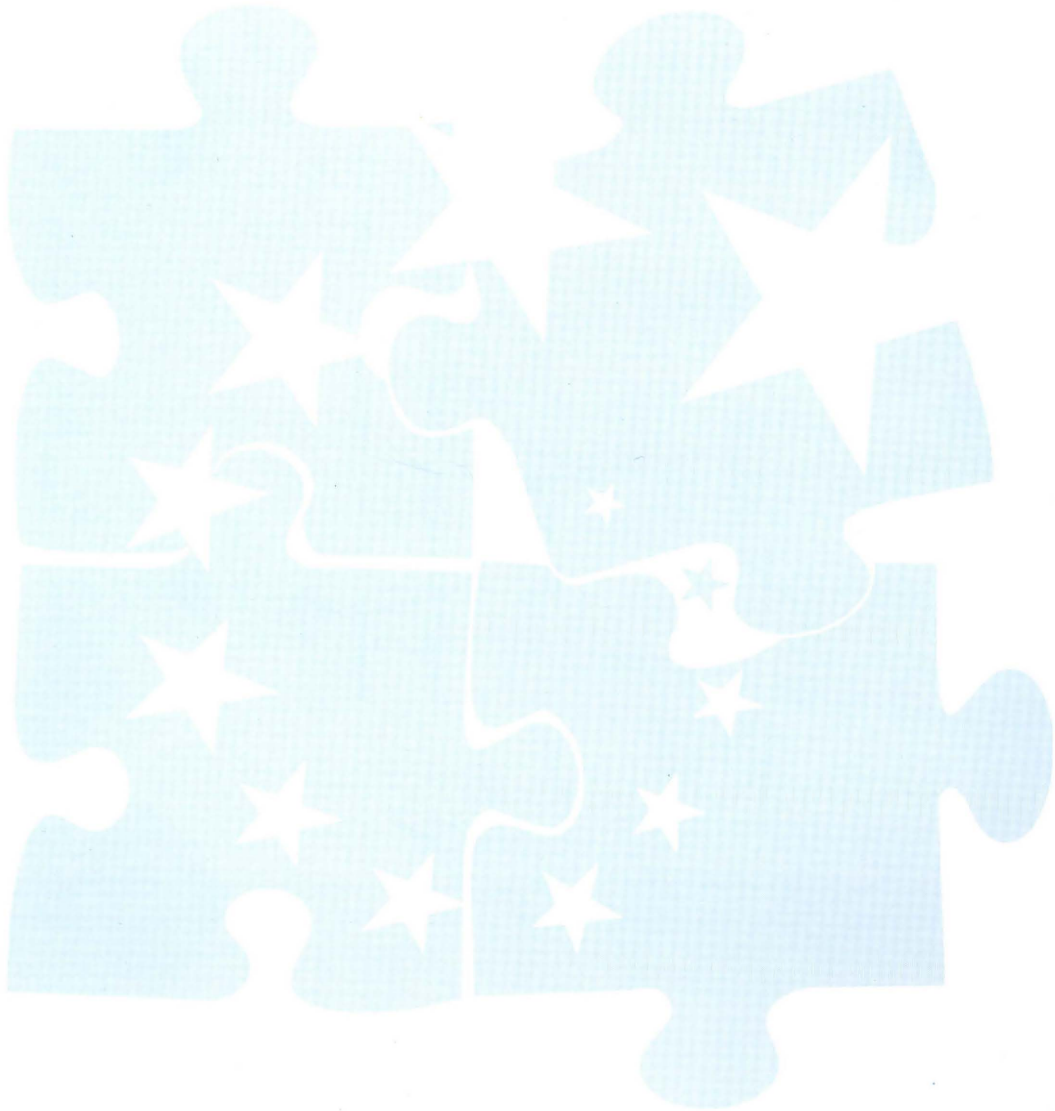




Observatory
on national
policies
to combat
social exclusion

GERMANY



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SOCIAL EXCLUSION
in the
Federal Republic of Germany

Consolidated Report 1990 - 1992

BY

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**EC Observatory on Policies
to Combat Social Exclusion**

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Preliminary note

In 1990 the European Community established the Observatory on Policies to Combat Social Exclusion. German member of the Observatory became at that point Klaus Kortmann of Infratest in Munich. In 1992 I was asked to take over this task. After some preliminary talks also with Klaus Kortmann I agreed in doing so. Hereby I produce the first Annual Report written under my responsibility.

This report follows the reports by Klaus Kortmann and Irmtraud Schneller of 1991. After my appointment to the Observatory on National Policies to Combat Social Exclusion in December 1992 I was able to find colleagues willing to contribute to this report on 1992/93. The chapters 3.2, and 4 have been written by Martin Bellermann, the chapters 3.3 and 3.4 by Walter Hanesch, the chapter 3.5 by Michael Krummacher and finally the chapters 1, 2, 3.1, 3.6 and 5 have been written by me. The coordination and responsibility is with me.

Because of the comparatively short time for working in the 1993 report, it will leave some parts open; the degree of coordination with the structures of the reports from other countries is not yet satisfying, either the printing and the translation was done also under time pressure. Therefore I would like to ask for your understanding.

Bochum, May 1993

Ernst-Ulrich Huster

1. Poverty and social exclusion in Germany

an introduction

Surely not just in Germany had the poverty discussion in social policy taken a negligible role, sometimes no role at all. In the centre there were and still are the big social security systems such as retirement-, accident-, health and unemployment insurances which will provide social benefits, once claims have been acquired and, according to the maxim of casualty, a responsibility of the public welfare agencies is given. Social integration according to this system works by the acquisition of claims by gainful employment. If those conditions are not fulfilled or just partly fulfilled, the person concerned will only be covered by the big social security systems insufficiently or not at all. Casualty and the principle of equivalence dominate mainly the benefit structures of the German social security system. The principle of solidarity just corrects in a limited part. Those benefits regarding their amount are just very small.

It has only been since the beginning of the 70ties that a controversy has begun within the scientific and political public over the amount and structure of social marginalisation within German society. In the mid seventies the former social minister of the Federal State of Rheinland-Pfalz Mr Heiner Geißler (CDU/CSU) developed the prospect of a »new social question« in Germany : The problems of the industrial workers were the subject of the »social question« in the 19th century which have been solved by the labour market connected social security systems. Not covered by this and and their high risk of getting poor not being recognised by society are those people who are not organized and do not have a sufficient conflict- and resistance potential, so Geißler in 1976.

The then social-liberal Federal-Government rejected these considerations and criticized the used definition of poverty as being insufficient. People on welfare were according to the government no »poor« since they got social welfare which was designed to guarantee a life according to the »dignity of a human being«. Because of that, the Federal Government spoke of »battled poverty«.

Although Geißler's figures were too high and some of his accusations against the social policy incorrect, he correctly noted that, although our society has experienced an enormous increase in wealth, the potential of people facing insufficient coverage the social security system has increased with it. When in 1982 the Social-Democrats (SPD) were forced into the opposition, they took up these ideas and related them to the large group of unemployed people who, mainly because of cuts in social benefit legislation, were facing a higher risk of poverty. They created the term »new poverty«, but the conservative-liberal government (CDU/CSU/FDP) rejected these ideas, and denied the relation between the cuts in unemployment benefits and the rise of people on public welfare as well. Looking at the steady increase of people on public welfare in the eighties there is no way even for politicians of denying that there is a higher risk of poverty. Poverty has become a standing term in the political discussion.

The Federal Public Welfare Act (Bundessozialhilfegesetz (BSHG) gives a vital point in the poverty discussion: According to section 5 BSHG, public welfare is given »as soon as the public welfare agencies or other authorized institutions know that the conditions of public welfare are given«. So by law there is no application needed. It is more the welfare agency which is asked to take remedial measures as soon as the subsistence level as defined by the BSHG is reached. This means that as soon as somebody gets beneath a certain amount of income, he is eligible for cash benefits and benefits in kind.

The BSHG follows the resource theoretical approach to combat poverty: Missing primary income will be substituted (aid for the costs of living) or financial aid will be given for social services which the person concerned can not or not fully pay for (e.g. in case of care of disability). Looking at it from that point of view the social welfare statistic becomes very important when discussing poverty. Nevertheless the statistics are always years late. In spring 1993 the preliminary figures for 1991 were published. The »socio-economic panel« gives more up-to-date data additional and partly.

This resource theoretical approach is still important since the lack of sufficient financial means also inflicts disadvantages in other parts of life. In the scientific (Leibfried, Voges (Ed.) 1992) and the academic discussion the »concept of the living condition« has gained more importance: »The questions asked are directed not at the the financial resource which will enable a certain standard of living but at the actual provision of individuals, households or social groups in their vital aspects of life. Such aspects of life are the sections: work, education, housing, health and participation in the social, cultural and political life.« (Döring, Hanesch, Huster (Ed.) 1990: 11). This approach introduced by Gerhard Weisser has only partly been used in the Federal Republic of Germany.

Besides an extensive study, which resulted from a group existing since the beginning of the eighties, called »Poverty and Insufficient Assistance« (Döring, Hanesch, Huster (Ed.) 1990) the German Nondenominational Welfare Association, one of the large welfare organisations, has begun to monitor regularly the exclusion- and poverty process in this society on the basis of this concept (compare »Blätter der Wohlfahrtspflege« 11/1991). In the next amending law to the Federal Public Welfare Act the Federal Government also plans to include the production of such reports.

Quintessence of those works published in science and among experts is now that poverty has multidimensional causes which generally do not occur without a transition if they are results of larger exclusion processes. Because of this it is surely true that the term »social exclusion« brought into the scientific and political discussion by the European Community is more appropriate than just »impoverishment«. On the other hand one has to consider that the term »social exclusion« does not say anything about the different levels of this process meaning that these levels do not state where the level of insufficient assistance is reached at different indicators and what the dropping below those insufficient-assistance levels means. The terms »absolute poverty« and »relative poverty« created in the German poverty discussion do not become obsolete, but should be connected with the process of »social exclusion« within the scientific and expert discussion.

2. Framework for a policy against social exclusion in Germany

The opinion that Germany suffers from great economical and budget problems is widespread within the present political and social debate. Many share the opinion that it is necessary to cut the high wage costs as well as the large costs caused by social transfers in order to gain more possibilities for investments. There is no doubt that the (West-)German economy is not doing very well at the moment. It looks as if the times when Germany was the world's largest exporter or at least one the first three, are over. It also seems that the times for a highly favourable balance of trade, which despite a negative balance of payment still amounted up to 70 billion German Marks, are over. According to politicians the times for large welfare spending is coming to an end. Spending which has been a vital part of the wealth of the Federal Republic of Germany and which has assured that this wealth is also partly given to the less fortunate. By this welfare system poverty risks were lowered.

All these critical and partly pessimistic objections do not take into account that the Federal Republic of Germany is one of the leading economical powers of the world and in western Europe. The Federal Republic of Germany is also one of the richest countries in the world taking the gross national product per working person as an indicator (especially if you consider that the wealth produced still is where it has been produced, and that is in West-Germany), and that this wealth is still distributed very unequally. Looking at the many more structural problems for example which other countries, for example in the European Community and especially in Eastern Europe have to face, it is very important to look at the situation in a very matter-of-fact way while also trying to find out the specifics of the problems and then to bring them into the political debate in order to minimize or even to end social exclusion. But the reality of the years 1992/93 looks different: In the unclear picture of the present policy, tendencies are getting stronger which will have the cut of benefits as a result and which will increase the risk for parts of the population to be endangered by the social risk of social exclusion.

Germany in Europe

The political development since 1989 has brought a turn-about the importance of which is undeniable. The iron curtain created after the Second World War and dividing Europe has come down. The policy of the Conference of Helsinki has been successful, people and opinions have become free, at least in principle. But with the fall of these frontiers new unlimited problems have become obvious:

- In Eastern Europe the traditionally planned economy and distribution structures are gone rapidly without being replaced by new jobs, manufacturing plants and distribution systems which might have filled this void.

Die national governments try to solve this problem in different ways and in the course of which old and new leading groups have become rivals.

- In all of the Eastern European countries the lack of experience in the parliamentary-democratic bargaining process and in the establishing of political parties.

- The validity of human and basic rights are not secured in most of the countries, either.

Those just roughly portrayed aspects, which are widely known, gain importance because they occur in territories and countries where there is a population of different nations and where in the recent decades a strong and planned resettlement policy of enormous size took place. Because of the great economical, social and political problems distribution conflicts are transformed into national conflicts and release the own misery and suffering into hate against the social, ethnical and religious different.

Now that night by night thousands of refugees try to cross the borders from Poland, the Czech Republic and Austria into Germany this is not a short term problem as a result of the barbaric war in the former Yugoslavia, but an early sign of the fact that in many eastern european countries up to now majority and minority problems escalate and that this exodus to the island of wealth is not just towards a better economical situation, but towards the politically stable island of Germany and Western Europe. The motives for their flight cannot be limited to political persecution only, but still it is important. The massive stream of

refugee seekers pouring into Germany - 400.000 people in 1992 - now causes a large number of problems starting with provisional accommodation, starting and conducting of the process of granting refugee status, costs for boarding and care up to questions of possible and necessary integration. Specially the point of immigration has not been considered by the politicians, and a general social consensus has not been created, so that extreme right wing groups as well as adolescents find a scapegoat here where they can release their frustration by the own disintegration and exclusion.

With this priority problem in Germany the systematic connection between social exclusion in Germany and new social exclusion of other people and groups of people who come to Germany becomes obvious (this is also true for German resettlers from Eastern Europe). These problems continue with the break-down of markets in Eastern Europe for the former German Democratic Republic. Either the German policy accepts this development and risks further losses of jobs in East-Germany or it has to keep up the markets in the old COMECON-countries by giving conditional economical aid and it has to continue this for a long time. Related to this are enormous costs which will be even higher with further financial aid. And last but not least the withdrawal of the Commonwealth of Independent-States troops is connected with a guarantee to cover the costs of the withdrawal (e.g. by the building of new houses and barracks). In addition social transfers shall guarantee that Germans in Eastern Europe willing to resettle should think their decision over.

Not only because of its geographical situation the German policy is willing to take on financial and idealistic (advice, other aid) costs. But looking at the situation it seems that there are no other possibilities anyway. As a result of the way these Eastern European problems have escalated it has become important to fight the causes of migration, flight and economical decay. A task which exceeds by far the political and economic potential of Germany and which has to become a harmonized policy of all Western Europe. Because of this, it is vital to consider these aspects while creating a economical and political union in Europe. A failure of this policy will not just have an impact on Germany, but also on all of Western Europe.

Problems as a result of the German reunification

Not regarding whether the Federal Government simply did not see the economical and social problems or whether it glossed them over because of upcoming elections, even a realistic look at the situation would not have been a reason to miss the chance of a possible reunification. On the other side it could not have been overlooked that the prognosis East-Germany will experience the same economical miracle as West-Germany in the fifties is an attempt to bring two totally different conditions together. Important was and still is that the West-German economy in the fifties being affected by the war, destruction and dismantling could participate in the general western European boom whereas as the East-German economy of the July 1st, 1990 had to compete with an economy whose productivity was 20 years in advance. In those 20 years the West-German economy had to undergo a change in structure which despite remarkable financial benefits like social compensation plans, pension funds and unemployment benefits have resulted in an average unemployment of about 1 million people and since the beginning of the eighties in an average of about 2 million people. Additionally the results of long term unemployment were a dramatic increase in social welfare recipients and a change in the structure of the recipients from people who are not yet or not anymore of working age towards people of working age.

chart 1: Structure of employment in West- and East- Germany in 1989

	West-Germany	East-Germany
Agriculture, forestry fishing	4	11
industrial trade	41	50
services trade	55	39

Source: Statistisches Bundesamt; Staatliche Zentralverwaltung für Statistik (DDR)

It had to be clear that the economic and monetary union will force the East-German economic structure to adapt within a short time to the West-German.

This means that jobs, specially within forestry and agriculture and in the manufacturing industry, were lost whereas jobs were created in the service industry. But there are two specialities in East-Germany: On the one hand there was a large state owned »service sector«, but one which was highly »unproductive« and which was no longer political acceptable namely the state supervision of its population and the interior security forces. Here and in other sectors state institution had to be cut down but also new administrations, institutions and organisations also had to be created which were not included in the SED (East-German Socialist Party)-system. Adding to that, there was a total lack of jobs in the private service sector.

The percentage of women in employment was with around 82 % significantly higher than in West-Germany (55 %) and was leading in Europe. This was mainly possible by state benefits in the GDR specially for single parent families.

This is not and can not be the place to discuss the advantages and disadvantages of many of these measures but it is fact that right at the beginning of the reunification not just massive losses of jobs but also drastic changes in the job structures and job requirements took place as well as ecological and infrastructural aspects. To look for useful concepts would already within a closed economical system been extremely difficult but with the open competition with the West-German economy it turned out to disasterous.

Finally, the two social welfare systems in both countries had developed in completely different directions. The social welfare system of the German Democratic Republic was based on the idea of equality and minimum care on a rather low basis (e.g.minimum pensions,independent welfare for women etc.) the West-German system is strongly causal and structured according to the equivalence principle based on the relation wage-benefit. In East-Germany an unemployment insurance did not exist since the right to work was granted by the constitution. The real unemployment was covered by a strongly reduced productivity and an unnecessarily large administration within companies and within state institution themselves. The social welfare system of the GDR has been completely replaced by the West-German one: The labour market policy is delegated to the unemployment insurance, the statutory health insurance funds were either newly established or, if they worked nationwide, extended to East-Germany. Starting from January 1st, 1992 also the agencies of statutory pension insurance cover that part of the country.

The results of these enormous and quickly introduced changes in the economic structure were eased by a social policy mainly consisting of direct transfer payments from the West to the East.The idea of the federal

Governement that these payments would just be a single starting aid was wrong: In reality two thirds of 150 billion German Marks transferred in 1992 from west to east have a consumptive character and are mainly paid by the social welfare agencies and therefor by the employees. Added to that are transfers by the Federal Government.

Surely the high speed of the reunification but also the upcoming elections prohibited that the foreseeable costs of the reunification were financed by an increase in taxes. The costs were instead- as described -covered by the earlier on stabilized social funds of the welfare agencies and by an extraordinary large net raising of credit of the Federal Government. The debts of the Federal Government increased from 920 billion German Marks in 1989 to 1,165 billion Marks in 1992 and are expected to reach a national debt of 2,200 billion marks in 1995. Besides this direct debt of the state one also has to consider the debts of the Treuhand (privatisation agency). And also the Federal States («Bundesländer») in Eastern-Germany as well the states in the western part have because of the unification a higher debt partly because of justified needs but also because of inexperience. Adding to that are large debts of the federal railway and many more.

Germany in a phase of economical recession

In the years 1988/89 many economical indicators showed an upcoming end to business cycle and parallel to the development in other western countries the beginning of a recession but this was eased by the big stream of resettlers which resulted in a higher demand made possible by the spending of tax money and higher debts. This made it possible for Germany to leave the common economic development the world. But this economic impulse was not strong enough to stabilize the economic situation until the USA and the West-European countries have overcome their low. Since the first half of the year 1992 the (West-) German economy has been in a decline: lower tax incomes and social contributions and higher demands for social transfers have led to a high pressure on the community budgets so that now cuts in the social welfare system are openly discussed.

Possibilities for a »solidarity pact«

In this context the establishment of a so called »solidarity pact« is demanded by many. By this an equal sharing of costs between East and West and between the economically stronger and the economically weaker shall be reached. In the discussion opinions are not bound to a political belief. Ideas of the opposition are taken over by the government and also the usually different opinions of the Federal States come together, although they have different ruling parties.

The two main approaches are as followed: Either the industry and those who are financially better off are to be favoured under the condition that they invest in the East. Adding to that wages are to be slower adjusted and social benefits shall be cut down relatively or absolutely. Or the other approach: Those who are better-off shall pay an extra contribution according to their income or corporation tax. By that the social results of the reunification are to be eased. In the focus of both approaches there is the social function of social exclusion: The first one puts emphasis on educational pressure, assuming that low social benefits will increase mobility and willingness to work. The second one has fears, the social and political consequences that if nothing is done those who are affected by the change of the economical structure and are not able to join the labour market will look for »scapegoats« to blame.

There is also the question of which disadvantages and advantages the parties involved think they will have at the future elections. Since in the parliament the CDU/CSU/FDP has the majority but in the »Bundesrat« the federal council the Socialdemocrats have, it is going to be a difficult and uncertain process of forming an opinion. This will certainly mean according to the variety of problems as they were just roughly described an unforeseeable framework for a future policy.

3. Dimensions of social exclusion: stocktaking, political possibilities and initiatives

The Observatory on Policies to Combat Social Exclusion has defined in its work so far indicators which include criteria for social exclusion and by showing fields for political work which might contribute to overcome social exclusion. The Feasibility Study, the reports produced by Klaus Kortmann and Irmtraud Schneller as well as the reports by the other EC-countries obey these indicators although they differ in their presentation. In the following we will try to keep the given indicators up-to-date and show empirically for Germany where there are criteria for social exclusion and to what extent and what the policy does to ease, reverse or strengthen the process of social exclusion. Considering the complexity of the matter it is natural that this can only be done selectively by showing tendencies and not the full variety.

3.1. Income, consumption, social welfare, indebtedness

Financial resources secure participation in the social life. They usually result from participation in working life which provides wages and other incomes. Income is not only important when it comes to make a living but also in case of illness, unemployment and retirement it becomes vital: Considering the pressure of the equivalence principle on sickness benefits, on financial aid of the Employment Promotion Act (AFG) and on retirement funds the former income is still related to benefits in those cases. Who worked longer and earned more gets more benefits now and vice versa.

The volume of financial resources also regulates the fulfillment of basic and other needs. Because of this, the lack of sufficient financial means is significant for social exclusion processes within the society: What are the reasons for this, what does it result in?

