder*, in particular adjacent Thuringia and Saxony-Anhalt.⁶⁶ Whereas such tendencies, among others, could still be followed up in the county's first extensive Youth Welfare Plan with participation of the social welfare institutions in 1999, a repetition of this process is currently not foreseeable due to the lack of budget funds.

Foreigners make up a proportion of ca. 6 % of the population in the county which is clearly below the average in Lower Saxony (ca. 12 %). In relation to the demographic structure of the county mentioned above, it is interesting to note that among the foreign population the proportion of children and young persons under 18 years of age is considerably higher than the average of the population at-large.⁶⁷ A staff member of private welfare work (Workers' Welfare Association) acts as Commissioner for asylum-seekers, ethnic German emigrants and migrants. But a Foreign Citizens' Advisory Board does not exist. The county does not favour excluding or including centralised housing for asylum-seekers (consolidated accommodation); according to the social welfare administration, they rather live, as a rule, in normal flats distributed over the territory of the county.

V. The NAPincl Process From a Regional and Local Perspective

The National Action Plans against social exclusion are relatively little known in Germany. It is self-explanatory that the federal Ministries involved are informed about them; the *Länder* contacted here are also involved, for one via the *Bundesrat*, namely through the political statements passed by it, but also insofar as they adopt rather a positive or rather a negative attitude towards this process. Nonetheless, the *Länder* have now agreed that each will appoint a person responsible for the NAPincl on the *Länder* level. The strength of the Open Method of Co-ordination is also its weakness, or rather the renunciation to establish binding law inherent in it.⁶⁸ For this means that it is not powerful enough as method to change the systems of social safeguarding through external (EU) pressure. Therefore, its goal cannot be a harmonisation decreed by Brussels. As it can promote learning processes on all levels and helps to place the subject poverty on the political agenda, there are also positive evaluations of the Open Method of Coordination, even if its mode of operation is, all in all, seen rather skeptically. What seems attractive is the possibility to collect information about the social situation in one's own sphere of influence (but also in other countries) and at the same time enable mutual learning. But a lot of explaining and convincing still needs to be done in this respect.

Nonetheless, initial effects of this method initiated by the EU Heads of Government are seen to emerge already. *Land* NRW, for instance, wants to adopt the Laaken indicators in its future social reporting. It also plans to initiate such a process itself on the *Land* level and include the various Ministries as well as decentralised institutions. The federal government has started a series of lectures informing about this process within the context of the Open Method (Forteil - „Forum Participation and Social Integration“). It has also just invited tenders for a project which is to record and publicly work up the multitude of projects against social exclusion in Germany („Information Exchange Participation and Social Integration“).

⁶⁶ vgl. Landkreis Osterode am Harz: Statistische Informationen 2003/04, Osterode am Harz 2003, Seite 19

⁶⁷ Landkreis Osterode am Harz: Jugendhilfeplan, Osterode am Harz 1999, Seite 32

⁶⁸ Benjamin Benz: Nationale Mindestsicherungssysteme und europäische Integration. Von der Wahrnehmung der Armut und sozialen Ausgrenzung zur Offenen Methode der Koordination, Wiesbaden 2004

The European promotion programmes are known on the *Land* and local level and are included in own policies to a different extent. The private sponsor institutions also participate in the EU promotion funds. The main emphasis with regard to use of the promotion programmes can vary, depending on the territorial authority concerned; some place more importance on the promotion of economic development, others on the support of target groups. Apart from the required local/regional co-funding, problems with regard to handling of the EU promotion programmes often occur due to long application take-off periods, expensive bureaucratic application and reporting procedures as well as slow allocation of funds. Frankfurt has opened a project office for EU promotions. *Land* Lower Saxony operates „Pro Active Centres“, where funds of the *Land*, the EU (ESF) and so far also of the Labour Administration are concentrated. This way, the financing of projects and measures on the local level is simplified insofar as various applications and proof of use of funds need not be drawn up at the same time and separately for each project and, if required, distinguished according to objective 1, objective 2 or objective 3 areas. What is attained here is budgeted promotion without individual notification of projects. However, as the ESF has been in existence longer than the Nice objectives, the connection between the NAPincl and the European programmes is not always known or clear.

Before all on the local level, and here among the private local sponsor institutions, the Open Method of Co-ordination is not known. If explanations are given what it is about, attention is drawn to the difficulty which has always existed, namely to co-operate with other sponsors in the town or in the region, let alone that pan-European co-ordination can even be imagined. Before all among the associations of private welfare work, Europe is regarded rather as a threat to their peculiar structure than as a help. One must seriously ask the question whether the concept of competition can and should be stretched so far that it undermines national peculiarities in fields which at heart resist pan-European competitive structures because of the dominant regional linguistic and cultural identity. The Maatwerk fiasco has shown the limited leeway in exporting social services at will. However, during the discussions with the various levels it also became clear that the European level indeed offers a chance to keep social cohesion on the agenda in addition to a strengthening of the economic structure.