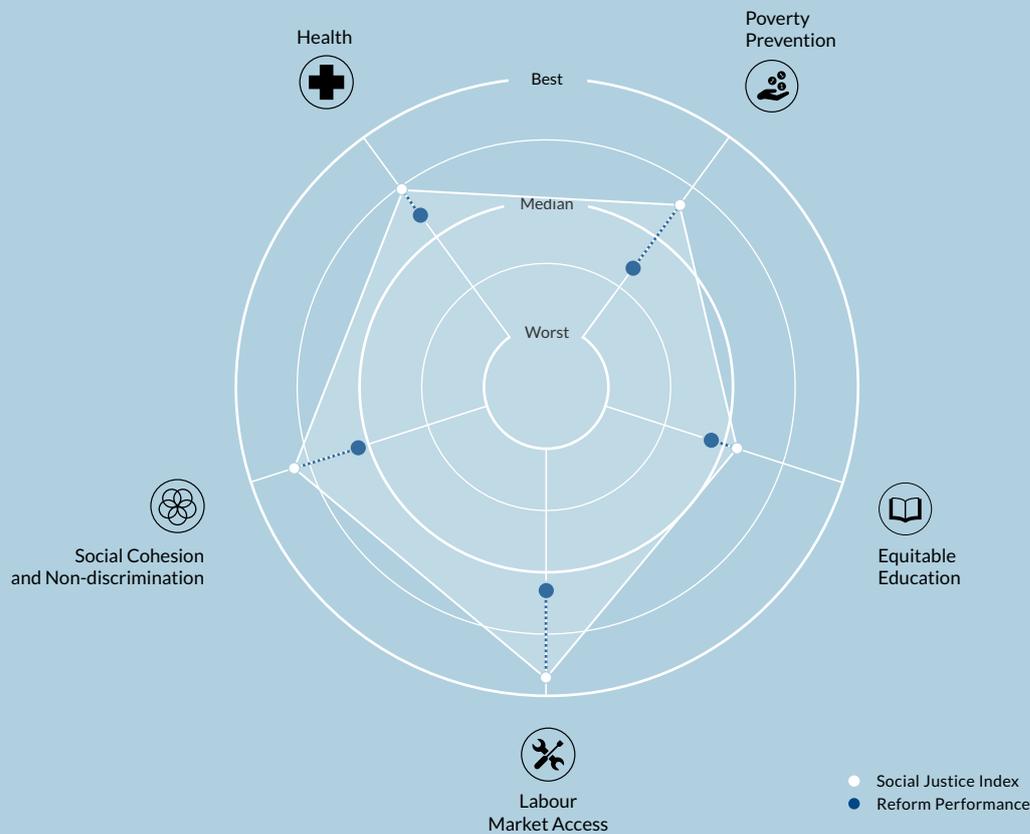


Findings by Country



Germany

How does the country rank in the EU?



Overall Findings

Need Though Germany ranks a respectable 7th in the 2015 Social Justice Index (SJI), the experts assess the need for social reforms in Germany as being as high as the EU median (2.18, rank 12/23).

The highest reform need is seen in the dimension of Labour Market Access (2.44, rank 14/19). This result is surprising, as Germany ranks 3rd in this dimension in the 2015 SJI. Nevertheless, the experts see a strong need to improve access for specific subgroups, particularly with regard to refugees (2.53) and long-term-unemployed (2.40), and to tackle precarious employment (2.71) as well as in-work-poverty (2.57). In the Education area, where Germany ranks 13th in the 2015 SJI, the experts see a similarly strong need for reforms (2.3, rank 18/22), especially in improving the integration of refugees within the education system and safeguarding independence of learning success from children's socioeconomic background (3.0 each).

Furthermore, the need to improve Social Cohesion is rated as quite high in Germany (2.22, rank 12/18), though it ranks 6th in the 2015 SJI. Looking at the relevant policy objectives in this dimension, the main pressing issues

Overall Reform Performance Ranking



Overview of Reform Barometer Scores



for the German government are to address income inequality (2.56) and improve the integration of refugees within society in general (2.5). Interestingly, before the onset of the refugee crisis, Germany received the highest score of all EU countries for its integration policies in the SJI.

With regard to Poverty Prevention, the experts see a rather low need to improve the situation for the total population (1.24, rank 6/27) but a strong need to reduce poverty among refugees (2.28, rank 18/27) and single parents (2.15), though the latter need score is relatively low compared to other countries (rank 5/27).

Activity The experts say that only about one-third (35%) of the overall reform need to improve social inclusion in Germany has been addressed (rank 20/23). This is far behind the leaders in this respect – Luxembourg (65%) and Bulgaria (60%) – and also behind the average activity rate in the EU (46%). Only Spain, Slovakia and Greece show lower activity rates than Germany. The highest activity rate in Germany can be discerned in the Health dimension (53%, rank 14/20). The biggest reform gap is seen in the Education dimension, where hardly one-fifth of the reform need has been met

(19%, rank 17/22). In the other three dimensions, the activity rate was between 33 and 38 percent.