Within the German poverty discussion the question is always asked: When is a man poor or what is the financial level from which we can talk about poverty. Out of this discussion the following criteria have developed:

- The Federal Welfare Act gives an intervention level laid out by society when a single person has a right of getting benefits. But there is no agreement whether this level already indicates real poverty or if social benefits are »battled poverty«.
- Very common is also the statement of relative poverty limits. This is mostly congruent with the limits set by the EC according to which somebody is poor whose income is below 50 % of the average household income related to household members.
- Besides the 50 % rule there are other limits talked about in the German discussion which are above the 50 % level but also indicate a condition which is much worse than the average income situation (compare Hauser and others 1981; Krause 1992).

These different poverty levels shall be filled with material in the following for the Federal Republic of Germany but one has to consider that the social statistical data do not always have the same source, are not always comparable and often suffer from a time lag.

3.1.1. Dependency on social welfare in Germany

a) All-Germany 1991

The Federal Social Welfare Statistics are the only source for the number of people who can not keep themselves above the subsistence level as defined in the Federal Public Welfare Act. The statistics show all cases of benefits may they be single, short term, medium term or even long term. The in march 1993 published statistics for the year 1991 show for the first time all-Germany including East-Germany. But since the Federal State Hamburg has not yet published its data the statistics are still incomplete.

chart 2: Recipients of social welfare in Germany 1991

social welfare totall1)	4.055.819
<i>reported</i>	
<i>Hamburg 1990</i>	<i>181.269</i>
social welfare totall2)	4.237.088
of which men2)	1.926.793
of which women2)	2.310.295
seperation between different types of welfare:	
subsistence benefits2)	3.231.342
assist. in critical life situations2)	1.708.019

Source: Statistisches Bundesamt, Sozialhilfe 1991 und 1990

1) not including Hamburg; 2) All-Germany, including Hamburg with the number of the recipients of 1990

In 1991 4,2 million people depended on social welfare. 54,5 % of the recipients were women and 45,5 % were men. The vast majority received subsistence benefits, but the number of recipients of assistance in critical life

situations was also very high. Some receive both, but the the total of the statistics has been cleared of that.

chart 3: Structure of the social welfare recipients in Germany¹⁾ 1991

	in thousands	percentage %
social welfare total	4.056	
aid in critical life situations	1.635	
<i>men</i>	748	45,8
<i>women</i>	887	54,2
subsistence aid (HLU)	3.081	
<i>men</i>	1.434	46,5
<i>women</i>	1.647	53,5
of HLU		
0 - 18 years	1.044	33,9
18 - 25 years	373	12,1
25 - 50 years	1.100	35,7
50 - 60 years	214	6,9
60 - 25 years and older	349	11,3
of HLU		
<i>Germans</i>	2.227	72,3
<i>Foreigners</i>	854	27,7

Source: Statistisches Bundesamt, Sozialhilfe 1991; Germany without Hamburg

Under the condition that the data for Hamburg do not strongly deviate from the trend, chart 2 shows that in All-Germany women are more affected by social welfare than men. This is true for both parts of social welfare. This structural analysis also shows that children and adolescents have a high percentage among the recipients, but that apart from them mainly people between 18 and 60 years of age depend on social welfare. And finally the proportion of foreigners among the number of recipients is more than a quarter in All-Germany.

The relatively high proportion of foreign social welfare recipients can be explained by three developments. Firstly, foreign workers are

overproportionally affected by unemployment. If they are EC-foreigners or come from countries where the European Social Agreement is valid, they cannot be deported with the explanation that they are just in the country to get social benefits. The European Court has strengthened in a recent decision the position of Turkish employees, but this has not yet been accepted by the Federal Government as to be binding (compare *Der Spiegel*, No.2/1993: 16). Secondly, now the time has come that migrant workers go into retirement. Acquired pension rights are very often not enough to make a living. But the large number of foreign social welfare recipients also reflects the increasing stream of refugee seekers in recent years. Once not allowed to work, from July 1st 1991 only allowed under certain conditions they usually depend on social welfare.

b) West-Germany 1973 - 1990

The data presented now concerning social welfare dependency can only be shown for West-Germany, if you consider the historical changes in the East. On the basis of the Federal Public Welfare Act passed in 1961 and effective since 1962 there has been continuous monitoring since 1963. The development until the beginning of the seventies can be neglected since the number of recipients stayed the same and since social welfare legislation lowered the poverty risk. Taking the year 1973 as basis year, it was the last year of full employment, and because of that it is very suitable to show the changes in the reception of benefits.

From 1973 to 1990 the number of recipients of social welfare tripled. The number of women increased 2,5 times whereas the number of men increased even 4 times. In 1973 the relation women - men was 2:1, it has now changed to the disadvantage of men. If one only looks at the number of German recipients, it still clearly shows: Poverty is still mainly a problem of women but men are not as safe as they were in the past.

chart 4: Development of social welfare recipients in West-Germany 1973 - 1990 and 1991¹⁾

	1973	1990	1991 ¹⁾	
	in 1000	in 1000	1973=100	
total of all welfare recipients	918	2.889	314,7	2.717
women	605	1.533	253,4	1.450
men	312	1.356	434,6	1.266
Proportion men:women:	66,0:34,0	53,0:46,9		
Proportion German men:German women.		57,1:42:8		
18 - 60 years old	256	1.632	637,5	1.492
women	184	842	457,6	778
men	73	789	1080	715
18 - 25years old	27	369	1366	326
women	19	189	995	167
men	8	180	2250	159
60 years old or older	349	329	94,3	311

Source: Statistisches Bundesamt, Sozialhilfe; 1) West-Germany without Hamburg

Looking at the development of the age segments shows a dramatic increase of recipients in the general working age: The total number increased 6 times and the number of men even 10 times. Very critical was the development among young adults, their number increased even 13 times: 370.000 young people got into contact with the last net of the social system before they even had had a chance to work regularly. The increase among young men was very dramatic. A decline is visible in the seventies and eighties among the elderly. Especially the 1972 introduced »minimum pension based on assumed minimum income « gives especially women with a low income and related to that a low pension a better situation. The general development of pension levels also reduced the dependencies on social welfare among the elderly. Since the mid-eighties this number is rising again.

chart 5: Recipients of subsistence benefits of the age between 18 - 25
1973 - 1990 and 1991)

	1973	1980	1985	1990 ¹⁾	1991 ²⁾
		in 1000			
total				373.389	
in former West-					
Germany	27.397	129.862	293.558	368.643	
<i>Index 1985 = 100</i>	9,3	44,2	100	125,6	
of which female	19.352	68.229	160.187	188.747	
<i>Index 1985 = 100</i>	12,0	42,6	100	117,8	
of which male	8.045	61.633	133.371	179.896	
<i>Index 1985 = 100</i>	6,0	46,2	100	134,8	
of which German			237.590	241.381	231.204
<i>Index 1980 = 100</i>			100	101,6	
of which foreigners			55.968	127.262	142.185
<i>Index 1980 = 100</i>			100	227,4	

Source: Statistisches Bundesamt; 1) former West-Germany; 2) Germany without Hamburg

Specially social welfare received by young adults is, from the social policy point of view very dangerous, even more so if you consider a policy against social exclusion: Young people do not experience the positive socialisation by work, but have to experience subsistence benefits. Because of high unemployment people are obviously pushed into social welfare who do not have any chance to get a proper job training or/and a job.

With 27.397 this group of people was a quantité négligeable in 1973. In 1991 there were 373.000 of them in Germany (except Hamburg). Whereas this development has been eased a little since the mid-eighties, the number of foreign recipients has more than doubled between 1985 and 1990. In 1991 another increase was monitored. The reasons listed above for dependency on social welfare were even more valid here: Especially young foreigners of the 2nd and 3rd generation found it very difficult to find job training in the eighties because of the small market for job training and later for jobs. It is also a fact that refugee seekers are mainly young men.

While the proportion of women and men receiving social benefits levels by now, without saying that the structural differences of poverty among men and women do not longer exist, it still shows in the age-segment of those over sixty: Poverty is female. Among men the pension which is strongly related to the former wage is mostly enough to make a living which is above the social welfare level. Women now over sixty usually show a traditional female

biography where there are large gaps in the contribution to the pension fund because of the education of the children. They mainly depend, in case of the death of partner, on the widow's pension. This widow's pension is usually just 60 % of the old pension. Specially the recipients over seventy are almost only women. This also is depending to the higher life expectation of women in Germany.

chart 6: Recipients of social welfare over sixty years of age and older in 1990 in West-Germany

	60 - 70 y.	70 y. and older
social welfare total	220.347	493.845
of which men	86.998	91.086
of which women	133.349	402.759
subsistence		
aid	152.193	176.313
of which men	56.318	33.227
of which women	95.875	143.086
<i>proportion</i>		
<i>men:women</i>	37,0:63,0	18,8:81,2
assistance in critical life		
situations	96.082	363.429
of which men	41.824	66.383
of which women	54.258	297.046
<i>proportion</i>		
<i>men:women</i>	43,5:56,5	18,3:81,7

Source: Statistisches Bundesamt

The assistance in critical life situations mainly cover costs for care: Women mainly care first for their husbands and then need, if no family help -usually again the daughters and daughters-in-law- is available, help from e.g. institutional services. Since there is no nursing insurance in Germany -plans and decisions by the government do already exist- these women depend on social welfare benefits since the costs for a place in a nursing home are many times higher than their actual pension.

chart 7: Households of recipients of subsistence benefits in 1991 according to the main reason of aid and household type

household type	households of households parts total	main reason for benefit							
		illness	death of the breadwinner	lack of the breadwinner	uneconomical behaviour	unemployment	insufficient rights to claim insurance money	insufficient income	other reasons
out of institutions		GGR							
EINZELNE HAUSHALTSVORSTAEUNDE									
MAENNER	364 838	20 159	6 224	880	3 366	155 500	17 705	9 818	157 186
FRAEUNEN	312 676	23 427	6 391	29 532	1 029	70 910	95 124	17 466	68 797
SONSTIGE EINZELNE HILFEMPFAENGER									
MAENNLICH	118 429	12 777	481	11 078	941	37 355	2 215	5 852	47 730
WEIBLICH	105 827	12 351	963	14 640	323	18 414	8 347	5 857	44 932
EHEPAARE OHNE KINDER	83 742	4 704	-	334	274	26 863	18 805	4 158	28 564
EHEPAARE MIT KIND(ERN)									
MIT 1 KIND	163 789	3 941	-	1 753	680	74 205	4 519	16 168	62 523
MIT 2 KINDERN	56 672	1 656	-	569	239	26 954	2 306	5 818	19 130
MIT 3 UND MEHR KINDERN	55 646	1 245	-	590	230	26 471	1 225	5 735	20 146
MIT 3 UND MEHR KINDERN	51 472	1 040	-	554	211	20 780	985	4 615	23 247
HAUSHALTSVORSTAEUNDE MIT KIND(ERN)									
MAENNER MIT KIND(ERN)	10 232	333	34	810	50	3 500	361	832	3 912
MIT 1 KIND	5 747	243	15	372	32	2 339	233	414	2 039
MIT 2 KINDERN	6 874	65	13	297	11	1 058	83	298	1 049
MIT 3 UND MEHR KINDERN	1 611	25	6	141	7	503	45	120	764
FRAEUNEN MIT KIND(ERN)	240 327	2 417	2 203	82 270	510	34 354	3 622	27 883	87 068
MIT 1 KIND	137 242	1 758	1 035	39 726	279	23 585	2 622	16 187	52 250
MIT 2 KINDERN	72 483	517	724	29 193	158	8 265	912	9 838	23 776
MIT 3 UND MEHR KINDERN	30 602	142	384	13 351	73	2 504	348	2 758	11 042
SONSTIGE HAUSHALTE MIT 2 PERSONEN OHNE KINDER	40 831	1 007	259	7 816	156	6 484	1 841	2 191	21 077
MIT KIND(ERN)	19 454	824	138	1 811	107	5 048	1 658	1 808	8 560
MIT KIND(ERN)	21 377	183	121	6 005	49	1 436	183	683	12 517
SONSTIGE HAUSHALTE MIT 3 UND MEHR PERSONEN OHNE KINDER	35 543	522	107	4 479	116	8 284	918	2 654	18 463
MIT KIND(ERN)	5 853	160	18	505	12	1 447	381	2 289	3 041
MIT KIND(ERN)	29 690	362	89	3 974	104	6 837	537	2 365	15 422
ZUSAMMEN	1 476 234	81 638	10 662	153 592	7 445	436 269	153 457	92 919	540 252
in institutions	64 979	5 396	218	446	83	3 407	32 267	1 184	21 978
INSGESAMT 1)	1 539 411	86 854	10 872	153 884	7 524	439 145	185 499	94 044	561 589
out of institutions		percentage							
EINZELNE HAUSHALTSVORSTAEUNDE									
MAENNER	100	5,5	0,1	0,2	0,9	42,6	4,9	2,7	43,1
FRAEUNEN	100	7,5	2,0	9,4	0,3	22,7	30,4	5,8	22,0
SONSTIGE EINZELNE HILFEMPFAENGER									
MAENNLICH	100	10,8	0,4	9,4	0,8	31,5	1,9	4,9	40,3
WEIBLICH	100	11,7	0,9	13,8	0,3	17,4	7,9	5,5	42,5
EHEPAARE OHNE KINDER	100	5,6	-	0,4	0,3	32,1	22,5	5,0	34,1
EHEPAARE MIT KIND(ERN)									
MIT 1 KIND	100	2,4	-	1,1	0,4	45,3	2,8	9,9	38,2
MIT 2 KINDERN	100	2,9	-	1,0	0,4	47,6	4,1	10,3	33,8
MIT 3 UND MEHR KINDERN	100	2,2	-	1,1	0,4	47,6	2,2	10,3	36,2
MIT 3 UND MEHR KINDERN	100	2,0	-	1,2	0,4	40,4	1,9	9,0	45,2
HAUSHALTSVORSTAEUNDE MIT KIND(ERN)									
MAENNER MIT KIND(ERN)	100	3,3	0,3	7,9	0,5	38,1	3,5	8,1	38,2
MIT 1 KIND	100	4,2	0,3	6,5	0,6	40,7	4,1	7,2	36,5
MIT 2 KINDERN	100	2,3	0,5	10,3	0,4	36,8	2,9	10,4	47,4
MIT 3 UND MEHR KINDERN	100	1,6	0,8	8,9	0,4	31,2	2,8	9,4	47,4
FRAEUNEN MIT KIND(ERN)	100	1,0	0,9	34,2	0,2	14,3	1,6	11,6	38,2
MIT 1 KIND	100	1,3	0,8	28,9	0,2	17,2	1,7	11,8	38,1
MIT 2 KINDERN	100	0,7	1,0	40,3	0,2	11,4	1,3	12,3	32,8
MIT 3 UND MEHR KINDERN	100	0,5	1,3	43,6	0,2	9,2	1,1	9,0	38,1
SONSTIGE HAUSHALTE MIT 2 PERSONEN OHNE KINDER	100	2,5	0,5	19,1	0,4	15,9	4,5	5,4	51,8
MIT KIND(ERN)	100	4,2	0,7	9,3	0,6	25,9	8,5	6,7	44,0
MIT KIND(ERN)	100	0,9	0,6	28,1	0,2	6,7	0,9	4,1	58,6
SONSTIGE HAUSHALTE MIT 3 UND MEHR PERSONEN OHNE KINDER	100	1,5	0,3	12,8	0,3	23,3	2,6	7,5	51,9
MIT KIND(ERN)	100	2,7	0,3	8,8	0,2	24,7	6,5	4,9	52,0
MIT KIND(ERN)	100	1,2	0,3	13,4	0,4	23,0	1,8	8,0	51,9
ZUSAMMEN	100	5,5	0,7	10,4	0,5	29,6	10,4	6,3	35,6
in institutions	100	8,3	0,3	0,7	0,1	5,2	49,7	1,8	33,8
INSGESAMT 1)	100	5,6	0,7	10,0	0,5	29,5	12,0	6,1	35,5

Quelle: Statistisches Bundesamt; *) Haushalte, die Hilfe auBerhalb und in Einrichtungen erhalten haben, wurden bei jeder Einrichtungsart gezählt; 1) Haushalte, die Hilfe auBerhalb und in Einrichtungen erhalten haben, wurden in der Summe nur einmal gezählt; 2) altes Bundesgebiet ohne Hamburg

Chart 7 gives information about the reasons for aid and household types. Of the reasons outside of institutions unemployment is with 29,6 % the most important one. This is true for most of the household types. But it is doubtful if an unemployment proportion of one-third reflects the real impact of unemployment. The categories »illness« , »loss of the breadwinner« , »insufficient rights for benefit claims« as well as »insufficient income« also often reflect the direct and indirect results of unemployment and the present situation of the labour market.

Looking at the household types one is struck firstly by the high number of single households and that is for men and women followed by the mother-children families. And finally, the third largest sector of social welfare recipients is couples with children. With single male households and couples with children unemployment is in over 40 % of the cases the reason for benefits. With single women households insufficient rights for claim are more important than unemployment, a proof for the insufficient financial security for old age. With single women the loss of the bread-winner is also important: Especially here and with older women structural differences between men and women concerning social exclusion and poverty become obvious: Among men poverty is often a result of the present situation on the labourmarket, women, on the contrary, have either because of their past biography or because of their present engagement with child-education and care which do not give them the opportunity to acquire an income of their own which is above the social benefit level and related to that rights to claim pensions partly also because of the still existing wage-discrimination of women. In comparison to single women there are only few single men depending on social benefits if they are mainly due to unemployment or »other reasons« as shown on the chart.

c) Reception of social welfare in East-Germany

For the first time data of the social welfare dependency in East-Germany is available. Former data was not comparable since a lot of extra agreements - which will be described later- were in power in the time of the transition from the GDR towards a social and economical union. These agreements resulted in a low dependency on social welfare in East-Germany at that time . For the year of 1991 one can see the following picture:

chart 8: Structure of the social welfare recipients in East-Germany in 1991

		percentage
social welfare recipients	488.794	100
<i>of which men</i>	206.586	42,3
<i>of which women</i>	282.208	57,7
aid in critical.life sit.	167.372	100
<i>of which men</i>	54.711	32,7
<i>of which women</i>	112.661	67,3
subsistence aid	363.780	100
<i>of which men</i>	167.557	46,1
<i>of which women</i>	196.223	53,1
<i>..of which Germans</i>	344.131	94,6
<i>of which foreigners</i>	19.649	5,4
<i>of which 0 - 18 years old</i>	130.647	35,9
<i>of which 18 - 25 years old</i>	47.576	13,1
<i>of which 25 - 50 years old</i>	124.061	34,1
<i>of which 50 - 60 years old</i>	23.243	6,4
<i>of which 60 years and older</i>	38.258	10,5

Source: Statistisches Bundesamt

The presented stratification shows that the structure of social welfare recipients has adjusted quickly to the structure of West-Germany: Women are represented overproportionately, but the number of men has adjusted to the all-German picture. The age-stratification also shows the West-German trend for 1991. Two major differences are obvious. Firstly the number of women in East-Germany receiving assistance in critical life situations is much higher than it is in West-Germany. Two-thirds of the women receiving assistance in critical life situations get assistance for nursing. Here the lack of a nursing insurance has a very great impact.

Secondly the proportion of foreign recipients is much smaller than in West-Germany. This is due to the fact that the number of migrant workers and their families is much smaller than it is in West-Germany. And also the number of refugee-seekers in East-Germany also seemed to be smaller in 1991, but this has changed by now.

If we summarize: Social welfare dependency is not a sufficient indicator for processes of social exclusion, but still it is a necessary one. In reality the

number of people needing assistance has increased enormously since 1973 and the relatively short development of the creation of the social and economic union in Germany as of July 1st 1990 brought East-Germany the same process of exclusion whose end has not yet been reached.

d) Reform of the Federal Public Welfare Act (BSHG)

In the Federal Republic of Germany the need for a reform of the BSHG has been discussed for some time. In 1992 these plans have been precised by a draft of the Federal Ministry for Families and Senior Citizens (BMFuS). According to this the BSHG should include more preventive elements such as a right to counselling not regarding the income and assets. The agencies of social assistance should direct more people to special counselling centres which also include debt counselling. In this context it is also planned that to make it easier to take rent debts over. In the future the justice institutions are to report to the agencies of social assistance about upcoming action for eviction. It also should become possible for the local social services department to take over the voluntary contributions to a health insurance. And finally further education and retraining if they are not yet covered by the Employment Promotion Act shall be supported in order to strengthen the self-help powers of the people concerned. The principle that everybody who is able to work should use his/her workforce will be a part in this reform. It is planned to establish an Institute for Social Assistance- and Life Situation Research with the order to produce a yearly social assistance report (compare NDV 2/1992: 41; Arbeitspapier des BMFuS vom 20.01.1992; NDV 10/1992: 308).

The expert-public has received this initiative by the Federal Government positively, but other demands have also been reinforced for example by the German Caritas Federation »to give people benefits out of social benefit systems which have precedence over social welfare, and that those systems already secure a living standard above the subsistence level so that these people do not need welfare.« (NDV 1/1993: 16). This was rejected by the government and its parties. A motion by the oppositional Social-Democrats to introduce a minimum-pension was rejected in committee meetings of the parliament (compare NDV 2/1993: 62). The reform process of the BSHG has not yet gone beyond this draft. In the context of the »solidarity pact« there some parts of the planned reform into the BSHG shall be introduced.

A contribution of a special kind to the reform of the BSHG has been made by the Federal Constitutional Court in Karlsruhe with its decision that the tax-free-income of 5.660 DM for singles and 11.232 DM for couples is too low, since it is under subsistence level of the social welfare. This concerns future social welfare since now all taxpayers are interested in a higher tax-free-income, and related to that is a higher level of social welfare benefits. While in 1993 a preliminary regulation became effective which is to pay respect to the decision of Germany's highest court decision, we still have to wait for final reform of tax legislation (compare NDV 2/1993: 63).

3.1.2. The potential of people in poverty in Germany

Even if one accepts the social welfare subsistence level as poverty line or if one understands the situation of a social welfare recipient as »battled poverty« it is a fact that in the Federal Republic of Germany not all who are eligible for social welfare apply for it. Since the study of Helmut Hartmann on »The estimated number of unknown cases of poverty« (1981) there has not been any up-to-date study on the number of not taken chances of retaining social welfare. The reasons for not retaining social welfare although one has a right to it were already presented in Klaus Kortmann and Irmtraud Schneller's annual report of 1991: missing knowledge about own rights, shy about institutions, timid that their own children will have to help etc. (Kortmann and Schneller 1991: 30). A regional study by Klaus Lompe confirms that only 50 % of those eligible for social welfare claim their rights at the local social services department (1986). In the meantime there are many points against the 50 % theory such as: Not only because of unemployment the reasons for not claiming social benefits declined and the contacts with job centers have also helped to minimize the shy against institutions. On the basis of a spot check on income and consumption Hauser and others found out in 1983 that 70 % of those eligible for social welfare claimed their right. Among people over 65 there are just 42,9 % who claim their rights, and of these only 28,8 % of the men claim it (women 48,2 %) (Semrau 1990: 118).

On the basis of the Socio-economic Panel which has produced reports on private households since 1984 the number of people affected by poverty in the Federal Republic of Germany, whether they get social benefits or not, is like this:

chart 9: Proportion of people affected by poverty in East- and West-Germany according to different subsistence levels: 1984 - 1992

	West			East		
	relative 40 percent.	poverty 50 percent.	60 percent.	relative 40 percent.	poverty 50 percent.	60 percent.
in Prozent						
1984	3,4	7,3	14,2	-	-	-
1985	3,3	8,0	14,4	-	-	-
1986	2,7	7,0	13,4	-	-	-
1987	2,7	7,0	13,3	-	-	-
1988	3,7	6,5	14,4	-	-	-
1989	3,0	7,2	13,6	-	-	-
1990	2,3	6,3	12,9	0,6	2,4	7,9
1991	2,7	6,0	12,1	1,9	3,7	9,6
1992*	-	-	-	1,8	5,6	13,1

Source: Krause 1992: 9; SOEP; *temporary dates

These data are not simply compatible since for example the Socio-economic Panel does not cover the people who live in a home, people who are not questioning and people in unusual working-, living-, and housing- conditions. Since there are already 150.000 homeless persons and 500.000 vagrants, the real number of those who are affected is definitely higher.

However: Approx. 6% of the population in West-Germany in 1991 lived under the 50%-poverty-line, 12% under the 60%-poverty-line. If one takes the data of chart 8 and what has been said before about the social welfare statistics a contradiction becomes obvious: While the number of recipients according to the social welfare statistics has risen steadily in the eighties, the proportion of people in poverty related to the total population has declined slightly. Since there has not been not any improvement of social welfare concerning the BSHG during that time the explanation must be that the number of people not covered by the Panel, but who are surely recipients, must have risen. The social welfare statistics also cover the number of demands not regarding how long or how often someone gets social welfare whereas the Panel-study just has a set group of people and follows up their development. This interpretation is hardened by the Panel itself.

According to chart 9 86,9% of the population never got under the 40% poverty-line between 1984 and 1991, 77,3% never under the 50% and 64% never slipped under the 60%-poverty-line. The other way around: In this timeperiod 36% of the population had once or more often to live with less than 60%, 23% with less than 50% and still 13,1% with less than 40% of the average household income. In approx. half of the cases the poverty line is crossed but once, but still 5,4% of the total population fall 4 - 8 times beneath this line. Many households hover around this line. If they are above the line this does not change much for the total condition of the population but if they are under it and receive social welfare, it changes the picture .

chart 10: Lenght of poverty in West-Germany 1984 - 1991

	kumulative frequency of poverty periods (in percentage)						
	total population				of which are poor		
	0x	1x	2-3x	4-8x	1x	2-3x	4-8x
<i>40 % - level</i>							
population (total)	86,9	7,6	3,5	2,0	58,0	26,7	15,3
84 = not poor	90,7	5,9	2,4	1,0	63,4	25,8	10,8
84 = poor					45,6	27,5	27,0
<i>50 % - level</i>							
population (total)	77,3	10,8	6,5	5,4	47,6	28,6	23,8
84 = not poor	84,0	9,4	4,6	2,1	58,8	28,8	13,1
84 = poor					26,8	28,6	44,7
<i>60 % - level</i>							
population (total)	64,0	13,0	10,0	13,0	36,1	27,8	36,1
84 = not poor	76,1	11,3	7,9	4,8	47,3	33,1	20,1
84 = poor					22,3	21,2	56,5

Source: Krause 1992:10; datas SOEP

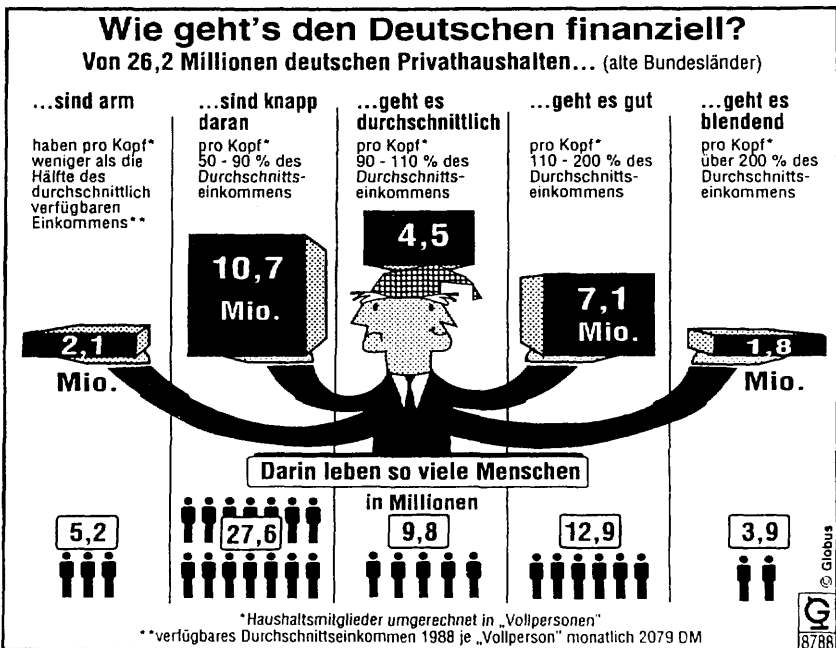
The duration of the state of poverty is measured by the frequency a person falls into this state during the time of observation.

Still looking at the Socio-economic Panel one finds a higher poverty risk among children under 15, foreigners, people without a school degree or just with an elementary school degree, divorced people and especially among unemployed people. Among those people there is also the peaknumber of the frequency of poverty (Krause 1992: 12f.). The likeliness of slipping again under the poverty-line increases with poverty: Of those households living slightly above the poverty-line every second remained in this income position, just 25 %

could improve their situation towards a save position above the poverty-line and another quarter remains in the transition area between poverty and non-poverty (DIW WB 32/1991).

The controversy within scientific discussion about the time and different types of social welfare recipients shall not be laid out in detail. Detailed analysis like the Bremen based project »Social-welfare-careers« show that among the recipients we find great fluctuation especially if unemployment is the reason, other reasons like divorce etc. cause longer dependency. Since a lot of people live around the social-welfare-level even small changes can decide in whether social welfare becomes necessary or not. The already mentioned reform of social welfare will also bring a reform of the social welfare statistics. One has to wait if more detailed figures will be used to fight more effectively against social exclusion or if we will see the same process of recent years concerning unemployment statistics, that the number of people in need seems to decline at first sight but that the process of social exclusion has not been stopped (compare Ludwig 1992: 359ff.; Busch-Geertsema and Ruhstrat 1992: 366ff.; Buhr, Ludwig, Leibfried 1992: 215 ff.).

diagram 1: How are the Germans financially off?



Social exclusion and poverty happen in a rich society. The Federal Republic of Germany is one of the richest countries in the world if you count the GNP per head. This is even true after the reunification, but the wealth is still where it has been produced and that is in West-Germany. Therefore, finally, a look at a rough structure of the available household-income in West-Germany in 1988. This graphic has been produced on the basis of calculations of the German Institute of Economy-Research Berlin and has been recalculated according to equivalence numbers: According to this 2,1 million households with 5,2 million people live under the subsistence level set by the EC, whereas 1,8 million households with 3,9 million people get more than double of the average income.

This graphic shows clearly the social polarization in West-Germany as it already was before the reunification (Huster (Hg.) 1993).

3.1.3. Income and social exclusion

a) In West-Germany

In 1990 the European Commission represented by the Generaldirection V decided to get a survey on »low« income in the countries of the EC. Its basis is a »standard-income« which is 100%. Those 100% are the average gross income of all full-time employees. The Federal Republic of Germany does not have a minimum wage. A minimum-income is just guaranteed by social welfare, which has to be by law below the lowest income-group. The study initiated by the EC for Germany shows that in 1986 6,4% (= 1,1 million people) had an income which was below the 50%-level, 13,3% (= 2,3 million people) have less than 66% and 26,5% (= 4,2 million people) have less than 80% of the average income. If one goes more into detail it becomes obvious that specially women, younger employees, people with a lower school degree, employees over 60, jobs within the agricultural sector, in the service sector and in 11 other branches of the economy are more frequently affected by unjust wage discrimination. And there is more: 80% of those who get low wages are women, so low wages are mainly a female problem in the Federal Republic of Germany. This study for the EC just considers fulltime employment. Not considered is so-called minor employment which does not have to contribute to the social insurance or tries to avoid it. If we also take this group into account, we will get more than 1,1

million mentioned above whose wage is unjust because of discrimination. A question which also has to be asked is if this wage is the only income of a household (e.g. in case of singles or single-parent families) or if there are other financial resources. While the latter is surely unacceptable from a feminist viewpoint, the first point, the dependency of a household on such a low income, is definitely a big step towards social exclusion and poverty (Schäfer 1991)

chart 11: Extent of poverty in West- and East-Germany according to different incomes and rent expenses

	West			East		
	1984	1987	1991	1990	1991	1992 1)
<i>HH equivalence income</i>						
total popul. (DM)	1 257	1 407	1 702	764	918	1 130
poor (DM)	426	509	612	323	358	478
poor/total (percent.)	33,9	36,2	36,0	42,3	39,0	42,3
<i>income</i>						
total popul. (DM)	1 791	1 921	2 278	936	1 178	1 511
poor /DM)	1 070	1 075	1 350	705	846	932
poor/total (percent.)	59,7	56,0	59,3	75,3	71,8	61,7
<i>pension</i>						
total popul. (DM)	1 271	1 326	1 480	518	676	842
poor (DM)	630	654	644	367	612	677
poor/total (percent.)	49,6	49,3	43,5	70,8	90,5	80,4
<i>rent</i>						
total popul. (DM)	454	486	589	62	75	298
poor (DM)	366	421	519	49	71	264
poor/total (percent.)	80,6	86,6	88,1	79,0	94,7	88,6
<i>rent pressure 2)</i>						
total popul. (DM)	20,7	20,4	21,1	4,2	4,1	13,4
poor (DM)	32,5	31,8	33,0	7,5	9,8	23,1

Source: Krause 1992:11; datas SOEP;

1) temporary data; 2) rent/ netto income of a household; housing benefit is included in the household income

Recent data of the Socio-economic Panel shall complete this thought. Taking the number of people in a household and their age and then the recalculated

equivalence-income, it becomes obvious that in West-Germany in 1991 poverty-households got 60% of the average-income which usually is earned. Among pensioners it is just 43,5%. If you take the average income of the population these households just get 36% of it. But major expenses like rent are just as high as they are for the average population, so that the pressure is incomparably higher on them than on the average population. In East-Germany just a few months after the economic and social union the picture looks the same with two major differences: The pension-level is much better here and the costs for rent are still much lower, but this has changed as of January 1st, 1993 and has beenadjusted to the West-German standard. (Krause 1992: 10f).

b) In East-Germany

The situation described above in East-Germany after the creation of the economic and social union has had immediate results for the income development. If you look at it and connect income with productivity there is a big difference to the West-German income level. This has the consequence that many young workers -specially the well trained and healthy ones- will leave the East and look for a job in the West. This means that well trained and skilled workers necessary for the economic growth in the East are missing. If incomes grow faster than productivity it is going to be very tough for the economy. If the companies are still under the control of the Treuhand it will have to finance this gap with the taxpayers' money. Private companies would in case of such demands challenged in different ways or even be threatened.

As one can see in chart 9 the average wage in East-Germany grew from 936 DM in 1990 to 1.511 DM in 1992 (+61,4%). This is 66,3% of the West-German average. The productivity in East-Germany is at the moment at 39% of the west-german. But one can also see differences in the wage-structure. Whereas newly founded companies mainly employ young people and pay them a better wage, other branches, where the future is still uncertain, pay lower wages since it is not foreseeable if the company will continue to exist or may go under.

Considering this the wages do not give the whole picture of the income-situation in East-Germany. The Federal Statistic Office gives the number of 200 billion Marks as available household income for 1991. 87,8 billion of them were transfer-payments from the West. (Schäfer 1992: 634). It was and still is a social policy aiming at levelling social differences which causes such high

transfer payment to the East to prevent its sliding into poverty during the transition period. They mainly consist out:

- a. subsidies for short-time working even if future employment is not very likely (changed in the meantime);
- b. additional money for unemployment benefit and relief (up to 495 DM, first over the social benefit level now around that level);
- c. transition-agreements for early retirement;
- d. additional benefits for pension-payments which now guarantee a pension of 600 DM for singles and 900 DM for married couples;
- e. additional payments which were necessary because of claims based on the East-German pension system which have to be fulfilled and will slowly come to an end (Bäcker 1992).

All these payments which cannot be financed by East-German contributions to the social insurance since the wages are still relatively low and just 50% of the people able to work are employed, have to come from the West either as solidarity balance between East and West or by extra social insurance fees or higher taxes.

3.1.4. Consumption

The income either from work or transfers is the main source for the fulfillment of needs. These are partly basic needs. The larger the part of the income is one spends on them, the less there is over for other further needs. But even concerning basic needs there are differences how to fulfill them. The direct link between income and the ability to fulfill needs is a very important dimension of social exclusion.

Households with a low income need almost their whole net-income for private consumption whereas rich households just spend 50% although their standard of living is much higher. The contrasting picture is presented when it comes to savings. Households with a low income cannot save money. Usually

chart 12: Spending of income of private households 1) 1988 per household and month result of the Einkommens- und Verbrauch .. sstichprobe (EVS)

point of provement	of which were used for							
	income and earnings to spend 2)		private expenditure		other expenditures 3)		savings	
	DM	%	DM	%	DM	%	DM	%
households (total)	3 941	2 924	74,2	546	13,9	471	12	
	monthly	net-income						
from ...to under ...DM	(1 008)	(954)	(94,6)	(74)	(7,4)	(-20)	(-2,0)	
under 1 200	1 401	1 298	92,7	98	6,9	5	0,4	
1 200 - 1 600	1 910	1 638	85,8	237	12,4	35	1,8	
1 600 - 2 000	2 298	1 992	86,7	248	10,8	58	2,5	
2 000 - 2 500	2 902	2 430	83,7	323	11,1	150	5,2	
2 500 - 3 000	3 354	2 673	79,7	451	13,5	229	6,8	
3 000 - 3 500	3 843	2 977	77,5	469	12,2	397	10,3	
3 500 - 4 000	4 679	3 609	77,1	584	12,5	485	10,4	
4 000 - 5 000	6 838	4 631	67,7	1 135	16,6	1 072	15,7	
5 000 - 10 000	13 585	6 981	51,4	2 526	18,6	4 078	30,0	
10 000 - 25 000								

source: Härtel, in: WISTA 9/1992: 662

1) without households of foreigners, without households with a monthly net-income of 25.000 and more and without persons in a collective home and without households of unemployed persons

2) including statistical difference

3) for example: insurance, interests, incl. statistical difference

chart 13: Structure of the expenditures of the private households 1) 1989 pro household and month
 result of the Einkommens- und Verbrauchsstichprobe
 percentage

point of provement	of which were used for										according to goods	
	private consumption	food, semi-luxury	clothing, shoes	rent or similar ²⁾	energy	other goods	health and body care	traffic, communication	education, entertainment	personal belongings	longlasting goods	services ³⁾
households (total)	100	22,3	8,3	19,3	6,0	8,8	4,8	16	9,8	4,8	14,1	32,2
from ... to under ... DM												
unter 1 200	100	(22,4)	(6,9)	(32,4)	(10,3)	(5,7)	(3,4)	(8,5)	(6,0)	(1,4)	(4,3)	(44,4)
1 200 - 1 600	100	24,0	6,9	30,9	9,1	6,5	3,8	8,7	8,1	2,0	4,1	42,6
1 600 - 2 000	100	23,4	7,9	23,6	8,3	7,6	4,3	11,1	9,8	4,0	7,5	36,7
2 000 - 2 500	100	23,9	7,6	21,4	7,5	8,1	4,4	14,5	8,8	3,9	11,1	33,3
2 500 - 3 000	100	23,9	7,9	19,9	6,6	8,7	4,4	15,1	9,0	4,5	12,5	31,7
3 000 - 3 500	100	23,4	8,4	19,4	6,6	8,3	5,1	15,3	9,0	4,5	12,3	32,4
3 500 - 4 000	100	23,2	8,0	19,2	6,1	9,1	4,0	16,7	9,9	3,8	15,3	30,0
4 000 - 5 000	100	22,6	8,6	17,7	5,5	8,9	5,4	16,8	9,9	4,8	15,4	30,3
5 000 - 10 000	100	21,0	8,6	17,5	4,9	9,5	5,2	17,7	10,3	5,4	16,3	31,2
10 000 - 25 000	100	19,0	9,1	15,4	3,9	9,5	4,9	19,0	11,6	7,6	19,6	31,0

source: Hartel, in: WISTA, 9/1992: 666

1) without households of foreigners with a monthly net-income of 25.000 DM and more and without persons on a collective home

and without households of foreigners, without persons

2) including the rental value of the own home

3) including the rent etc.

they have to use up assets and/or go into debts. Only from a net-income of 2.500 DM or more continuous saving is possible.

In spite of living in lower standard flats poor households have to spend up to a third of their net-income for rent, and energy-costs takes around 10% of it. The proportion used for food and semi-luxury (tabaco, alcohol etc.) varies only little. But a steady percentage among strongly varied household-incomes makes an important statement. Money must also be saved when it comes to clothing, education and entertainment. Very little is left for other household goods, transport, communication and personal goods. Summarized in different goods categories: Poor households mainly lack longlasting high standard utility goods, whereas services have special importance because of the high proportion paid for rent.

chart 14: Equipment of pensioner- and social welfare recipient households with longlasting high standard utility goods

time of poll	1970	1980	1991
cars	2,9	19,6	52,4
colour TV	1,2	51,5	96,5
VCR	-	-	14,1
Hi-Fi system	-	12,3	23,5
CD-Player	-	-	0,6
computer	-	-	1,2
dish washer	-	1,2	9,4
washing mashine	11,7	60,7	89,4
phone	12,3	73,0	94,7

Source: Kaiser, in WISTA 9/1992: 671

In the meantime there is also first analysis of private consumption in East-Germany published. But they do not have the validity as the ones for the West. The tendency also shows a relatively high proportion of spending on food among households with a low income, which is higher than in West-Germany and already at that time an increasing pressure on households of pensioners and social welfare recipients because of higher rents existed. Those households were more affected by the higher rents than households which were better off. The presented data also shows the high backlog demand for cars, colour TVs and washing-machines. The direct comparison between East- and West-Germany

shows that household with low income in the East have less chance to save money or additional spending than the ones in West-Germany (Fiebiger 1992: 827ff.).

3.1.5.Indebtedness

The expansion of consumption, the buying of longlasting high-standard utility-goods, private investements and many more are more and more financed by credits. The different ways now to get credit are an incentive and also easy to expand the spending volume beyond the income volume. According to EVS the proportion of households with credit-installments rose from 16,0% in the year 1973 to 19,7% in the year 1988 (Korczak 1991: 743).