Looking at the main pressing challenges mentioned above, the extent to which the reform need has been addressed is more or less disappointing. At least 55 percent of the reform need to improve the integration of refugees in the society in general has been met. In terms of tackling precarious employment and in-work poverty, 42 and 33 percent of the respective needs have been addressed. The fact that this is so despite the introduction of a statutory minimum wage at a quite low level might be a sign that the experts see the minimum wage as a necessary, but inadequate policy instrument. For the policy objectives 'safeguard independence of learning success from children's socio-economic background', 'improve labour market access for refugees' and 'address income inequality', the activity rates are about 25 percent. No expert said there were efforts to better integrate refugees within the education system.

Quality While the reform activity wasn't really high in Germany, the experts assessed the overall reform quality positively (0.76, rank 8/20) and slightly better than the average quality in the EU (0.69). This shows that the experts expect the reforms introduced to have a (slightly) positive effect on social inclusion in Germany. Looking at the dimensions, the best quality is seen in the areas Social Cohesion and Non-discrimination (0.89, rank 4/12) and Labour Market Access (0.91, rank 3/17). In the Health (0.70, rank 7/19) and Poverty Prevention (0.49, rank 16/24) dimensions, the expected success of the initiated reforms is slightly lower.

Dimension Findings



Poverty Prevention

Need In Germany, as in other EU member states, some population groups are more likely to become income poor than others. Thus, it comes as no surprise that the experts saw a rather low need to reduce poverty among the total population (1.24) and a comparatively high need to reduce poverty among refugees (2.28, rank 18), the foreign-born population (2.04), single parents (2.15) and children (2.04). The need to reduce poverty among senior citizens is modest (1.69), but many experts expect poverty among older people in Germany to rise significantly in future.

Activity Looking at these specific subgroups, the related activity rates differ quite strongly. The highest activity rate was stated with regard to poverty among children (60%). The respective activity rates for the other groups were much lower, at 35 percent (single parents), 20 percent (refugees) and 12 percent (foreign-born population). The most relevant activity was the introduction of a statutory minimum hourly wage of €8.50, which is seen as a measure to reduce poverty among the total and/or working population. For specific subgroups, very few changes were introduced, including smaller increases in child benefits and increases in tax exemptions for single parents.

Quality For the total population, the experts expect the reforms to have only slightly positive effects (0.36). The respective reform quality for children, single parents and seniors is assessed a little better, with scores between 0.54 and 0.73. For refugees, the experts do not expect any improvement with

regard to poverty. One expert explains: “Due to a 2012 Constitutional Court ruling, the government had to increase benefits, which had been cut in 1993 and frozen ever since. The reform in March 2015 lifted the benefit level to almost the social assistance/unemployment benefit II level. However, as a reaction to populist politics in the wake of the refugee crisis in 2015, the government decided to cut back levels (and/or convert them to in-kind benefits) again in October.” Another expert thinks that the “benefit increase was positive, but cutbacks or transformation into in-kind benefits were a bureaucratic nightmare.”

To reduce poverty in Germany, most experts recommend implementing/raising minimum income levels (for the total population, children and seniors). One expert thinks: “One aspect of necessary reform activities regards the design of minimum income schemes since there is a significant problem of long-term benefit receipt that has been neglected by policymakers so far. In order to bring those beneficiaries closer to the labour market, a stronger link to social services (debt, drug & psycho-social counselling, child care) is necessary, which is mainly an organisational challenge. Moreover, receiving benefits should not be bound to certain conditions of conduct since sanctions have been proved to be ineffective and rather aggravate the risk of poverty.”

Equitable Education

Need As the link between students’ socioeconomic background and learning success is quite strong in Germany (rank 15 in 2015 SJI), all experts see a very strong need (3.0) to address this issue and increase educational mobility. The same urgent need is seen with regard to the integration of refugees within the education system. The reform need to improve the quality of teaching is only modest (1.65). The other three policy objectives (‘ensure equal opportunities’, ‘improve structural conditions’ and ‘reduce early school leavers’) show need rates around 2.0. Interestingly enough, the experts did not see big differences between the reform needs in individual sub-policy objectives (the different stages of education: early childhood, pre-primary etc.) The only exception can be discerned in terms of ‘structural conditions regarding finances and human resources’, where the reform need for early childhood education (2.4) is assessed as being much higher than for the secondary stage of education (1.6). The importance of improving the structural conditions in early childhood education reflects the fact that Germany lags behind many other EU countries in this regard.¹ Concerning educational mobility, one expert believes a change in thinking is necessary: “Education is generally not seen as social policy. This is wrong. The Bildungsideal [educational ideal] looms large. But it’s clear that middle-class kids will get their Bildung [education] anyway, so lots of resources are wasted on them instead of targeting the ones from poorer households, where returns on investment should be so much higher.” Another one recommends “to abandon the current school system with its division into several school types of different quality. A two-tier system would be ideal: Primary school up to the fourth class, and thereafter only comprehensive school from 5th to 12th (or 13th) class, in which children can attain different educational certificates.”