With indebtedness heavy indebtedness is usually not intended but it can occur that when critical life situations or other problems happen, this line to heavy indebtedness is crossed. First respite than the cancellation of the loan-contract, seizure , eviction, homelessness, no energy deliverance or even an affidavit are the results. The study by Dieter Korczak and Gabriela Pfefferkorn ordered by the government on »The situation of heavy indebtedness and debt counselling in the Federal Republic of Germany« gives, based on empirical data and data from debt counselling centres, an overview on the extent and the reasons of heavy indebtedness in (West-) Germany.

chart 15: Frequency of heavy indebtedness indicators with clients of counselling centres in 1989

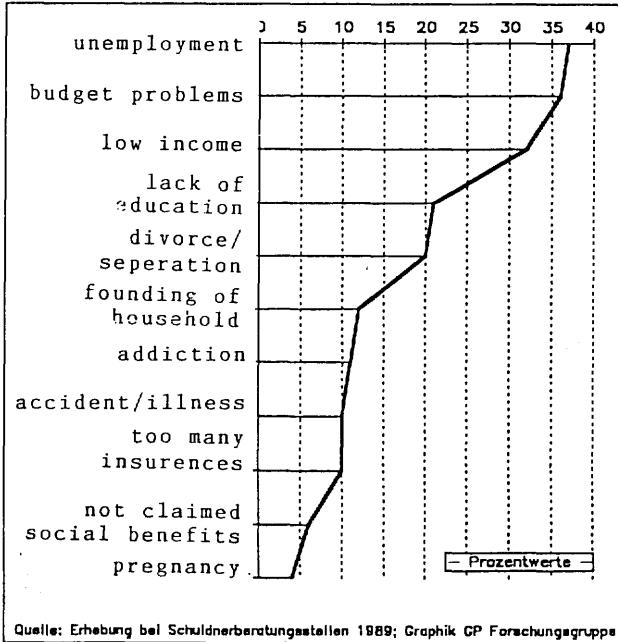
	Nr. of household absolut	in % of all categories ¹⁾ in %
Notice of withdrawal of credit/ debts at credit institutions	330.000	67
Garnishment of salary/wage	189.000	27
Affidavit	630.000	27
Energy debts	650.000	24
Sum	1.699.000	145
Sum without overlap	1.200.000	
in % of the total households.		
No multiple answer		4,2

Quelle: GP Forschungsgruppe; Korczak und Pfefferkorn 1992

1) proportion of the clients, who have part on these indicators, to all clients

The study also shows the main reasons for heavy indebtedness:

diagram 2: Reasons for heavy indebtedness



Source: GP Forschungsgruppe 1992: 276

With 40 %, unemployment is the main reason for heavy indebtedness, followed by other important problems like low income. Besides that there are a number of personal related reasons like problems in organising the household, addiction, pregnancy and many more. It is remarkable that besides the family related problems like divorce, accidents or sickness one finds again the same problems as one finds them among social welfare recipients. Subjective and objective reasons come together and form a situation where the people are not able to make a living and are left with huge amounts of debt.

In public the discussion has risen whether the existing law is enough to cope with the problem of heavy indebtedness of private households. At the moment debts stay for a lifetime unless to a settlement is reached.

In the meantime the Federal Government has proposed a reform according to which the debtor gets 7 years time before he has to pay back his debts providing he does everything possible to minimize his debts and lives at a low standard of living. A lot of critical comments come from the customers' and voluntary welfare organisations. They put emphasis on the strong connection between heavy indebtedness and reckless lending. They look for ways of prevention of indebtedness to turn into heavy indebtedness and find ways to stimulate debtors and creditors to look for a way out of the situation at an early stage. The debtor should get time (usually 4 years) to get rid off his debts if it is foreseeable that he cannot pay back at all. An amendment to the insolvency law for individuals is not yet on its way so one has to wait for further development (Reifner 1991).

3.2. Education

3.2.1. Structural characteristics and tendencies

The German system of education is heterogeneous by tradition and shows peculiarities due to Germany's federal structure, because politics concerning school, university and vocational training are determined by the legislation of the Bundesländer. German unification has led to an adaption of the system of the western Bundesländer by the new Bundesländer, and, in essentials, this process is drawing to a close at present. Apart from this federal structure its main characteristics are:

- 9 to 10 years of compulsory schooling
- separation of general and vocational education
- tripartite system of the sector of general education
 - after 4 years of primary school :
 - Hauptschule (low secondary modern school)
 - Realschule (secondary modern school)
 - Gymnasium (grammar school)
- within the sector of vocational training a dual system of school and vocational
 - education
- various types of universities

The educational reform pursued during the 1970s has not produced essential changes in these structural characteristics. It has improved permeability among the school types of the general educational sector and as a consequence has improved opportunities for socially disadvantaged pupils to get higher certificates at a later stage through the so-called Zweite Bildungsweg (adult

education). Moreover, by the additional introduction of integrated comprehensive schools the attempt has been made to offer an alternative to the tripartite system in general education.

There is, however, less permeability leading towards advanced or higher qualification in the lower schooling sector than in the higher one even today, and permeability is greater in the sector of general education than in the vocational one. For instance, Realschul courses may be introduced at Hauptschule (grade 5 to 9/10) which lead to a (higher) Realschul certificate depending on the Bundesland or even on the community. It is possible to even achieve university entrance starting from Realschule (grade 5 - 10) by way of Fachoberschule and Fachgymnasium (colleges combining vocational training and general education) or Gymnasium. In a similar way it is possible to reach university level if vocational training and Berufsschul (vocational training college) qualification is added to Realschul education .Finally, transition from Gymnasium to university is easiest because the Abitur (general school leaving certificate of the Gymnasium) entitles to university entrance.

Permeability between schools varies according to the regulations of the specific Bundesland, but good school results of the pupils in the lower establishments are invariably a precondition. If adults fulfill certain requirements, opportunity to achieve higher school qualification is offered by evening classes on the level of Hauptschule and Gymnasium and by Kollegs (day schools that enable adults to get the Abitur). The 56,000 pupils of this so-called Zweite Bildungsweg (adult education) represent, however, a mere 0.7% of the entire system of general education (Grund-und Strukturdaten 1992/93, 5).

On the whole, the qualification of the population in general has been improved considerably since 1950, in terms of the distribution of pupils at school types and the structure of school leavers.(comp. chart 16 and 17)

chart 16: Pupils, apprentices and students
1950 to 1990, numbers per 1.000 old Bundesländer

	1950	1960	1970	1980	1990
Schools of general education					
primary schools (class 5 - 4) ¹⁾	6.314	5.219	3.973	2.773	2.534
Hauptschulen (class 5 - 9/10)	-	-	2 375	2 272	1 272
schools for handicapped					
children	89	143	322	354	252
Realschulen (class 5 - 10)	196	431	886	1 351	865
Gymnasien (class 5 - 13)	620	853	1 379	2 119	1 550
evening classes and Kolleg -	-	-	25	35	35
Vocational schools					
vocational training					
colleges	1.646	1.661	1.600	1.970	1.591
advanced voc. training					
colleges	81	139	183	326	244
special voc.					
training colleges	104	-	102	95	124
Apprentices					
	-	1.271	1.269	1.715	1.477
Students (all types of university)					
	102	291	422	1.036	1.585

¹⁾ 1950 and 1960 classes 1 to 8/9

Source: Statistisches Bundesamt

chart 17: School leavers 1950 to 1990
(numbers in 1.000, old Bundesländer)

	1950	1960	1970	1980	1990
after compulsory schooling	637	408	481	505	266
certificate Realschule or comparable	13	73	200	381	304
matriculation standard	29	55	88	219	281

Source: Statistisches Bundesamt

The proportion of Realschul pupils in the total number of pupils, apprentices and students has more than trebled during the last 30 years from 2.1% to 7.0%. The proportion of pupils attending a Gymnasium has almost doubled from 6.7% to 12.6%, the proportion of university students has risen to 12 times the original number, from 1.1% to 12.9%.

3.2.2. Dropping out of school

The number of persons that leaves school without certificates or that discontinues vocational training may be considered as indicative of its integrative forces. School drop-outs of the higher establishments of education as a rule being provided with certificates of the next school type below in educational hierarchy, thus being formally equipped with a school leaving certificate on leaving school, there virtually remain only those who leave Hauptschule uncertified. This group has enormous difficulties in finding work, similar to those youngsters who break off vocational training without starting some new educational training.

chart 18: Drop-outs of school and vocational training
(numbers in 1.000, old Bundesländer)

	1960	1970	1980	1990
school leavers without Hauptschul certificate in % of population of same age group	114,0	140,3	109,4	53,6
	17,2	17,3	10,2	8,6
premature termination of apprenticeship in % of newly contracted apprenticeships	-	-	92,5	134,0
	-	-	14,7	23,2

Source: Bundesminister für Bildung und Wissenschaft (Hg.), Grund- und Strukturdaten 1992/93; Berufsbildungsbericht 1992

The number of school leavers without the lowest level of school leaving certificate has been cut in half during the last 30 years. At more than 50, 000 it is, however, still extremely high . Compared to it, the number of apprenticeships cancelled before the agreed period of time seems to increase, however. According to the Berufsbildungsbericht (Report on Vocational Education) 1992 (S. 39) one third of those who terminate their apprenticeship contract prematurely don't intend to take up some other vocational training. Taking the numbers available for 1990 as a basis, that means that up to 50, 000 persons who are unskilled and difficult to integrate may be added to the labour market per year. About half of the school leavers without Hauptschul certificate don't start any vocational training, bringing the potential of unskilled workers up to a total of 70, 000 to 75, 000 persons per year. (Comp. Berufsbildungsbericht 1992, p. 30) At the same time the number of vacancies for apprentices in trade, industry and administration has increased. In 1991 128, 000 places for apprentices were vacant (Bundesminister für Bildung und Wissenschaft, Berufsbildungsbericht 1992, p. 19) ,and this argues major discrepancies between training requirements in firms and deficiencies in qualification esp. of slow learners among adolescents.

Aid is offered by the educational and vocational training system to achieve integration of slow learning and academically handicapped persons in order to prevent pupils and apprentices from abandoning their training courses in the first place, or they are given help if aspired aims cannot be reached . In part, this aid is initiated, funded or partly financed by systems of social security (Arbeits- und Ausbildungsförderung/ Jugendhilfe

3. 2. 3. Measures combatting social exclusion in education

Services concentrate on the lower sector of education, certainly with the intention to create opportunities for disadvantaged or slow learning persons to at least reach Hauptschul certificate standard or to finish their vocational training.

Within primary sector there are 'school kindergarten'. As a rule these institutions are a part of a primary school or of a Sonderschule (special school for slow learners or handicapped persons), and they are attended by children who are of school age, but whose development is not up to school standards. By 'school kindergarten' attendance children are to be prepared for the attendance of primary school level Sonderschule.

At Sonderschule or classes with Sonderschul standard at a regular school children who are either physically, mentally and psychologically disadvantaged, handicapped or who are socially disadvantaged or at risk, and therefore cannot be taught successfully at regular schools, are to be given special assistance. These schools provide for these children, in so far as they are of school age, an equivalent for regular schooling. There are schools of this type on primary, Hauptschul, Realschul and grammar school level.

With vocational education a Berufsvorbereitungsjahr (pre-vocational preparatory year) and a Berufsgrundbildungsjahr (year of general vocational training) are to secure success in vocational training. During Berufsvorbereitungsjahr adolescents without an apprenticeship contract are prepared for vocational training by full time courses. Berufsgrundbildungsjahr, which can be attended either in full time or part-time courses, offers elementary vocational training either of a more general nature or aligned to a specific trade section.

A closer look at the structure and development of these measures (comp. chart 19) reveals that approx. 2/3 of these take the form of Sonderschul classes or Sonderschule. Close to 60 % of the participants fall into the category of slow learners. The number of pupils aided had risen considerably by 1980 as compared to 1970. Since then their numbers have stagnated. One reason for this might be that integrational power at regular schools and educational establishments has increased and help to avoid social exclusion. For instance, endeavours within the sector of handicapped persons to provide these persons wherever possible with the opportunity to attend lessons at regular schools have gained ground. Bundesland Brandenburg, e.g., promotes school integration of handicapped children by a special programme. In the meantime there are 40 classes in which handicapped and non-handicapped children attend lessons together. (Ministerium für Bildung, Jugend und Sport, Land Brandenburg, Mein Kind ist behindert, 1992,2)

However, the stagnating numbers may well be a result of a decrease in social attentiveness and control towards slow-learning children, too. And one reason could be that offers, e.g. Schulkindergarten, cannot be made any more or not to the extent required because of scarcity of public means.

chart 19: Integrational measures in the sector of vocational training
1970 , 1980 und 1991
(Participants per 1.000, refering the respective territory of FRG)

	1970	1980	1991
Schulkindergärten	31,8	49,2	39,3
Sonderschulen/Sonderschulklassen	322,0	354,3	344,0
for slow learners	264,6	244,2	202,8
for blind or visually handicapped pupils	2,5	4,0	4,5
for deaf pupils or pupils with impaired hearing	7,1	10,8	9,5
for pupils with speech impediment	5,6	14,2	27,6
for physivally handicapped pupils	5,5	13,3	18,8
for mentaly handicapped pupils	20,4	47,2	44,4
for maladjusted pupils	12,1	14,5	17,5
Berufsvorbereitungsjahr (full time)	-	41,7	32,2
Berufgrundbildungsjahr (full- and parttime)	0,5	80,5	83,5
measures (total)	354,3	525,7	498,4
in % of all pupils	3,2	4,4	4,2

Source: Bundesminister für Bildung und Wissenschaft (Hrsg.), Grund- und Strukturdaten 1992/93; Berufsbildungsbericht 1992 und eigne Berechnungen

Some of the Bundesländer offer additional programmes for adolescents without school leaving certificate or who have abandoned vocational training. North-Rhine-Westfalia, e.g., subsidises 53 counselling agencies, 51 training centres and 5, 500 vocational training places by its own funds. (Berufsbildungsbericht NRW 1991, 24,53; Datenbegleitband, 24). In Bundesland Hamburg a special programme for the general school education of slow learning pupils at vocational schools (approx. 400 persons) and the introduction of vocational training places especially adapted to their needs (150 persons) is state supported. Another programme aims at the vocational

integration of adolescents discharged from prison. (Bürgerschaft der Freien und Hansestadt aHamburg, Drucksache 14/ 1977, 19.5.92, 3 ff).

3. 2. 4. Benefits focussing on education and vocational training combatting social exclusion within the social security system

Apart from integrative benefits within the educational sector there are measures intended to secure school success or to enable the return to a regular vocational training course in some sectors of the social security system. In addition, retraining and further education of disabled persons is promoted by specific programmes. These benefits and the above-mentioned educational measures are not co-ordinated systematically; they either take place as an educational measure outside the regular school and training system, or they represent financial support of educational training within these measures, similar to Educational Assistance for Students and Pupils. Benefits focussing on education and vocational training are not specifically aimed at combatting risks of this specific group, but may be found as special regulations within the different sub-systems of social security legislation.

Thus pre-vocational measures according to the Arbeitsförderungsgesetz(comp. 3.3) are offered to unemployed adolescents which entitle them to financial assistance for maintenance, costs of transport and allowance for learning material (Berufsausbildungsbeihilfe)if they participate. These pre-vocational measures are subsidized for a period between 6 weeks and one year. They are organized by special actors which have to be acknowledged by the Bundesanstalt für Arbeit (General Labour Exchange) and which are often organized as associations which are supported by welfare associations, churches and trade unions as well as individuals.

Adolescents without training or adolescents otherwise disadvantaged as well as foreigners may receive financial aid in addition to their Ausbildungsbeihilfe if they take part in a measures in addition to their vocational training proper.

Disabled persons, too, are offered financial aid with their vocational training apart from that of the funds of Arbeitsförderung. Subsidies are granted to firms and other actors of vocational training, further education and retraining of disabled persons. Disabled participants in these measures can

unemployment payments, if they cannot work full-time. Actors of these measures are normally vocational training organizations that have been established for the professional rehabilitation of disabled persons which are supported by welfare associations, the Bundesländer and actors of legal social insurance. At present the attempt is made to create a close network of vocational training organizations, such as already exists in the old Bundesländer, in the new Bundesländer.

Altogether approx. 175, 000 persons whose occupational integration seems at risk receive benefits from funds of the Arbeitsförderung. (comp. chart 20)

chart 20: Benefits combatting social exclusion according to
Arbeitsförderungsgesetz

(1990, participants in 1, 000)

pre-vocational measures	59,2
aid for vocational training of disabled persons	13,6
reintegration of disabled persons (further education, retraining)	37,4
aid for disadvantaged adolescents	66,4

Source: Bundesminister für Bildung und Wissenschaft (ed.), Grund-und Strukturdaten 1992/93

Benefits for individual Ausbildungsförderung according to Bundesausbildungsgesetz (BAFöG / Educational Assistance for Students and Pupils) are a suitable means, too, of diminishing social exclusion. Pupils and students of low income families are supported during their school and university education by it. For those concerned it is meant to be a means of assistance towards social advancement, towards the prevention of social decline, in social terms it is intended to mobilize resources of qualified and gifted persons of the lower social classes.

The amount of support is determined by the type of education as well as by the parents' income. Pupils are entitled to a scholarship between DM 310 and 670.

Students receive between DM 565 and 785. Students receive 50 % of the assistance as loan and as subsidy respectively. In rough terms, pupils and students receive the full amount of assistance if their family's income remains below the statistical average income of a four-person working-class household (in 1991 ca. DM 3,770). The low scholarships for pupils and the method of computing them result in a very low rate of pupils eligible for these scholarships. Only about 1.5 % of pupils at a Gymnasium and less than 0.1 % of all pupils at Hauptschule receive this aid. For students receiving this form of assistance the rate is 34 %. However, only 11 % receive the full amount of assistance. This corresponds roughly with the proportion of working-class children at German universities. (approx. 10 %, comp R. Geißler 1992, 227).

Apart from the benefits of Arbeitsförderung and individual Ausbildungsförderung there are benefits within the Jugendhilfe (aid for adolescents) sector which aim at preventing, alleviating or combatting social exclusion.

In 1991 reformed Jugendhilfe legislation was enacted. This new Kinder- und Jugendhilfegesetz superseded the Jugendwohlfahrtsgesetz of 1961, which had originated in legal regulations of the year 1922. It aims much more clearly at supporting the educational competence of parents than former legislation, which had been conceived as a legal handle in case of parental failure in education. In addition, the Kinder- und Jugendhilfegesetz offers greater differentiation in supporting measures, ranging from informal educational counselling to the removal of a child in immediate danger from its family to place it in a children's home by the authorities.

In 1990 approx. 1, 300 counselling agencies for educational, adolescents

and family problems existed. There is, however, an obvious bias in the distribution of these counselling agencies towards urban areas and the same holds for the eastern part of Germany since the unification. Efforts are being made in the new Bundesländer to create a network of counselling agencies comparable to that of the old Bundesländer. At the moment there are approx. 3, 000 children's homes of different sizes and catering for various educational problems. (Statistisches Jahrbuch 1992, 508)

In contrast to benefits according to Arbeits-und Ausbildungsförderung, aid according to Jugendhilfe does not consist in payments to the persons targeted, but consists in most cases in services such as counselling, welfare services, education and social control. Except for the services within institutions providing public guardianship, legal counselling and legal assistance to adolescents, aid by public educational boards, which are organized on community level, is principally only granted if it is not provided by welfare organizations or associations.

In cases in which the public educational board holds public guardianship, acts for children placed in foster families and exercises educational control or provides legal assistance to adolescents, authorities act on the assumption that the child's or adolescent's well-being is served best if the public educational board acts in place of parents (Amtsvormundschaft), takes measures to solve financial and maintenance problems (Amtspflegschaft) or provides special educational counselling to parents in problem situations (Erziehungsbeistandschaft). By legal assistance to adolescents (Jugendgerichtshilfe) public educational boards are expected to make their influence felt through their right to a formal endorsement of their views, thus making sure that in case of a trial, in case of a youth being sentenced and during the following period of probation the specific interests of adolescents are taken into account and that their social integration is promoted instead of its getting endangered even further. (comp. chart 21)

chart 21: Assistance and supporting measures for adolescents
(cases in 1,000)

	1987	1990
Amtsvormundschaft	49,1	45,0
Amtspflegschaft	433,5	507,1
Beistandschaft des Jugendamtes	56,3	52,9
informal educational counseling	362,0	358,4
Erziehungsbeistandschaft	7,0	6,9
Jugendgerichtshilfe	269,1	226,9
educational and family counselling for children, adolescents and young adults	226,6	247,2

Source: Statistisches Bundesamt

If children and adolescents are raised outside their families, the aim is to provide education resembling family education as closely as possible and a high professional standard in those working in this field is to help them get access to regular educational training as well as to remain integrated in normal social life.

chart 22: Educational assistance outside the family proper
(cases in 1,000, 1.1.1991)

education within a day group	6,0
education outside the family proper	43,9
of these: other than relatives	34,3
education at a children's home	64,3
intensive socio-pedagogical counselling	0,6
total	149,1

Source: Statistisches Bundesamt

3. 2. 5. Actors in social aid

The variety of actors typical of German social politics is definitely at its most obvious in the educational sector. A reason for this is, on the one hand, that educational and social politics overlap here and , on the other hand, that these actors, insofar as they are involved in social politics, have originated in various large and central systems of social security and their special regulations for disadvantaged groups. In principle, each central system concerned with social politics has its own type of actor. In addition, educational aid comprises measures of Jugendhilfe, an area in which various organizing actors operate according to principles of legal competence and priority.

In tabular form actors in the above mentioned fields of social aid for the complete educational sector can be summarized as follows:

diagram 3: Actors and competences in the sector of educational aid

measure	competence	actor
measures combatting social exclusion in the educational system(T. 3.2.3.)	Bundesländer	public and private schools private associations and organisations
aid combatting social exclusion by social security (I. 3.2.4.)	Federal Government	
of those according to:	ministries	
Arbeitsförderungsgesetz	Federal Ministry of Labour, partly ministries of the Bundesländer	Labour Exchange Offices at commun.level.welfare associations, private initiatives
Bundesausbildungsförderungsgesetz	Federal Ministry of Education	local boards for education assist., student assoc. at universities
Kinder- u. Jugendhilfegesetz	Federal Ministry of Woman and Youth	educational boards on local and Länder level, welfare associations,private initiatives

3.3. Job training

3.3.1. Job training and social exclusion

The research on chances and discrimination within the education system gives important indication on living conditions in the industry- and service-society of the Federal Republic of Germany.

Education is not just a vital element in the individual personality process. The chances to acquire cultural and social competence define also the possibilities to participate in social life. Above that job skills and social abilities have to be acquired in order to have successful participation in the workinglife.

On the background of a vertical structure of jobs and job opportunities the education system in Germany shows also a hierarchy of degrees and education paths. The distribution of life chances are mainly done on the labour market but a relationship between education level and job status definitely exists perhaps more than ever. It is true that a better education is no longer a guarantee for a better job. But it is proven: The higher the job position, the higher the necessary education level and vice versa: the lower the education degree the higher the risk to get a bad job.

Characteristic for the Federal Republic of Germany is the division between general education and job training. Whereas in the first half the school system is under the supervision of the Länder (Federal States) the second half is dominated by the dual system. This means that the practical job training is done in the firm or institutions on the basis of a training contract. The theoretical part the state owned vocational schools take over. The condition for this is a contract between the trainee and the company. Generally there are in the Federal Republic of Germany two different levels between education- and job-system (below the academic level):

- the step from school to job training or into an unskilled job as being the first step and

- the step from jobtraining to a qualified work as second step.

At both of these steps the reached education degree is important for success or failure of the next step. The crisis since the seventies on the labour- and training market brought a bad start for those who entered the market at that time. While the lack of qualified training place made it hard for a lot of young people to get a good training, the longlasting unemployment made it difficult to find afterwards a qualified job. Since the second half of the eighties the situation on the training market improved and with it the exclusion pressure on the so called problem groups. But the German reunification brought new problems especially for the East.

3.3.2. Insufficient supply of job training

a) The situation in the former West

According to the education report of the Federal Government the number of training places per 100 applicants (offer-demand-relation) is the official indicator for the supply situation on the training market. But one has to consider that the definition of demand and supply on the labour market (according to § 3 chapter 2 No.1 job training law) does not cover the whole demand and supply. The demand includes the number of new training contracts (as used supply) and the number of free training places as reported by the job centres. The demand includes again the number of new contracts and the number of registered applicants who did not get a training place. Not registered are those training places who were not offered over the job centres and also not the applicants who did not register at the job centre even if they did not find a training place. Estimates say that a large portion of applicants do not register and from that one can conclude that there are much more applicants then there are registered as official applicants.

Chart 23: Offer-demand relation (former West)

year	offer-demand relation
1987	101,6
1988	105,9
1989	111,1
1990	117,9
1991	121,3
1992	121,8

Source: Der Bundesminister für Bildung und Wissenschaft: Berufsbildungsberichte, Bonn 1988ff

After years of a offer-demand-relation with the indicator below 100 - a sign of the continuing crisis on the training market - there is since 1987 more on offer than there is demand. The relation grew in the former West from 1987 to 1992 from 101,6 to 121,8. The 1976 training place promotion act - in the meantime cancelled - defined an over-supply of place (12,5%) as indicator that all adolescent who left school got the chance for a qualified job training. If one follows these criteria since 1990 there is a sufficient supply of training places guaranteed.

But since this indicator has some major faults one has to look at other as well.

An indication to whether everybody seeking a trainingplace got one or not is the number of participant in so called partly qualifying schemes and job preparing schemes. The first group includes the year of basic vocational training and the one year vocational school. Here the participants can get basic qualifications but have to apply for a trainingplace again after they left school. Participants at job preparing schemes do not require any official qualification and are at the end of the scheme again at step one .

chart 24: Participants in partly qualifying and job preparing schemes (former West)

Jahr	participants in partly qualifying schemes	participants in job pre- paring schemes
1986/87	279.122	137.936
1987/88	259.403	136.181
1988/89	238.273	85.924
1989/90	213.621	79.083
1990/91	197.579	77.761
1991/92	193.749	77.539

Quelle: Der Bundesminister für Bildung und Wissenschaft: Berufsbildungsberichte, Bonn 1988ff

The number of participants at both schemes is declining over the past years. Less young people need these schemes if they cannot find a training place. But still the number - specially of participants in job preparing schemes - shows that not all adolescents are supplied with fully qualifying education and training opportunities.

chart 25: Not supplied registered applicants for training places (former West)

year	not supplied applicants
1987	33.880
1988	24.791
1989	18.278
1990	13.969
1991	11.205
1992	11.756

Source: Der Bundesminister für Bildung und Wissenschaft: Berufsbildungsberichte, Bonn 1988ff

chart 26: Supplied, partly- and unsupplied applicants 1991 (former West)

supplied applicants		partly and un-supplied appl.	
new articles of apprentice- ship	539.466	participants of partly quali- fying schemes	193.749
beeing- treinees in the health system and for civil servants	77.785	participants job preparing schemes	77.539
		unsupplied applicants	11.205
Sum	617.251		289.493

Quelle: Der Bundesminister für Bildung und Wissenschaft: Berufsbildungsberichte, Bonn 1988ff; compiling by the writer

In 1991 all together there were 617.251 training opportunities which were given away and 289.493 applicants who did not get access to a qualifying training. Comparing this to the previous years the situation definitely improved but still there is a remarkable amount of young people who do not get a proper training place or have to take not fully qualifying training schemes.

b) The situation in the former East

In 1990 the legal situation for the dual training was created. After the abandoning the right for training and for a job and since a lot of companies have serious problems because of the structural crisis in the East, many young people have difficulties to find a training place and to face the new situation. At the moment it is difficult to get an exact picture on the situation of the training market since the statistical data is not yet satisfying.

For the years 1991 and 1992 as of October 1st the number of people who did not get a place was lower than the still vacant places. So on pure calculation there was a sufficient amount in these years.

In 1991 (data for 1992 is not yet available) it was in reality only for half of the applicants possible to find a place in the dual training system (72.550 of 146.000). 26% or 38.000 started a training outside of companies and 3% went to job preparing schemes. Out of the remaining 30.900 applicants 14.500 went back to school. 14.000 found a job (compare Berufsbildungsbericht 1992: 14,15). So the fact that just 2.421 or 2% of the applicants officially did not get a place just covers the fact that the offers within the dual system does not comply with the demand by young people. How far it was possible to satisfy the demand for a qualifying training place by other schemes or educational schemes is difficult to say because of the available data.

chart 27: Offer - demand - relationship (former East)

year	offer-demand-relationship
1991	105,0
1992	102,1

Source: Der Bundesminister für Bildung und Wissenschaft: Berufsbildungsbericht 1992; unveröffentlichtes Zahlenmaterial zum Berufsbildungsbericht 1993

chart 28: Applicants who did not get a place

year	applicants who did not a place
1991	2.421
1992	1.219

Source: Der Bundesminister für Bildung und Wissenschaft: Berufsbildungsberichte, Bonn 1988 ff; Der Bundesminister für Bildung und Wissenschaft: Informationen Bildung und Wissenschaft Heft 11/1992

3.3.3. Young people without training degree (former West)

The exact number those out of a school leaving year who did get a training place or similar schemes is difficult to find out since the training process goes on for a longer time. First results on long term research are available for the time up to the mid eighties.

On the basis of a special study of the microcensus data Heidemann (1989) came to the conclusion that out of those born between 1960 and 1969 who were in 1987 between 18 and 27 years old more than 1,5 million remained without a training degree. If one relates that to the total number of those ten years 15% of the young people were not satisfied on the training market. The number of women is much higher than the one of the men (17,6% to 12,4%) and also the number of foreigners was higher than the one of the Germans (48,6% to 12,1%).

Similar results have been found out by the long term study of the Institute of Labour Market and Job Research concerning the future development of those who left school in 1977 (Compare Stegmann/Kraft 1987; Stegmann 1989): Until 1985 12% could not find a training place or left one early. Among those there is an extrem high portion of people who do not have a school leaving certificate. Also the number of women is much higher than the number of men. Young people without a training degree are much more endangered by the risk of being made redundant. So now one can say that without a school leaving certificate it becomes very likely that one fails at the first step to get a training place and without a proper training one is much more vulnerable on the labour market.

Studies on selection and competition processes during the time from school to training system show the immediate problems but long term studies prove that problems at this early stage can rarely be smoothed so that they will reoccur during the future working life and that those problems are just limited to the time when the training starts.

At the moment the situation on the training market does not look bad but a study of the Federal Government-Federal States- Commission (1987) predicts that between 1986 and 2000 around 1,7 millions or 15% of those who leave school will not get proper training opportunities. It will surely be a task for the education and training policy to prevent this in the future and to provide facilities for those who want secondary training in order to improve their job carer.

3.3.4. Training policy

In the Federal Republic of Germany there are since the training crisis numerous federal and local schemes to help people with disadvantages on the labour market. Two main schemes shall be presented here as examples:

Within schemes like this job preparing courses have been paid since the seventies; some are by the national labour office some are full time school programmes of the vocational schools. Since the people in those schemes do not acquire a fully qualifying training degree they mainly serve the purpose of a waiting room; after these schemes the young people are send back on the labour market; many of them - after years of different schemes - end up in unskilled labour or unemployment.

On the other hand the so called »disadvantage programm« encourages young people with disadvantages or discrimination to get into schemes specially provided for them. The main target groups of these most successful schemes are :

- foreign trainees
- educational subnormal trainees
- German trainees with social disadvantages
- trainees where the training might fail
- variably abled people.

Although the number of participants in fully qualifying training schemes grows steadily since mid eighties and in 1990 even 66.400 young people took part in them, the offer is still not sufficient.

Programmes in the former East are e.g. the one by the Ministry for Education and Science to encourage training in small firms and to build up a net of training centers across the country. Very important is also the role of the Treuhand (state own privatization company). It agreed in keeping all trainees in Treuhand companies and in employing - if possible - new personal.

Important for a successful training situation in the former East despite the difficult setting, were the schemes by the national labour office: They include schemes for young people with disadvantages and those who have difficulties in finding a place and those so called bankruptcy trainees. It also provides job preparing schemes. In the year 1990/91 38.035 young people started a scheme by the national labour office. Additional 4.194 took part in training centre courses (compare Der Bundesminister für Bildung und Wissenschaft: Informationen Bildung und Wissenschaft Issue 3/1992). And also the Federal States set up programmes to encourage more training facilities which add to the federal ones (compare the example Brandenburg in chapter 3.4.3.c.).

3.4. Employment

3.4.1. Employment and the distribution of life chances

Life situations in the the Federal Republic of Germany are mainly determined by the employment. Although the welfare state system helps to break the direct connection between employment and material existence, the employment is still very important for the access to life chances and life perspectives. Since the labour market regulates the access to different levels of the employment system it also is a system of distributing life chances.

The Federal Republic of Germany shows - like many other West European countries- a continuing mass unemployment since the mid seventies. It is true that unemployment in the former West is an mass phenomena and a large part of the economically active population has been effected temporarily. But it became obvious that the risks concentrate onto a group of long term and multiple unemployed people whose chances to find the way back to »normal« work get less and less. Going along with that is also a structural change of the labour market. Large parts of the population are forced into jobs below their skills or are even totally out of the labour market. There is a split within the population into a group of employed whoses living and working conditions are secured even in the crisis and the growing number of people whose income is hardly enough for securing their existence or have to rely onto state transfers.

Besides the »old« polarisation between employment- and income risks there is since the German reunification also a new regional split concerning employment- and living conditions between East and West which became more important and severe. As result of the economical and social reunification the labourmarkets in East and West developed completely opposite. Whereas there was an employment boom in the West because of the reunification which lasted until 1992, the economy and the labour market faced a sudden severe structural crisis while adopting the Western standard. The opposite development and the present situation of the labour market makes it necessary to look at economical and social exclusion process in East and West seperately.

3.4.2. Situation in the former West

a) Crisis of »normal employment« and new ways of employment

A vital sign of the structural change at the labour market in the former West is the spreading of insecure and »precarious« ways of employment. These ways move away from the normality of an unlimited fulltime employment with the full coverage by work and social laws. As a result of the flexibility strategies of the companies and a deregulation of the labour law of the government these new ways gained more importance (compare Adamy/Hanesch 1989). As very precarious count:

- part time work with social insurance
- part time work without social insurance (so called minor work)
- time limited work
- temporary work
- employment likely work (fake self employment) etc.

The volume of these employment ways is estimated as 25-30% of all employees, where the largest parts are the first three mentioned. What they have in common are the bad effects for the employees working these ways:

- Mostly it is not possible to secure the existence on the basis of these employments, other incomes are needed for the household;
- at a temporary or final stop of work because of life risks the latest a higher poverty risk becomes obvious since no or insufficient claims for continued payment were acquired;
- since many of these employments have high employment risks they force people into a continuing change of jobs and breaks so that the constant change between employment and unemployment brings a social decline often with it.

The expansion of these precarious ways of employment might be explosive to the normal employment but also for the social security system. The longer the employment crisis lasts the higher are the risks that these new ways will expand on the costs of the legally secured employment with contacts between unions and employers. The former in particular might become a test field for these »deviate« forms of employment.

b) Employment and unemployment

After a longer phase of stagnation the labour market with employment and unemployment developed friendly in the years 1989 to 1991: As a result of the reunification boom the number of employees within the West German economy grew steadily, and the number of unemployed people went under the 2 million level for the first time in years. Since 1992 the worldwide recession also effects Germany. During the year the employment numbers went down and unemployment rose again.

The unemployment percentage has been down since 1989 from 7,9% to 5,7%. Also the average stay in unemployment went down from 1989 to 1991, 1989 it was 27 weeks and in 1990 25 1/2 weeks. The amount of unemployment is limited in the West as well as in the East by a variety of employment chemes (compare chapter 3.4.3.c).

chart 29: Labour market development 1989 - 1991 (former West; yearly average in 1000)

	1989	1990	1991
employed people	27.631	28.433	29.173
registered unemployed p.	2.038	1.883	1.689
unemployment rate in % (referring to all dependend employed people)	7,9 %	6,4 %	5,7 %

The percentage of unemployment benefit recipients out of the total unemployed was in 1991 66,4%. Compared to the previous years 1989 (65,9%) and 1990 (66,3%) the number increased only slightly. In comparison to the percentage in the East the security level is in the West comparably lower. The average amount of unemployment benefit and unemployment relief increased in 1990 slightly (un.ben.: 1213 DM to 1144 DM and un.rel.:921 DM to 903 DM). But the amount of benefits vary a lot since so many factor play a role here. How far it is possible to secure a life above the poverty line (defined as social benefit line) depends among others on the size and consistence of the household and other incomes. During 1991 219.934 (without Hamburg) households had to claim additional benefits to make a living (compare Statistisches Bundesamt 1993: 37).

c) Problem groups of the labour market

Empirical studies show that with the increasing length of mass unemployment also a structural change happens: The risk of getting unemployed and remaining unemployed (or getting unemployed again and again) concentrates more on the so called problem groups of the labour market. They are under a specially high pressure of social exclusion. In the following the main groups shall be described briefly (compare ANBA 5/92):

(1) Women

Since the increase of employment over the recent years mainly happened in the service industry women profited from that overproportional. They also profited from the increasing number of part time work with social security benefits. The percentage of women in jobs with social insurance contributions increased.

Parallel to that the number of unemployed women declined in the recent years more than the number of unemployed men. But still women are more effected by unemployment then men. The unemployment rate was at 7% (previous year: 8,4%) while the male was 5,8% (previous year: 6,3%).

(2) Foreigners

Unemployment of foreigners rose heavily in 1991, but so did the employment of foreigners too, and that is why the unemployment rate went down from 10,9% to 10,7%. So it is still much higher than the one for German employees. Reason for that is the comparably low level of training and poor language skills. By that not only the redundancy risks are higher but also the chances of finding a new job since in some parts of the labour market jobs are on offer which Germans think as not being very attractive.

(3) Elderly

Older employees lose less frequently their job than younger employees because of the redundancy laws. But if they get unemployed it is much harder for them to find a new job - even despite a high qualification. End of September 628.400 or 39% of all unemployed people were in the age group of the 45 to 65 year old. Their proportion grew only little to 1990 (38%). This group shows also more risks: 53% of the older unemployed do not have a completed training (total 47%); also the health problems were much higher than with the others, 46% compared to 26%.; 30% are in unemployment for over two years (total 15%). At this point two third of the older unemployed lost their job over a year ago.

(4) People with health problems

People with health problems are part of the groups of the labour market heavily endangered by redundancy risks. At the end of September 1991 29% of the unemployed had health problems. Almost two third belong to the group of the 45 to 65 year old. At this point 49% were unemployed for over one year (total 28%); 25% of them were in unemployment for over two years (total: 15%).

At the end of 1990 887.700 severely disabled people were employed (previous year: 892.000). The number of vacant places which have to be filled in by severely disabled people was at 361.400 (previous year: 323.900). At the end of September 1991 114.800 severely disabled people were registered as unemployed (previous year: 119.600). The unemployment rate of severely

disabled people was at 11,4% (1990: 11,7%). 50% of the severely disabled people were unemployed for over one year.

(5) Unemployed people without training

At the end of September 1991 there were 761.700 people without a qualified training registered (previous year: 807.820). Among them the number of older people is because of the remaining risk overproportionally high. 32% of these unskilled people were unemployed for over one year (total: 28%).

(6) Pilling up of risks and long term unemployment

Altogether one can say that the risk of getting unemployed is the highest for people without training. Older people have an average risk and people with health problems a rather low risk of getting unemployed. When it comes to the risk of staying in unemployment the situation is completely the opposite: A higher age means a longer stay in unemployment whereas being unskilled and having health problems do not imply that.

People having more than one risk usually are unemployed longer than one year. If one looks at the cumulation of the three risks age, unskilled and health problems then one can see that at the end of September 1991 10,2% of the unemployed belonged to that risk group; 55% were unemployed for over a year. So among the mentioned problem groups the proportion of long term unemployed (longer than one year unemployed) is very high.

At the end of September 1991 the group of long term unemployed contained 454.900 people (previous year : 513.405) or 28% (previous year : 30%) of all registered unemployed people. 53 % of them were unskilled, 43% had health problems and 68% were older than 45 years. On average long term unemployed had more than one factor which made it difficult to find a job for them. 20% of them had all three risk factors.

People with several risk factors had in 1991 only a low chance of being reemployed. The reemployment rate at people over 45 years, who have health problems and are unskilled, was only 23%. In comparison the rate for all unemployed was at 49%. The reason why people leave unemployment was only

with 14% that they were reemployed, 72% left because of other reasons - a sign that rarely possible to get back into work.

(7) Regional differences

The yearly average of 1991 showed for all regions a growth of employment. Whereas the former better regions had only a small growth the regions which used to be not very well like Lower-Saxony and West-Berlin grew overproportionately. Unemployment went in all regions down - although with differences. But the regional differences concerning unemployment remained: The highest unemployment rates are in the so called city states Bremen (10,7%), Hamburg (8,7%) and Berlin (9,4%) and the Saarland with 8,6% (total average: 6,3%). Altogether the regional differences have smoothen up a little. Also within the states the regional differences remained but leveled a little as well.

Regional labour market problems enforce and cover individual risk factors; this is very obvious for the problem of long term unemployment. That's why there are in the old heavy industry and structural weak areas (North Rhine-Westphalia, Lower-Saxony, Bremen, Saarland) more long term unemployed than in the rest of the country.

d) Labour market politics

In the following it cannot be claimed to give an overview on all schemes and means to combat social exclusion on the labour market. Instead some selected programmes shall be presented briefly.

(1) Use labour politics instruments

In chart 30 the relief results of some labour market instruments on the basis of the Employment Promotion Act are presented. They reached in 1991 the volume of 478.000 people.

chart 30: Labour politics programmes 1989 - 1991 (former West; yearly average in 1000)

demand	1989	1990	1991
short-time work	108	56	145
employee in measures for the promotion of employment	97	83	83
participants of provisions for qualification	201	233	250

Source: ANBA 5/92

(2) Long term unemployed programmes

With the special program and model scheme »Employment aid for long term unemployed« the Federal Government started a new way in 1989 to help long term unemployed and those who are difficult to find a job for. With this program one attempts to combat the more and more established structure of long term unemployment and also to correct some of the already existing programmes. Aim is the reintegration of long term unemployed people in the labour market.

The new element in these two programs is change from the individual aid towards a project aid in order to create »wholesome« schemes which aims to enforce the competitive skills of these people at the labour market. By the way of special care and a combination of training and employment the reintegration of the long term unemployed is aimed at. Cooperation between different institutions shall help this process »to help that this >wholesome< project aid will be efficiently done« (Schmid u.a. 1992, 323).

(3) Ammendmend to the Employment Promotion Act

As a consequence of the growing budget deficit in the household of the National Labour Office the parliament passed a »Law to change the requirements for benefits according to the Employment Promotion Act and other laws«. With this the budget shall be cut down with about 5,2 billion DM in 1993 only. The law contains reliefs for the contributors concerning certain benefits in order »to maintain the high standard of labour and education promotion while facing lower financial means« (ammdement by the Federal Government 1992). In reality this law cuts down or tightens many schemes.

The most controversial point is the take over of West-German rule concerning employment promotion to the East. For a transition period the immediate effects will be eased by special rule. Also benefits up to 90% are possible, up to 100% benefits are restricted to special cases where special labour market or social reasons are there and the agency is unable to cover some of the wages itself.

As difficult is considered the new promotion possibility according to § 249 h Employment Promotion Act according to which the labour offices are entitled for a transition period of five years to use contribution payments to use them to create new employment in their local districts. On the one hand this is very useful in respect of new employment but on the other hand it says that the wages shall not exceed 90 % of the valid labour contract or shall not exceed 80% of the working hours. Above that the Federal Government is not willing to support this scheme by wage and fix cost subsidies from the federal budget. And finally it cannot be explained why state and specially municipal agencies cannot take part in these schemes.

3.4.3. The situation in the former East

a) Employment and unemployment

As a result of the sudden change of the Eastern European economy to market economy standards the labourmarket and employment system in the former

East-Germany got into a deep crisis whose end cannot be foreseen. From the time of the breakdown of the wall in 1989 until the beginning of 1992 half of the jobs were gone. This loss could not be covered by the creation of new jobs by the private industry or the state nor by federal employment schemes.

chart 31: Labour market development 1990 - 1992 (former East; yearly average in 1000)

	1990	1991	1992*
employed people	8.831	7.211	6.261
registered unemployed p.	240	913	1.350
unemployment rate in % (referring to all dependend employed people)	-	-	10,3

*1992 estimate

Source: Blaschke and others 1992

The situation on the labour market was dominated since 1990 by (compare with chart 31):

- The number of people in employment went down from 8,8 million in 1990 to estimated 6,3 million in 1992.
- The number of registered unemployed people grew from 240 000 in 1990 to estimated 1,4 million in 1992.