¹ See also the ‘Education’ chapter by Marius R. Busemeyer.

Activity Looking at the policy objectives, all activity rates are below 50 percent: ‘improve the quality of teaching’ (43%), ‘ensure equal opportunities’ (36%), ‘safeguard independence between socioeconomic background and success’ (25%) and ‘improve structural conditions’ (18%). There were no relevant reform activities to reduce the number of early school leavers or improve the integration of refugees within the education systems, according to all experts. Regarding the different stages of education, a political priority for reforms in early childhood education in Germany can be identified.²

✱ Labour Market Access

Need With high employment/low unemployment rates, Germany ranks a respectable 3rd in the 2015 SJI’s Labour Market dimension. Thus, it comes as no surprise that the need to improve access to the labour market for the total population is only mediocre (1.6), while the experts see a significantly more urgent need for specific subgroups within the labour market, such as refugees (2.5), the long-term unemployed (2.4), the low-skilled (2.3) and the foreign-born population (2.2).

An even higher need is seen for tackling precarious employment and in-work poverty (2.71/2.57). One expert describes the situation as follows: “Today, many people in Germany work a lot (in hours) and earn too little = in-work poverty. Many people have more than one job, and unemployment rates are very low. So, the problem – or the challenge – is not to increase employment, but to increase the value that people get from their employment.”

Activity Despite a relatively modest need, the highest activity rates in raising employment levels can be stated for the total population (76%), seniors (46%) and women (45%). In contrast, the activities to raise employment for the above-mentioned ‘problem groups’ have been quite low, with rates ranging between 12 and 33 percent. The activity rates to tackle in-work poverty (33%) and precarious employment (42%) were mediocre, with the implementation of a statutory minimum wage being the most relevant reform implemented in 2015.

Quality The experts expect the reforms implemented in this dimension to have positive effects on Labour Market Access (0.91, rank 3/17). However, with regard to the included policy objectives, the assessments differ strongly. While the measures aimed at improving labour market access are not expected to improve the situation at all (-0.01, rank 18/19), the initiatives to tackle precarious employment are assessed quite positively (1.38, rank 2/12). With regard to the minimum wage, one expert explains: “The minimum wage seems to have been successful so far at the atypical/low end of the labour market. It’s continuing success depends on the good governance of the wage level and the overall economic climate.” Another expert thinks: “I expect the effect to be indifferent. Low-wage earners may profit from a minimum wage. Since poverty refers to the household and not to the individual, in-work poverty may not necessarily be combatted by the introduction of a minimum wage since this depends on the household composition and the labour market positions of the household’s members.”

² See also the ‘Education’ chapter by Marius R. Busemeyer.

 Social Cohesion and Non-discrimination

Need The highest needs for reform in this dimension are seen in reducing income inequality (2.56) and improving integration policies for refugees (2.50). But equally for the other policy objectives of ‘reducing gender inequality’ and ‘reducing the number of young people not in employment, education or training (NEETs)’, the experts see quite high reform needs (2.0).

Activity According to the experts’ assessments, the activity rates in this dimension differ strongly. While the rate in tackling gender inequality is seen as 100 percent, the experts cannot report any relevant reform initiatives to improve integration of the foreign-born population or reduce the number of NEETs. Relevant activities that have been noticed by the experts are the introduction of a women’s quota for the supervisory boards of companies on the DAX index and entitling parents with children aged one year or older to child care, a measure which increases the opportunity for women in particular to take part in the labour market. The activity rates related to the policy objectives ‘reduce income inequality’ (28%) and ‘improve integration of refugees’ (55%) are mediocre. With regard to the latter aspect, one expert reports on the asylum reform in the context of the refugee crisis and mentions the following targets and measures: accelerating the decision-making process and decreasing the number of refugees, having more employees for the immigration ministry, enforcing stricter rules (deterrence of further refugees) and discriminating between real refugees (from Iraq and Syria) and economic migrants (from North Africa). The expert explains that individuals in the latter category were declared to be refugees from ‘safe home countries’, which makes it nearly impossible for them to get asylum rights in Germany.

Another expert observed that “integration policies have been developed and implemented. These policies aim at the acquisition of language skills, housing, employment, health care and registration.”³

Quality The reform activities tackling gender inequality are assumed to have quite positive effects (1.0, rank 2/13). For the area ‘improving the integration of refugees’, the expected success is lower (0.59).

³ Sonja Zmerli, Sciences Po, Grenoble