Without migration, commuting, and the massive use of employment schemes the decline of employment and the increase of unemployment would have been much heavier. Altogether there were in 1991 1,7 million people in employment schemes described in chart 32. If one counts the 365.000 early retirees, the 400.000 East-West commuters as well as the 100.000 migrants to the West the real amount of the hidden unemployment is around 2,7 million people (compare ANBA 5/92, 779 ff.).

The unemployment rate was in 1991 at 10,3%. The rate is much better for men than it is for women. The average length of unemployment was in 1991 38 weeks. This is much higher than it is in the West (24 weeks). This is very surprising since unemployment exists much longer in the West and is already structurally strong. This high factor shows that it is hardly possible in the former East to find the way back to employment.

Since the beginning of 1991 unemployment benefit, unemployment relief and integration benefit are paid according to the West German rules although there were and still are some special rule for the transition time. Out of 912.838 registered unemployed people 699.027 received in 1991 benefits, this means 76,7%. This is much higher than in the West. The reason for this is that employment was much more the rule on the East so that more people are eligible for benefits. 96,2% of the recipients received unemployment benefits, 3% unemployment relief and only 2% integration benefits. This structure reflects that in the East more unemployed people are eligible for benefits and for a longer time.

With the increasing length of unemployment one can expect that the number of unemployment benefits will decline and that the number of people receiving unemployment relief will rise.

The average amount of unemployment benefit rose clearly over the year 1991. While an unemployment benefit recipient got at the beginning of the year 618 DM (average) he/she got at the end of the year 731 DM. Women got clearly less (January: 549 DM; December: 669 DM) than men (713 DM; 850 DM). Despite this rise the general level was much below the West German average. For many unemployed people it was not even up to the social welfare level.

In order to prevent that unemployment provokes social welfare dependency on a large scale the reunification contract contain a so called social bonus with the unemployment benefits (also for retirement- and accident insurance). This bonus was only for a limited period of time and since it ended in 1991 one might expect a sharp rise of the number of social welfare recipients in 1992. In 1991 in 99.566 households - mainly women and families- unemployment was the reason for social welfare reception. (Statistisches Bundesamt 1993: 137).

b) Problem groups on the labour market

Because of the widespread redundancies and the still relatively short period of unemployment in the former East the phase of structuring unemployment onto certain groups has not yet taken place and is by far not so strong as it is in West-Germany. Also the massive use of labour market instruments worked against that. Although statistical data about the situation of different groups and their risk factors at the labour market are not yet available in such a precise form tendencies are clearly the same as they are in the West. But the problems differ from the situation in the West (compare ANBA 5/92):

(1) Women

The employment rate of women was in the former GDR almost as high as the one of men (end of 1989: 78% compared to 86%) and by that much higher than in the West. Women made about half of the employed people. Also under the change of the situation on the labour market women still want to work. Firstly it is important for the household that the wife works in order to maintain the standard of living. Secondly there is a large proportion of single women and mothers. It is also difficult to expect that the attitude of women towards work will change in such a short time rapidly.

Still women are much more effected by the crisis on the labour market in the East than men. This is not such much the cases at the decline of employment since here men and women are equally effected. But since women have fewer chances to find a job or an employment scheme they have higher unemployment rates as men meaning that it is more difficult for them to get a job and to keep it.

Out of the yearly average of 913.000 unemployed people in 1991 530.000 were women. Their share was 58% compared to 47% of all employed people. While men had an unemployment rate of about 8,5% the one for women was at 14,7% so almost twice as much.

Unemployment of women lasts longer than of men: At the end of 1991 64% of all unemployed people who were already out of work in 1990 were women. Reason for that may be: the low mobility because of the family, the concentration on few women specific jobs, a partly low qualification and not

very flexible qualification as well as lower chances with employment schemes. More women got early retirement benefits and participated in full time retraining schemes but are rarely represented in short time work, job creation schemes (ABM) and in the job training.

(2) Foreigners

In the former GDR employment of foreigners was not on the same scale as it is in the West. The percentage of people with a resident permit was at the end of 1989 1,2% (former West: 8%). In 1991 the labour offices issued in the East 72.300 work permits; so foreigners are still not important in the statistic. Because of this foreigners are hardly represented among the unemployed (yearly average in 1991: 13.800); their percentage was 1,5% compared to 12% in the West.

(3) Older employees

As older employees are described those people who are over 55 years or older (women) or over 60 or older (men). In the yearly average in 1991 17.800 women and 6.100 men out of this age group were registered; this makes 3% of all unemployed people.

The comparably small part of older people among the unemployed can be explained by the frequent use of early retirement. In the yearly average 1991 the labour market was relieved by 555.000 people. Other schemes for older people can be neglected in comparison.

(4) People with health problems

Because of the economical change the labour market situation for severely disabled changed negatively. The number of unemployed severely disabled was in the yearly average in 1991 at 19.939 people; their share among the unemployed was at 2% and so much below the rate in the West (7%).

Reasons for this low number are the special redundancy rules for these people, but one might expect more redundancies as a result of the closing or

partly closing of companies. Also not all requests for an official disability status have been processed. And finally many disabled people left the labour market totally because of the few chances to get a job.

(5) Unskilled unemployed people

The so called labour market monitor, a regular poll (compare Bielenki and others 1992), shows that the structural change in East-Germany in 1991 resulted in a loss of skilled jobs but also a lot of skilled and highly skilled were forced to take jobs which were under the abilities. While unskilled workers used to work in position where usually required some skills they now work in jobs where only few or no skills are required. A lot of unskilled people who had a job at the end of 1990 were unemployed at the end of 1991 (12%; total: 8%); more than the average is also the number of unskilled unemployed who remained in their position in the end of 1991 (54%; total: 37%). So it does not come as a surprise that the unemployment rate for unskilled workers was at the end of 1991 with 31,1% (men: 19,4%; women: 40,2%) much higher than the average unemployed (13,3%).

(6) Long term unemployed

According to the labour market monitor 240.000 people were registered unemployed who were already unemployed the previous year. This was a quarter of all registered unemployed. Related to the amount of 1990 a year later 42% were still or again unemployed. Among the long term unemployed were more than the average older people.

(7) Regional differences

All new states in the East were effected in 1991 by the results of the drastic structural change in the economy. The differences concerning employment and short time work were only small. Saxony-Anhalt had overproportionate job loss while East-Berlin was under the average. Also unemployment developed equally in the regions. The differences between different regions are much smaller than they are in the West. The average unemployment rate of 10,3% was only exceeded by Mecklenburg-Western Pommerania (12,5%). But there are major

differences within the states; some labour offices had unemployment rates up to 25% (Annaberg-Nordhausen). Employment schemes were distributed equally across the country.

c) Labour market politics

The amount of the employment crisis is only moderately shown by the unemployment rate, since unemployment without all the different schemes and programmes would have been much higher. The immediate effects of short time work, employment schemes and full time retraining and early retirement reached in the middle of 1991 almost 2 million people (compare Blaschke and others 1992: 132). The strong expansion of labour market instruments was because of social and labour market reasons necessary but caused an increasing need of financial resources of the national labour office which cannot be covered by contributions. Considering this it is very likely that the labour will not be able to continue its relief and bridge function for the future.

The neoliberal economy policy of the Federal Government gave only few employment impulses so that the labour market had to take most of the pressure to help the structural change along with social aid. A decision by the board of the national labour office says: »Half of the expenses of the national labour office go into the East of Germany. This is financed by all contributions by the employees and employers to the national labour office. This single finance does not go together with the rule of equal distribution of the financial burden. Labour market and employment politics are a task for the whole society. Not only for those who pay into the funds of the labour office.« (quoted according to Blaschke and others 1992, 132)

Model calculations by the Institute for Labour Market and Job Research (IAB- Werkstattbericht 12/1992) say that in the time 1992 - 2000 1.300 billion DM have to be invested to gain again employment for 6,8 million people in the East. It will depend on the political aimed equality of living conditions if it is possible to get more private and state investments into the East. Only with a precise employment policy the labour market policy can help to ease the social problems at the structural change in the East.

(1) Use of labour market instruments

The massive use of different labour market instruments helped so far to keep the results of the massive job loss in limits but they are not enough to change the situation on the labour market. On the one hand this policy is from the social point of view very important but on the other hand it needs high transfer payments from the West to the East (at the moment 150 billion DM per year). The solidarity of the people in the West has been used highly but one cannot foresee how much longer this will be possible. Also a lot of people are at the moment in special employment schemes and one cannot say whether it will be possible to integrate them into the labour market again.

The reunification treaty included several special rule for the employment promotion in the former East which aimed at cutting down the increase of unemployment with social aid. To this belongs among others:

- easier condition for the reception of short time work benefits although there was no security that the job will continue;

- introduction of early retirement schemes as benefits which could be claimed from February to October 1990; women from 55 and men from 60 years and older could retire early under certain conditions; since October 1990 there is an equal age level for early retirement.

These benefits and schemes will accompanied by a number of programmes which was never there before in the Federal Republic of Germany. These programmes include training and retraining schemes and general employment schemes. The yearly average for 1991 had an relief effect of 1.514.000 people. In 1992 a relief of 1.685.000 people for the labour market is expected.

Chart 32: Relief of the labour market by labour market schemes of the labour office (former East; yearly average in 1000)

measure	1990	1991	1992*
A demands			
short-time work	100	1.000	500
general measure for the promotion of employment («Arbeitsbeschaffung»)	5	100	500
measure for vocational training (full-time)	5	100	100
»Altersübergangsgeld«	—	—	—
total	781	2.157	1.197
B relief of the working market			
short-time work	340	900	193
general measure for the promotion of employment	4	256	543
measures for vocational training (full-time)	5	169	433
»Altersübergangsgeld«	15	189	516
total	364	1.514	1.685

source: Spitznagel, MittAB 2/92; *1992 estimate

(2) State programmes: the example Brandenburg

The state Brandenburg helped with labour market schemes over 70.000 employees in 1991. In the main focus was the programme »Qualification and work for Brandenburg«. Adding to this programme was the state employment promotion scheme for target groups and modell schemes for job qualification. The main points of this programme are the creation of so called employment promotion companies (ABS), the encouragement of further training by higher benefits and the promotion of becoming self employed and creating new jobs. These programmes continued in 1992 as state programme

This programme fills gaps in federal laws and programmes (e.g. support of agencies, counseling institutions, training schemes) but it also helps already existing federal programmes e.g. by the take over of contributions from the agencies. It also aims at encouraging local communities to be active on the labour market (e.g. by employing social welfare recipients)

(3) Employment promotion companies

Companies to promote employment and structural change (so called ABS companies) were founded locally and on regionally as independent legal companies to help the structural change along with social support. ABS companies are the result of the common work of all central institutions in the new states (Treuhandanstalt, unions, employer association, companies, states, local communities etc.) and the money is mainly provided by the labour office.

According to a research by the Institute for Labour Market and Job Research showed that at the end of 1991 333 ABS companies existed and 130.000 people were employed there. Another 90 companies are founded (compare IAB-Werkstattbericht 10/1992). The main purpose of these companies is the carrying out of employment promotion schemes, the counselling of people who are on short time work without being working at all and the organisation of training schemes. Per average 340 people belong to one ABS company. The most ABS companies are in Saxony and in Brandenburg. ABS companies shall create the

structural change on the local and regional basis more social. In the ideal case these companies can help creating networks, organising agencies and organising schemes. They also can get closer to target groups and make it easier to get into the labour market. What they really can achieve praxis will show.

(4) Social benefit of the unemployment insurance

With the take over of the West German social security system also its structural problems were taken over. One of it is the lack of a minimum element in the social security system. Since the social security system is based on the contributions done over the years of employment it is getting difficult when one cannot fulfill these conditions. The last security net is than the basic social welfare.

Since in the former GDR social welfare was not important it is now time to build up an efficient infrastructure for the social welfare administration on the local basis. To cover this time the reunification treaty includes additional social benefits (to be precise: unemployment-, accident-, retirement insurance) to prevent that to many people depend on social welfare. The unemployment insurance will just pay this additional benefit until 1995 in already running cases and ended already for new cases at the end 1991 (compare Hanesch 1991). Since the devastating employment situation will not improve soon at the moment different modells are discussed to create a »basic security according to the need« as integral part of the social insurance. But under the present political situation these modell will no stand a chance to become reality.

3.5. Housing

3.5.1. Housing supply and housing shortage in Germany

a) Definitions

Since the middle of the 1980's, the housing problem in Germany has worsened in extent and intensity, despite the relatively high average standard in living conditions. Questions arising from the housing supply's shortcomings and the »new« housing shortage have been on the political agenda in East and West Germany since 1988/1989. The necessity to tackle these housing/political problems is evident. From a socio-political point of view, this is especially valid for sections of the population that are deeply affected by housing shortages. This requires differentiated analysis and problem-solving for the deep divisions that exist within the housing supply.

In the housing discussion in Germany at present, there is much talk of housing affluence and housing shortage. Both of these categories apply to Germany. On the one hand, Germany has higher average living standards than ever before in its history, a higher standard than in most of the other EC member states. On the other hand, a large and increasing housing deficiency is occurring (1992/1993 a total of approx. 2.5 - 3 million flats) and the number of homeless people and cases of need are growing (see charts 33 and 34)

Germany's housing supply is deeply divided on a number of levels:

1. Between East Germany and West Germany: Average living standards (supply of housing space per person, as well as how flats are equipped) are much higher in West Germany than in East Germany
2. Between regional, communal and local housing sub-markets: Apart from regional and communal differences, housing deficiencies and shortcomings in supply which are of greater proportion are concentrated in larger cities and their metropolitan areas. Massive local imbalances and increasing social segregation among urban neighbourhoods has also taken its toll. Urban areas

are split into »three or four different categories: prosperous city centres, rich, normal and poor neighbourhoods« (Krummacker 1993: 10ff.).

3. Between the different social groups in the population: On the one hand, the majority of private households in West Germany live in very good, good or adequate housing conditions and, with the exception of the strained housing markets in the metropolitan areas, individuals can take part in the housing market themselves. On the other hand, an increasing number of people are affected by social exclusion from housing areas and by the housing shortage. These people are usually one of the following: low-income groups, the homeless and those without flats, the long-term unemployed, social assistance recipients, foreign households and newcomers (labour migrants, refugees, evacuees), many single-parent families, many lower income senior citizens, many younger people seeking flats, as well as larger families. Because of the lack of flats and rising rents in the larger cities, there are also many normal-income people who are affected by the housing shortage.

In order to comprehend the quantitative and qualitative dimensions of social exclusion in the housing domain, it is necessary to define the housing shortage. Housing is one of the basic necessities of human existence. Unsuitable housing conditions worsen living conditions and developmental possibilities in other main areas of life (e.g. employment possibilities, health, social contacts, personal development etc.). Housing shortage does not exist as an objective term. Apart from absolute housing shortage (no roof over one's head, no protection from the elements, no place to stay), housing shortage is historically, socio-culturally and regionally relative. It orients itself on how the housing supply falls short of the average standards of the society in question. Statistical indicators are unsatisfactory if they are only comprehended quantitatively in relation to actual flats:

1. Housing demands include the spatial and social environment of the flat (housing environment, neighbourhood, environmental strains, infrastructure etc.).
2. The housing shortage overlaps quantitatively with other social disadvantages, especially in the areas of income, labour/unemployment, health, education, cultural and political participation in social life.

According to the life situation concept, any comprehensive definition of housing shortage must take the housing environment into consideration, as well as connections to other main areas of life. The present extent of research does

Charte 33: Datas about the housing conditions in West- and East-Germany
- datas as available (1987 - 1991)

	West	East
private households (1990) (Mio.)	27,6	6,6
number of flats (1990) (Mio.)	26,8	7,0
built up (1987/89 ¹) (% from total)		
> before 1919	18	37
> 1919 -1945/48	14	15
> 1946/49 - 1968/70	34	20
> after 1968/70	34	28
owner of the flats (1990) (% from total)		
> lokal authority/state	ca. 3	41
> WoBaugesell./Genossenschaften	13	17
> private property	ca. 84	42
living space/person (1987/89) (qm)	36	27
living space/flat (1987/1989)(qm)	85	65
equipment of the flats (1987/1989) (% from total)		
> with bath,WC, central heating	ca. 75	ca. 45
> without central heating	25	53
> without bath/shower	5	18
> without inside WC	2	24
average rent		
> rent 1989/90 pro qm (DM/qm/Monat)	6,40	0,90
> rent 1987/89 pro Wohnung (DM/Monat-SOEP) ²)	486,-	62,-
> rent 1991/92 pro Wohnung (DM/Monat-SOEP) ²)	589,-	298,-
average burden by rent (SOEP)		
> 1987/89 (rent/income in %)	20	4
> 1991/92 (rent/income in %)	21	13
recipients of housing benefit (1990/91) (Mio. households)	1,8	begin.at 1991
housing shortage (1990) (Mio. flats) (estimate HBV/IFO)	1,5	1,0
private households in 2000 (DIW-Prognose)		
> Szenario A (Mio. Haushalte)	30,4	6,3
demand to new flats (1991-2000) (DIW-Prognose)		
> Szenario A (Thsd. flats/year)	450	80
demand of investment (1991-2000) (building prices of 1989)		
> new flats (Bil.DM/year)	94	27
> renovation/modernisation (Bil.DM/year)	94	18

1) data: West-VZ 1987; Ost-Bauakademie 1989; 2) SOEP - Sozio-ökonomisches Panel

Sources: DIW-Wochenbericht, 42/1990, 591 ff; Gewerkschaft-HBV-Hauptvorstand, Rundschreiben 10/1990, Wohnungspolitik/Wohnungswirtschaft; Krause 1992, 11; Wirtschaft und Statistik 4/90 und 10/91; Krummacher 1992, 40f

not allow any application of such a comprehensive definition of housing shortage. This is why this report is based on the definition of housing shortage and cases of emergency used already by experts, as recommended by the German Urban Conference (Deutscher Städtetag 1987: 14 f.):

»Cases of emergency« according to this recommendation occur when people

- are immediately threatened with homelessness or
- are affected by homelessness at the moment or
- live in unsuitable living conditions because of other reasons.

These categories can be explained in the following manner:

- Immediate threat of homelessness: Immediate loss of flat forthcoming or release from a home or institution, with no possibility of attaining suitable living space;
- affected by homelessness at the moment: without flat or place in home or institution or lodging according to article 14 f of the Ordnungsbehördengesetz (OBG);
- live in suitable conditions because of other reasons: Unsuitable or extremely crowded living space or inability to pay high rent (rent/income) or escalated conflicts with co-tenants.

b) Extent of housing shortage

As the »Annual Report 1991 for Germany« (see Kortmann, Schneller 1992: 67ff.) already states, the state of data available in relation to housing supply and the extent of the housing shortage in Germany is extremely bad. This applies expectedly to East Germany for the most part, as statistics in these new Länder had to be newly arranged, but this also applies to an extent in West Germany (MAGS-NRW 1991: 122 ff.). This is why the Federal Government responded in 1992 to questions by the opposition, in saying that it possessed no sure statistics for the following questions: housing deficiency, number of people looking for flats, number of homeless, demand for subsidized housing

chart 34: Housing shortage in West- und East-Germany 1991/92 - estimate
 Variant A: estimate by Institut Wohnen und Umwelt (IWU) 1990/91
 Variant B: IWU-estimate and supplements by Krummacher 1991/92

	Variant A persons in 1000	Variant B persons in 1000
Westgermany		
1. without an own flat		
> homeless people - without refugees ¹⁾	700	700
> persons without any place of residence	130	130
> refugees and de facto refugees ²⁾	no datas	1100
2. just before the state of homelessness (loosing the flat, coming out of a residence/prison without a flat	no datas	no datas
3. unacceptable living conditions		
> flats without bath,WC, central heating	500 - 600	500 - 600
> overtaxing (2 and more pers. p. room)	350	350
> in barracks/temporary accomodation (without homeless people)	40 - 100	40 - 100
4. unacceptable burden by rent (rent ³⁾ /income)		
> burden bei rent (more then 40 % ⁴⁾)	1700 - 1800	
> burden by rent (more than 35 % ⁴⁾)		3000 - 3500
West-Germany sum	3420 - 3680	5870 - 6480
East-Germany⁵⁾		
1. Without an own flat		
> homeless people and persons without any place of residence ⁶⁾	200 - 230	200 - 230
> refugees and de facto refugees	no datas	100
2. just before the state of homelessness	no datas	no datas
3. unacceptable living conditions		
> unacceptable for east-german standards	min. 300	
> unacceptable for west-german standards	1500 - 2000	1500 - 2000
4. unacceptable burden by rent	no datas	no datas
East-Germany sum	1700 - 2230	1800 - 2430

note: 1) Schätzung 1990 der Bundesarbeitsgemeinschaften Nichtseßhaftenhilfe und Soziale Brennpunkte; 2) Flüchtlinge in Deutschland Ende 1991 nach Globus-Kartendienst 9785/1992, abzüglich der Flüchtlinge mit eigener Wohnung; 3) Bei Wohngeld-Berücksichtigung reduziert sich die Zahl der Betroffenen; 4) Schätzung 1991 nach Sozio-ökonomisches Panel (SOEP); 5) Die schlechte Datenlage für Ostdeutschland erlaubt nur grobe Schätzungen; 6) Schätzung 1990 nach Globus-Kartendienst 1000/1993

Sources: Berechnungen nach Krause 1992, 3ff; Krummacher 1992, 37ff; MAGS-NRW 1992, 134ff; Schuler-Wallner/Wullkopf 1991, 14ff und Abb. 7; Specht-Kittler 1992, 32ff

(Deutscher Bundestag, Drucksachen 12/2883). Quantitative information on the extent of the housing shortage can only be estimated.

Using the German Urban Conference definitions above, the extent of the housing shortage in East Germany and West Germany can be presented in two variants (chart 34).

Variant A relies on estimates from the Institute for Housing and Environment (Institut Wohnen und Umwelt IWU) from 1991 (see Schnuller-Wallner/Wullkopf, 1991: 14ff., A 7).

Variant B adapts some essential presumptions from variant A, but completes them in some aspects and is therefore able to give higher estimates (Krummacher 1993).

Accordingly, the extent of the housing shortage for 1991/1992 can be described as such:

West Germany

Those without flats, i.e. the homeless, single people without lodging in collective housing, homes, overnight lodgings, rented hotel rooms and those on the street : at least 830.000. (variant A - without refugees) up to 1.900.000 (Variant B - with refugees). The much higher figure of variant B includes refugees without flats (asylum seekers and de facto and contingent refugees).

Those immediately threatened with homelessness, i.e. People, whose loss of flats are the result of immediate evictions and those discharged from homes and institutions (especially those who have been ill for long periods of time and ex-convicts), who cannot provide themselves with a flat from the housing market: Conclusions for the quantitative estimates are not given for these.

Unsuitable housing conditions, i.e. those who live in flats without housing necessities (without bath/shower, toilet, central heating) and/or in crowded flats (2 or more people per room) and/or in barracks or temporary lodgings (without homeless persons): approximately 900.000 to 1.050.000 (Variant A and Variant B).

Unsuitably high rents (in proportion to income): According to Variant A, there must be over 1.000.000 households with over 1.800.000 people who put more than 40 % of their earnings toward rent payments (federal average 1989: 23-24 %). When payments made by the government toward rent payments (Wohngeld) are taken into consideration, then the number of these households is reduced by about half. According to variant B, the number of households/individuals making unsuitable rent payments is going to 1.700.000 households with 3.000.000 or 3.500.000 people, because the threshold value of unreasonable rent burden was determined to be 35 % (which exceeds the medium rent burden by 50%, according to the socio- economic panel -SOEP 1991, see Krause 1992: 11).

East Germany

There are only a few indicators of the extent of the housing shortage in East Germany. According to studies done by the former Building Academy of the GDR before unification, 7.000.000 flats were no longer inhabitable, although some 1.700.000 people were allowed to live in them. Another 40% of the flats were extremely in need of renovation or sanitation. There were 780.000 registered applications for the allocation of flats at the housing offices. Most of the applicants were sharing flats with other households or were living in flats fit for demolition. Without anyone being counted twice, the number of households living in unsuitable housing conditions must have been 1.000.000, at the time of unification in 1990, comprising a total of 2.000.000 to 2.500.000 (see Krummacher 1992: 43 ff). These numbers are probably not any lower today, especially since homelessness has also risen dramatically in East Germany as well.

- Those without their own flats: Excluding refugees, these number from 200.000 up to 230.000 (Variant A). Including refugees, the number is from 300.000 to 330.000 (Variant B).
- Those immediately threatened by homelessness: Indicators for quantitative estimates are not available.
- Unsuitable housing conditions: Variant A estimates the number of people who, measured according to the much lower East German housing standards, lived in unsuitable housing conditions at least 300. 000 people. This estimate

is probably far too low, even for East German standards. Measured according to West German standards, the number of people living in unsuitable housing conditions in 1991/1992 would be at least 1.500.000 to 2.000.000.

- Unsuitably high rent payments: Indicators for qualitative estimates are not available. Because of special rent controls in place in East Germany, as well as special financial assistance provided by the government, this number should be very low at the moment.

Summary: Taking the refugees into consideration, as well as the threshold value of 35% for unreasonable rent burden (Variant B), the number of people affected by absolute or relative housing shortage in 1991/1992 was approximately 5.500.000 to 6.500.000 in West Germany (9 to 10% of the population) and 2.000.000 to 2.500.000 people in East Germany (13- 16% of the population).

One must take into consideration, however, that these estimates, owing to lack of statistics, contain no information on the number of people living in grossly neglected surroundings or in surroundings which make the inhabitants ill. As well, there are no statistics on the number of urgent cases among those looking for flats.

3.5.2. Main problems and their causes in Germany

a) In West-Germany

Generally, the »new« housing shortage in West Germany is a partial aspect of increasing social divisions - divisions in the labour market, growing social inequalities and social exclusion processes. These are all tied to the housing shortage problem. More specifically, the main problems in housing supply occur:

- in cases of high and growing global housing deficiency,
- in cases of extreme shortage and the growing scarcity of affordable rental flats in the metropolitan areas,

- in cases of high rent payments and/or of a lack of flats for lower income sections of the population and
- in the case of the ever-rising numbers of homeless and other acute cases of emergency.

In this difficult situation in the housing market, demographic, economic and political causes overlap.

Socio-demographic causes: increasing demand for flat:

Global demand for flats is a seriously increasing long-term trend. This is caused by changes in population and household structures, by the increased use of dwelling space as a symbol of prosperity and by the migrations of past years.

The changes in population and household structures can be traced back to household formations of the 1960's and the well-known trend of smaller households (longer life expectancy, increase in divorce, resulting in a high increase of singles and single-parent families). The long-term increase in per capita dwelling space consumption is partially the result of the changes in household structures (many singles) and partially the result of prosperity symbols (secondary flats, luxury consumption).

The number of migrants coming to West Germany has increased greatly since 1988. From that year until 1992, about 4.200.000 migrants came to West Germany, among them 1.100.000 refugees from East Germany, 1.400.000 evacuees from Eastern Europe, about 1.000.000 asylum seekers and approximately 700.000 foreigners from EC member states and Turkey (see Giesack 1993: 29 ff.). With the exception of the former, unforeseeable migrations, these other factors of increased demand for flats could have been foreseen since the beginning of the 1980's.

Economic causes: decreasing supply of flats, rising rents

The construction of flats decreased dramatically in the 1980's. Since 1985, it has been under the Western European average (see tabel 35). It no longer meets

the increasing demand for dwelling space. In addition, the supply of rental flats has also decreased, especially the supply of lower- income flats. The supply of rental flats is decreasing because of the extensive (state-supported) transformation of rental flats into condominiums and into business space. The construction of subsidized rental flats was decreased to almost zero in the second half of the 1980's (in 1988 and 1989 only 12.000 subsidized units were constructed each year in the »first production phase«). At the same time, the supply of subsidized housing (only 3.000.000 flats at present) has decreased because of expiring rent controls and conversion to free-market dwellings. Above all, the state-sponsored and therefore inexpensive subsidized housing units are dramatically affected. The sensible town planning modernization of flats is also often expensive and this also helps to decrease the number of affordable flats, while encouraging tenant displacement.

chart 35: **New flats and council housing in west-Germany 1960 - 1991**¹⁾

	1. sum 1000	2. from it coun.c.h. 1000	% von 1
new flats 1960 - 1990			
1951 - 1960 average p. year	536	295	55
1961 - 1970 average p. year	564	209	37
1971 - 1980 average p. year	496	129	26
1981 - 1990 average p. year	294	72	24
approved flats 1988 - 1992			
1988	214	39	18
1989	276	68	25
1990	387	93	24
1991	394	95	24
1992 Prognosis	401	120	30

1) Sozialer Wohnungsbau insgesamt einschließlich geförderter Eigentumswohnungen, ab 1970 2. Förderweg, ab 1989 3. Förderweg. Die Zahl der Sozial-Mietwohnungen im 1. Förderweg ist deutlich geringer: 1988/89 je 12 Tsd., 1990 26 Tsd. Wohnungen
Sources: BMAS 1992, Statistisches Taschenbuch, Bonn; DIW-Wochenbericht 45/1991; Globus Kartendienst 9644/1992; Krummacher 1981, 99

As a result of the shortage of flats, rents have been increasing for years, occurring above all when new tenants sign new leases. This increase also has a middle-term effect for existing leases. From 1989 to 1992, new lease rents for new buildings in the West increased on average by about 38% and for old buildings by about 50% (the general rise in prices having been 13%). In

medium quality flats, the basic rent in 1992 was 7 to 8 German marks/ qm on the West German average. In the larger West German cities, (cities with over 500.000 inhabitants), the average rent for new leases was 11 German marks /qm for old buildings and 13 German marks /qm for newer buildings and 16 German marks for first- time leases (see RDM-Immobilien price list 1992)

The consequences of these market dynamics affect all those looking for flats, above all lower-income households and less popular tenant groups. Foreigners, social welfare recipients, single parent families and families with many children are the most affected by these »discrimination barriers«. Those able to pay are able to make their way through the housing market. Lower income groups and groups suffering from discrimination often have an extremely heavy rental burden to carry (see Krause 1992: 11; Schuler-Wallner, Wullkopf 1991: 7f). They become trapped in the ever-scarce supply of affordable rental flats. Here, they are concentrated and compete in this sub-market with one another. Those who cannot make their way in this sub-market will become either a housing case of emergency or homeless.

Political causes: false prognoses, deregulation and delayed reaction

The judgement of housing politics is controversial according to different interests and political points of view. This also applies for experts in the field of housing politics.

The Federal Government and those associated with the housing industry have recognized the very poor supply of flats since 1988/1989. At any rate, they hold the lack of profitability in the housing industry, lack of building space, legal building restrictions and unwillingness to pay rent responsible for this. They demand the deregulation of building, property and rent laws, as well as the expansion of market-adapted subvention incentives for the creation of private housing and for the increase of private rental buildings. Payments made by the government toward rent are to act as a kind of social cushioning.

Those associated with the opposition, the unions, tenant organizations and welfare associations hold false prognoses about the demand for flats, socially unjust practices, 1980's deregulation and late, insufficient reactions to the housing supply problem responsible. They demand the restructuring of the housing system with a view to those groups most deeply affected by it, the

massive expansion of subsidized housing construction, levies for the conversion of dwelling space, reinforced rent restrictions and the decentralization and municipalization of housing politics (see 3.5.3.).

From a socio-political viewpoint, the joint responsibility of the housing politics for the present lack of flats and the shortcomings in supply in the affordable flat sub-markets cannot be disputed (see e.g. Iben 1992: 24f; Krummacher 1992: 46ff; Schuler-Wallner/Wullkopf 1991: 9f; Ulbrich 1992: 1ff).

The increasing demand for flats - a result of changing household structures and the scissor-development between supply and demand in the rental housing sector - had been recognizable for a long time and had been formulated in practice early on. Nevertheless, the Federal Government preferred to regard the housing market as relatively balanced until 1988.

The inefficient and, in its allotment, unsocial housing construction assistance is a deciding secondary cause of the present problems in supply for low-income groups.

»Although the housing supply is satisfactory for a large section of the population, it cannot be socio-politically justified if 25% of the entire housing construction assistance capacity (yearly 20 billion German marks) is allocated for the highest and the lowest fifth of the income bracket.« (Schuler-Wallner/Wullkopf 1991:10)

Taking Ulbrich's (1992) study for a basis, only one part of the entire housing construction assistance capacity could be registered (e.g. revenue assistance of privately financed rental unit construction could not be registered at all). Allotment is therefore shifted further upwards, to the advantage of the upper income fifth of the population.

The promotion of property - from which mostly the higher income groups profit - is always justified with »drainage processes«. This means: The new proprietors keep rental units open, so that they can trickle down to the lowest income groups as people change residences. In reality, however, this trickle-down effects ends long before it ever reaches lower-income people looking for flats. Revenue assistance for the conversion of rental units into condominiums is particularly controversial. New flats are not created in this way and the supply of rental units is further decreased.

In addition, there is the political deregulation of housing which occurred in the 1980's. This resulted in the widespread discontinuance of assistance for the construction of rental housing units until 1988/1989 and the abolition of non-profit housing utilities (1990). In this way, cities were stripped of much of their usable supply (see Riege 1989: 525 ff.).

Only at the end of the 1980's the Federal Government partially made a new trend in its deregulation policies. The essential measures aim at increasing assistance for the new construction of condominiums and rental units (the assistance mostly being in the form of revenue privileges). In addition, the means for construction of new flats will be resumed (from 1989 on) and partial rent payments made by the government (Wohngeld) will be raised somewhat (1990). These measures are criticized as being late, insufficient and socially imbalanced by the opposition (see SPD-Bundestagsfraktion 1991: 23ff.).

b) East Germany

The main problems and causes of the much worse housing supply in East Germany can be traced back to the legacy of the former GDR, the adjustment to the West German housing market economy and to social destabilization (widespread unemployment, poverty).

According to the statistics of the former School of Architecture, approximately 6.600.000 East German households, with a total calculated population of 16.000.000, had around 7.000.000 flats at their disposal, at the time of unification (1989/1990). The average rent prices were at 0.90 East German marks per square metre and the median rental burden at 4% of total income. Nevertheless, the condition of the housing market was strained, partially desolate and the housing supply was bad. The housing shortage in East Germany until unification was not a rental cost problem, but a problem of the multi-faceted miserable housing quality. This legacy of the former GDR can be presented in the following manner:

- As a result of the long-term lack of renovation, a large number of older flats are fit for demolition (approximately 1.000.000 units; We); others are in need of sanitation or very much in need of renovation.

- Because the flats are so poorly equipped (29 -30% of the flats have no bath or in-door toilet) and the heating systems so miserable, numerous flats are in need of renovation.

- The poor quality of former communities requires extensive concrete repairs and improvements in the housing environment.

The housing supply of the communal housing construction societies (Wohnungsbaugesellschaften) is plagued by debts of 500.000 millions German marks.

The present backlog of investments in the housing sector is estimated at 500.000 millions German marks (see Deutscher Städtetag 1992: 5).

Further problems result from the political shift of unification and its resolutions. These are its intents, some of which have already been put into place:

- Transfer of the housing sector to the »social housing market economy« of the West. Transfer deadlines and social obligations should ensure its social compatibility;

- Transfer of the former »publicly-owned« housing supply to the newly formed communal Housing Construction Societies (Wohnungsbaugesellschaften);

- Re-transfer of expropriated property and flats back to the original proprietors under the principle » Restitution before Reimbursement«;

- Gradual lifting and later de-controlling of existing rents on the basis of Federal Government regulations, partially cushioned by special payments made by the government toward rent (Sonderwohngeld);

- Priority of existing supply through modernization and renovation before construction of new flats;

- Special assistance for the creation of condominiums and the privatization of rental flats.

Apart from the high costs of the backlog and the poor financial situation of the East German Länder and municipalities, many of the mentioned problems are unsolved.

The principle »Restitution before Expropriation« and the debts of the communal housing enterprises have proven to be especially counter-productive and are obstacles to investment. They prevent socially responsible management of houses and properties. Many flats which have been quickly renovated with the capital of the Housing Societies or with private funds are »application-burdened«. This means that the original proprietors or their heirs demand restitution (see Deutscher Städtetag 1993, 6). The processing of the applications totally overloads the authorities and the courts; there are supposedly 1.000.000 pending applications. Because of this and the debts, many possible renovations and modernization investments remain undone (a solution for the debts could be under way in 1993/1994; see 3.5.3).

Frequently, only temporary leases are signed for »application-burdened« flats. Although notices of termination for domestic requirements do not come into question until 1995, there is much fear of displacements among East German tenants, which is constantly stirred up by the sometimes rabid actions of the old and new proprietors.

Decreed rental hikes by the Federal Government contribute to the further burden of tenants: In October 1991 net existing rents rose by approximately 1 German mark per square metre and heating and warm water costs by 3 German marks per square metre. This meant a tripling or quadrupling of the original rent. Even if the rent hikes are to be levelled out by payments by the government and if the burden is still substantially under West Germany's, considerable social severeness have occurred. The median rental burden therefore rose from 4.1 to 13.4 % in 1991/1992 and from 9.8 to 23.1% (50% threshold value) in the lower-income groups (SOEP 1991/1992, see Krause 1992: 1, chart 6). Further rental hikes occurred in January 1993 and in 1995 rents are to be decontrolled.

Special revenue assistance for the creation and conversion of property are often experienced by the East German population as the selling off of »raisins« (see Schuler-Wallner/Wullkopf 1991: 11f). Until now, they have only been engrossed by a few well-earning East Germans, and above all by West Germans, who can fully exhaust the write-offs and other taxation advantages.

In summary, it should be concluded that the problems continue to prevent urgent and necessary improvements in the East German housing supply. East German tenants are afraid of losing their flats, in addition to their jobs. This process of social destabilization in the East and the divisions between East and West are becoming greater as a result.

3.5.3. Housing policies 1991/1992 and perspectives for 1993

a) *Housing policies*

The housing discussion in politics and in the media has increased in severity since 1988/1989. The danger signal sounded by the West German municipalities on housing deficiencies, exploding rents and the municipalities' overcharge with legal duties for the allotment of flats for cases of emergency, as well as the lodging of migrants are all becoming more frequent. As well, the results of communal and Federal State elections signalized the high explosiveness of the »new« housing shortage. This, as well as unification caused the Federal Government to take more action on housing issues and to make a limited change in its housing policy. The conjuring up of capital by the Federal and Federal State Governments for the construction of social housing units, the additional assistance incentives for investment in housing construction, as well as other measures have all had little effect. These measures were emphatically impaired by highly inflationary land, building and financing costs (see Krummacher 1991: 51ff). In spite of an increase in the number of building permits issued since 1990 (see chart 35) the housing shortage and, in particular, the number of cases of emergency grew. This is why additional efforts were made on all political levels (federal, Federal State and municipal) in 1991/1992. Among these were: Further incentives for construction and rental unit construction assistance, further capital for social housing construction, amends for government payments toward rent (Wohngeld) in West Germany, the introduction of special payments for rent (Sonderwohngeld) in East Germany and limited changes in tenant law. As social housing construction, »Wohngeld«, tenant law and the allotment of flats for cases of emergency are especially relevant to the groups affected by the housing shortage, the following implementations are confined to these aspects.

Social housing construction

The aim of social housing construction is the following: »to make possible a sufficient housing supply for all sections of the population ... and to secure

these namely for such people seeking flats, who are not in position to do so themselves.« (see article 1, part 2, II.WobauG). This is to be attained by the construction of flats whose rents and occupancies are controlled. The building owner of social flats receive special assistance capital and must offer limited occupancy and rental prices in return. The assistance capital are financed partially by the Federal and Federal State Governments, with limited grants made by the municipalities. Even if the actual allotment of social flats affect medium income groups, project assistance is the most important instrument for the expansion of the supply of price and occupancy-controlled flats. The main problems of present social housing construction is the severe decline in the supply of affordable social flats because of expiring rent controls, the wrongful occupancy of numerous social flats with households that violate income limit and/or flat size regulations, the high costs and low number of newly-built social flats.

In 1991/1992, the Federal Government drastically increased its funding for the construction of social flats (from 3.100.000.000 to 3.700.000.000 German marks). Including contributions by the Federal States, it is estimated that the assistance capacity totalled 13.000.000.000 German marks in the West and 2.000.000.000 German marks in the East (see Deutscher Bundestag, Drucksachen, Nr. 12/2883: 7). If this is considered unsatisfactory by either the Federal States, the opposition or the tenant associations, then it is for the following reasons: The assistance results have risen dramatically, but do not begin to cover the costs that would be incurred, in order to narrow the gaps in the housing supply (see chart 35). As well, large portions of assistance capital have been dispersed into a number of different incentive programmes, some of which require much higher rents and higher income brackets. Because of this, overwhelming barriers have been created for lower income people seeking flats.

At the federal level, penalties are increasingly being paid by social tenants who earn more than the income limit for the allotment of a social flat. They are required - according to the degree which they surpass the earnings limit - to contribute more generously or even pay »comparable rents for the locality in question.« These payments are for a cause and go toward new housing construction. As this conversion is a matter for the Federal States, a number of limited differences arise in its application. The long debate over »mis-subsidization« of social housing construction has nevertheless not come any conclusion. The municipalities demand that these penalties be available to them without exception, according to the »In the community principle« (»Vor-Ort-Prinzip«). From the tenants' point of view, and from the viewpoint of some of the experts in the field, it is not satisfactory that only the tenants of social flats, and not the proprietors of the buildings as well, are required to pay these

penalties. They also demand the conversion of rental costs to a rent based on income and quality of housing. In this way, the rental burden of lower-income tenants of social flats could be reduced and a better and more just allotment of constructed social flats could be attained. There are no effective impositions against the decrease in the supply of social flats, because of existing laws and the fact that public housing utilities no longer exist.

Some Federal States and numerous municipalities are trying to prolong rent control through delayed subsidies, voluntary agreements and political impositions against housing enterprises associated with the municipalities. The expenses for this would be expensive and the effects would be limited. This is why the demand is increasing for the restoration of public housing utilities.

Rental Fee Laws and government payments toward rent

In order to control rental hikes and rental burdens in the free-enterprise housing construction sector, there are rental fee laws and a system whereby the government makes payments toward rental fees (« individual assistance») in West Germany. In East Germany, special rules for rents and special rental payments by the government («Sonderwohngeld») are in place. The basis of the West German rental fee laws is »comparable rents for the area« and the »maximum limit«. The rules in present at the time state: 1. In existing leases, rents and rental hikes of a flat cannot be higher than that of comparative flats in the area. 2. According to the »maximum limit«, rents are not allowed to be raised by more than 30 % in a period of three years. Exceptions are made for raises in operating costs, staggered leases and for the modernization of flats. The principle of comparable rents for the area does not apply to new leases, however. Here, the principles of free-enterprise market rents apply. The limit is set at the market rent, which surpass comparable rents by 20 % («rental fee excess») or by as much as 50 % («exorbitant rents»). The principles of comparable rents for the area are only valid for flats, which have been newly leased in the last 3 years. Because of this, constant rent hikes are programmed. The abrasive rental hikes in the metropolitan areas in the last couple of years are proof of this. Since 1990/1991, there have been conflicts in the coalition in the Federal Government about changes in rental law concerning rental fee limits. The coalition compromise of 1991 («the limiting of rental fee increases») includes the following features:

- decreasing the »maximum limit« for existing leases in the metropolitan areas and to decrease rental hikes to 20 % within a period of three years for rents superior to 8 German marks per square metre.;
- the possibility of a »rental interest escalator clause« agreements between the proprietor and the tenant;
- higher penalties for »rental fee excesses« and »exorbitant rents«;
- limiting provisions to 2 months rental fees.

The passing of this law and its effects are not yet certain. Most experts suspect: it will be too late and its effects will be unsatisfactory.

The »Annual Report 1991 for Germany« (see Kortmann, Schneller 1991: 103ff.) is a report on the »Wohngeld«- system and the 8th amendment of the Wohngeld law. The following should be added to this report : The development of »Wohngeld« recipients and payments illustrated in table 36. A differentiation for East and West Germany is, unfortunately, not possible, because of the data available. The »Wohngeld« system is the only political housing instrument whose effects have been proven to be beneficiary for lower income sections of the population (see Ulbrich 1991: 10ff.). The following are indispensable from a socio-political point of view: 1. Good information and a simplified application process, as only 50 % of those eligible for Wohngeld actually receive it; 2. The constant conforming of Wohngeld payments to income and rent.

charte 36: Recipients of housing benefits in West-Germany
1965 - 1991

	household with housing benefits at the end of the year in 1.000	sum of housing benefits in Mio.DM
1965	395	160
1970	908	599
1975	1666	1643
1980	1486	1835
1985	1512	2469
1986	1877	3401
1987	1897	3703
1988	1858	3698
1989	1793	3690
1990	1774	3618
1991 West	ca. 1.800	no datas

note: Daten nur für Westdeutschland, ab 1991 8. Wohngeld-Gesetznovelle in Kraft;
Wohngeld-Einführung in Ostdeutschland seit 1991; Daten liegen noch nicht vor;
Sources: Wirtschaft und Statistik 10/1991, 671 ff; Stat. BA, 1991: Wohngeld 1990

The effects of the system of Wohngeld as »individual assistance« is under debate to an extent. Wohngeld comes indirectly to the proprietor from the tenant. This only increases the official ability of tenants to pay the rents asked for, and this allows rents to continue increasing. As well, individual assistance - in comparison to »property assistance« (social housing construction) - does not increase the number of flats whose rent and occupancy are controlled. The widespread demand of the housing industry »individual assistance instead of property assistance, the market will take care of the rest« can therefore be judged critically (see Deutscher Städtetag 1993, 27). Property assistance is, on the long term, equally as important as individual assistance.

Rental fee laws in East Germany were determined in June 1991 during the »Magdeburg Rent Resolution«, between the Federal Construction Minister and the East German Construction Ministers. It states:

- East German rents will be raised starting in January 1993 to 7.30 German marks per square metre (warm rent) on the average;
- The extension of »Sonderwohngeld« will make rental hikes socially more digestible ;
- A conversion to the »comparable rent system« is foreseen for the middle of 1995. Until then, there will be no further rental increases.

Housing cases of emergency and homelessness

The most pressing consequence of the present housing shortage is the rapid increase in the number of housing cases of emergency, i.e. the homeless and single persons without flats in East and West Germany (see Koch/Reis 1992). The main reasons for this are: Migration, refugees, loss of flat and insufficient living conditions. Welfare associations and the media also report that a large number of those without flats in West Germany come from East Germany.

It is the municipalities that are immediately responsible for housing cases of emergency. The municipalities are supported in part by the Federal States in the form of investment subsidies and grants and also by the independent welfare associations in the form of social service, performance and personal help. The Federal Government rejects programmes of action against homelessness and

refers to its efforts to increase the supply of housing and points to the fact that the problem is in the municipalities' jurisdiction. The Federal Government is only willing to help finance studies on homelessness (see BT-Drs. 12/2883, 18 f.).

The most important legal principle for the aid and support of housing cases of emergency is the Federal Welfare Act (Bundessozialhilfegesetz, especially articles 8, 15, 27, 72 BSHG). Special regulations apply for evacuees and refugees (details and other legal principles, see MAGS 1992, 26ff). Article 72 BSHG provides for »measures to obtain and keep a flat«, in addition to advice and counselling. Therefore, a system of stationary, partially stationary and mobile help for people without flats exists in the municipalities. According to »incumbent judgement« the following come into question:

- Advice and help during the search for a flat or the settlement of conflicts with the proprietor (personal help);
- the assumption of rent and other costs (financial services);
- the providing of lodging or overnight lodging.

The most important types of municipality lodgings at the present are municipal homeless lodgings, seized flats, overnight accommodations, evacuee and asylum seeker homes and numerous makeshift lodgings (schools, stadiums, tents and extremely expensive rented »boarding houses«).

The type and quality of the lodging of these acute cases of emergency, the type and quality of aid systems, and moreover the measures and efforts to avoid and eradicate homelessness and social focal points differ greatly from municipality to municipality. Nevertheless, it is not disputed that most municipalities and social services of the welfare associations are hopelessly financially, personally and spatially overloaded with the massive problems of the housing cases of emergency. The German Urban Conference (Deutscher Städtetag) had pointed to this situation early on (and again and again). In 1987, it devised a concept for »the securing of flat allotment for cases of emergency and the improvement of living conditions in social focal points«, whose main points were:

- Public and private bodies responsible for social and youth help should take part in help for cases of emergency and focal points as part of their planning.

- The municipal jurisdiction and resources (personal and financial) for cases of emergency help should become coordinated and bundled through the creation of a central office, which would be tied to the housing, social, municipal, property and social services offices.

- The constructional and infrastructural deficiencies of the under-privileged communities and social focal points should be removed and their condition should be made at least equal to that of other communities.

- Binding agreements with the local housing industry should make sure that actions for eviction remain as low as possible. It should also prevent homelessness, with the cooperation of the municipalities (e.g. through the »assumption of rental debts« and »deficiency guarantees« etc.) and cases of emergency should be able to be lodged in normal flats.

For socio-political, financial and ethical reasons, the existing facilities for the homeless, as well as sub-standard living areas should be »liquidated as soon as possible« (conversion, renovation or demolition). Plans for demolition or conversion should be discussed with, and voted on by the tenants before they are realized.

Numerous municipalities - among them, in an exemplary fashion, the city of Cologne - are putting forth great efforts to do something about the problem, following the recommendations of the German Urban Conference. Considering the present shortage in supply, this is hardly possible at all. Cities are forced to create »new makeshift accommodations, where it can often not be determined if its location, size, occupation, equipping and counselling comprise a humanitarian lodging. Without additional help from the federal and Federal State governments, this situation will surely worsen in the years to come.

b) Perspectives 1993

Almost all prognoses agree on the point that the housing shortage in East and West Germany has not yet reached its climax. The efforts made up to now by the Federal Government, the Federal States and the municipalities are obviously

not enough to rapidly increase the supply of flats and affordable dwelling space or to limit rent hikes or lessen the severity of the »new« housing shortage.

The spectrum of opinions and demands for perspectives and alternatives to present housing policies is widely divided into different departments, but, according to political persuasion understandably heterogeneous. From a socio-political viewpoint it can be determined that most opinions are concentrated on demanding the Federal Government to re-orient its housing policies. Also, there are further demands for the local housing authorities to make and consequently apply decisions (see e.g. Deutscher Städtetag 1993; Gewerkschaft HBV 1992; Iben 1992; Krummacher 1992; Schuler-Wallner/Wullkopf 1991; SPD-Bundestagsfraktion 1992).

The present demands for a re-orientation of the Federal Government's housing policies in East and West Germany are concentrated on the following themes:

1. The remodelling of the political housing assistance system and the regrouping of existing housing subsidies with the aim of greater allotment justice and increased funds for the affordable housing sub-markets (above all for social housing construction). The target groups of aid should be the middle and lower income groups, especially those which are affected by the housing shortage. This is to be attained by limiting property assistance (to middle and lower income groups) and the dismantling of tax privileges depending on income, to the advantage of direct assistance with social commitments.
2. Expansion of financial help for municipalities for restoration and careful modernization of their own supply of flats and for the appropriation of economical real estate for social housing construction with the maximum social commitment possible.
3. Abolition, or at least a regional and short term restriction of financial assistance for the conversion of rental units into condominiums and, as supporting measures, the extension of planning, construction, and rental laws, with the aim of limiting conversions and uses for purposes other than originally intended.
4. The adjustment of modernization assistance for urgently needed modernizations and repairs without displacing the original tenants.

5. Specific assistance measures for the renovation of urban crisis areas (large rental unit settlements, lodgings for the homeless, social focal points) and for the creation of humane makeshift lodgings for migrants that can be later reconstructed into normal flats.

6. The further development and expansion of tenant protection in the case of conversions and active measures to control rent prices and, as a supporting measure, periodic adjustments to Wohngeld in two year periods.

7. The improvement of official housing statistics and the creation of uniform, federal cases of emergency statistics, so that sufficient information is available early on for housing concept purposes.

For the East German Federal States and municipalities, special measures and sufficient financing is needed. These should put them in the position of being able to practice socially compatible housing policies. This especially applies to the questions of »former debts« and »repossession« of expropriated properties, which were mentioned in the »solidarity pact« between the Federal Government and the Social Democrat opposition in March 1993.

Almost all experts stress that, even if a rapid and consequent re-orientation of housing policies takes place, it will be years until the housing supply and housing shortage will improve in Germany.

3.7. Health

The issues living conditions and health have been ignored by the German health system. In 1970 the Federal Government published a report on the health development of the public including an international comparison. But this has been the first and only one so far. Only since the mid-eighties a study group on federal basis has been working on the issue »Creation of a health-monitor system - stocktaking and and concept-proposal« and produced at the beginning of 1989 its final report. Based on this the Federal Republic of Germany shall be monitored on the health condition of the public, state and future development of the health care system and its costs (Hoffmann 1993: 33ff.).

If one takes the enlarged theory on the reasons and causes of illness, the relationship between living condition and health risks becomes very important also in regard to the rehabilitation and healing chances. There are, -roughly speaking, two contradicting theories on the relationship between bad financial situations and health risks: On one side there is the »drift-Hypothesis« according to which the social decline of a person is a result of his bad disposition (health, resistance- or other abilities), whereas on the other side there is the »Stress and strain Hypothesis« which claims that stress and pressure among people of lower social class is much higher and often results in higher health risks (morbidity) (Oppolzer 1986). Although there has not been any monitoring of the health situation in Germany and empirical data was difficult to get, the present data give a lot of indication of the relationship between social situation and being ill which is surely a part of social exclusion in this society.

3.7.1. General empirical data

One of the few attempts to look at relationship between low income/poverty and morbidity was one by Richard Hauser and others. He looked at polls by Infratest-Health-Research in the time between 1970 and 1977 and came to the result that in poor households there are more cases of mental problems, blood circulation problems, respiratory-problems, infections of the genitals and of the abdomen than there are in households with a higher income. More frequently, in poor households one finds complaints about headaches and toothaches. Less frequent are diseases of the metabolism and of the skin and indigestion. Since

there is a higher health risk among poor households, these households visit the general practitioner more often who's part of the basic health system. The analysis shows that people with a low income visit more often the hospital whereas people with a higher income look for help at a specialist. The authors summarize that »the intensity or seriousness of diseases among poor people is much higher than it is among people who are better off.« (in the same place 166). Unemployment according to them is another health risk.

This approach by Hauser and others to lighten up the relationship between financial poverty and health/illness has not yet been continued. In some socio-medical studies the connection between social rank in the lower segment of the job hierarchy (e.g. unskilled worker, inferior employees, partly inferior civil servants) and illnesses or death has been examined. Hereby the social exclusion process, also valid for the education and training sector, and the pressures in the working environment and their impact on the health is obvious. If one summarizes: Members of the lower social classes in comparison to other parts of the population, live not only more dangerously und unhealthier but also shorter.

a) Pressure at the working place

In the Federal Republic of Germany (former West) 10 million employees are in regular contact with hazardous materials. Many employees work at places with noise, wetness, heat, draught, they have to carry heavy goods, have to do monotonous and repetitive work and have to do shiftwork. The related health risks are much higher in numbers than the 59 recognised occupational diseases and they are very unequally spread (compare Weber 1987: 177; Gesundheitspolitische Strukturkommission beim DGB-Bundesvorstand 1987: 23ff.).

36,7% of the men and 25,8% of the women work at a workplace with three or more irritating factors. 26,4% of the men and 18,8% of the women complain about too much time pressure. In general men feel more strongly about stress at their workplace than women do (DHP-Gesundheitssurvey 84-86: 26). Among the group of people affected by healthrisks, the risks concentrate on workers without a formal school or education degree: 62% of them work at place with overproportionate health risks (Gesundheitliche Strukturkommission beim DGB-Bundesvorstand 1987: 69). 14% of all employees work nights or shiftwork,

which those affected feel as very stressful and this also leads to health problems (as above 24).

With the increasing pressures at the workplace, mainly connected with night-/shiftwork, the attempt to compensate them with drugs increases as well. Workers who work piece-work, night-shift work, tend to consume more alcohol and nicotine (Sachverständigenrat für die konzertierte Aktion im Gesundheitswesen 1987: 38 and 244). Altogether semi- or unskilled have less opportunities to compensate their stress at their home or in their leisuretime. Small or bad apartments, a bad housing environment with higher environmental problems increase the strong relationship between working- and living conditions.

b) Use of health care according to social status

As the health statistics show, members of lower social classes or members of the lower hierarchy in the companies are more often ill than others. This statement just relates to a part of the actual morbidity such as accidents and easily indentified health risks. The less definite or the more complex the illness is the less it is discovered and a doctor is consulted. Although the Federal Republic of Germany has almost a 100 % health insurance coverage -state and/or private- the use of it and also the supply of specialists shows social class differences. Worker visit doctors most but mainly general practioners. The density of doctors is lower in areas with lower incomes. This is even more true for specialists. It is evident that the health system reacts to the demand very flexible. A study shows for example that high blood pressure is discovered later among people of the lower classes and generally treated worse (Thiele 1986: 23).

The result is a protraction of illnesses that then results-besides work accidents- in that workers visit a hospital more frequently. Wolfgang Thiele summarizes this complex as that »those who are socially weaker get qualitatively worse and less frequent health care. They are more often ill, but discover it seldom and later the symptoms and do not rate them correctly. They have greater problems to get appropriate health care and once they get it they are ,to be careful, less strongly controlled in their therapy.« (as above).

c) Chronification of illness

Working conditions, frequency of accidents, the general living conditions and a higher symptom tolerance lead to a much higher chronification of diseases.

The percentage of acute diseases among the population in the Federal Republic of Germany (former West) is in all age-groups around 2 to 3 %. The percentage of chronic diseases increases with age and reaches a percentage among the 45 to 50 year old of 8,1 %. The general trend minimized healthrisks with infectious diseases and increased general life expectation. The present main illnesses are those that have a long past such as heart-circulation illnesses, malignant recurring illnesses, diabetis mellitus, chronic bronchitis, rheumatism, digestion diseases. Adding to that are results of accidents (Hartmann 1984: 36ff).

Of central importance for the cause and development of these illnesses are the pressures at the workplace. Employees with three or more pressures at the workplace - according to chart 37 - have more chronic illnesses than employees without these pressures.

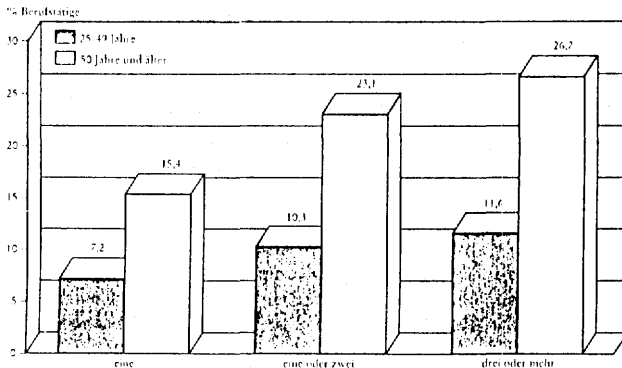
chart 37: Number of chronic illnesses in relation to stress pressures at the workplace

Wahrgenommene chronische Krankheiten	Berufsstufe mit nebenstehender Krankheitsangabe in %			
	Keine Arbeitsbelastung (1)	Eine oder zwei Arbeitsbelastungen (2)	Drei oder mehr Arbeitsbelastungen (3)	(3) : (1)
Durchblutungsstörungen am Herzen, Angina pectoris	5,3	7,4	9,4	1,8
Herzinfarkt	1,2	1,6	1,9	1,6
Herzschwäche	2,5	3,0	3,7	1,5
Durchblutungsstörungen im Gehirn	2,5	3,5	4,2	1,7
Zuckerkrankheiten, Diabetes	2,2	2,7	3,3	1,5
Schlaganfall	0,5	0,7	0,7	1,4
Krampfadern etc.	14,6	18,1	16,5	1,1
Durchblutungsstörungen in den Beinen	6,4	10,2	12,1	1,9
Bluthochdruck	14,3	17,9	19,3	1,3
Starkes Übergewicht, Fettsucht	10,0	11,8	13,7	1,4
Gicht, Harnsäureerhöhung	5,2	7,7	8,7	1,7
Erhöhtes Cholesterin	8,4	11,8	13,8	1,6

Quelle: DHP-Gesundheitssurvey 84-86. Nationaler Gesundheitssurvey; gewichtet; Infratest Gesundheitsforschung; Auswertung für die Enquete-Kommission "Strukturreform der gesetzlichen Krankenversicherung", Deutscher Bundestag, Drucksache 11/3267,27.

Out of the number of employees with three or more chronic illnesses - according to picture 4 - in the agegroup between 25 and 49, 11,6% work at workplaces with 3 or more health risks. In the age group over 50 even 26,7 % work there. With the increase of pressure at the workplace and growing older the risk of getting chronic illnesses increases as well. Mainly workers older are affected by this. Among them the health decline is, according to Ingbert Weber, much more visible than it is with employees (Weber 1987: 170).

picture 4: Employees with 3 or more chronic illnesses related to age and healthrisks



Quelle: DHP-Survey 8; Infratest Gesundheitsforschung; Auswertung für die Enquete-Kommission »Strukturreform der gesetzlichen Krankenversicherung«, Deutscher Bundestag, Drucksache 11/3267,28.

d) Shorter life expectation

One of the few studies to look at the death rates according to social status in the Federal Republic of Germany (former West)- the Stuttgart study for the years 1976 - 1978 - shows that per 100.000 inhabitants in the group of simple civil servants, employees and workers 1498, in the group of higher and leading civil servants, employees and independent academic just 582 died of stomach- and intestinal-cancer, bronchitis cancer, heart attack or of a liver disease. A very high risk to die of in the lower social classes is stomach-, intestinal-cancer or a liver disease. A comparison of five equally large groups of the population in Hannover showed that the mortality of the group with the lowest proportion of workers is just two-third of the one with the highest proportion of workers. (Weber 1987: 1966). In the group of those over 50 already 7,5 % of the workers are in early retirement, whereas just 2,5 % of the employees had to retire. The risk of dying is for a 50 year old male early pensioner eight times higher than the average would have expected it (Ritz 1989: 37). The average end of receiving pension because of death is 2 years earlier among workers than it is with employees (Gesundheitliche Strukturkommission beim DGB-Vorstand 1987: 71).

3.7.2. Health risks at unemployment

Employment at the lowest level of the job hierarchy implies special health risks which might lead then to the loss of the job because of illness. Unemployment - a main reason for social exclusion - itself is a risk for the health. Many studies prove that people affected by unemployment generally have more serious illnesses, mainly mental and psychosomatic illnesses (compare Kieselbach 1986: 3ff.).

Illmaking factors which have led to unemployment and illmaking factors caused by unemployment cannot be separated. Numerous studies prove that long-term unemployed people have much higher illness rates, need more often a G.P. and psychiatrists, and are more often in a hospital: people on long-term unemployment need 60 % more health care than people who are just on short-term (Thiele 1986: 25). People on long-term unemployment are more often ill

(Möhlmann/Zollmann 1987: 214), but they use less often prevention facilities also for their children. (Thiel 1986: 24).

The vaccination-status of children of long-term unemployed parents is lower than the one of children of higher classes, the participation in preventive health checks for small children declines among long-term unemployed (as above Pilotprojekt 1988). The missing perspective for the future also results in deficient care for the health of children. Generally: »Parental (long-term-) unemployment affects children (school age) almost the same as it does adults. All characteristic symptoms as results of unemployment in the personal and social life can also be seen among the children: psychic remarkabilities - fright, sleeping problems, unrest, emotional lability, introversion, concentration difficulties, regression. Social remarkabilities - cutting off of social contacts, being afraid of stigmatisation, denial of unemployment in the family, backing away from the parents, bad school marks, delinquency.« (Zenke /Ludwig 1985: 271)

Since the members of lower social classes are more endangered by the risk of unemployment their children are just as well affected by the unemployment of their parents. »Unemployment is for a lot of children of the lower classes a - sometimes critical- aggravation of the living situation which is already restrictive enough.« (as above: 247.)

Situations like these do not seldom result in the attempt to escape the situation by the use of drugs. The unemployment research shows that there is not just one explanation and that there is no »single unemployment illness« (Thomann 1981: 196). Many reasons and ways to combat the situation determine the success or the slipping away into illnesses or addiction. Besides the present health situation, the financial situation of the unemployed, the length of unemployment, additional (also family) pressure, social status, education level, age and many more, also the way society deals with the problem of (mass-) unemployment is important.

Since it is obvious that nicotine- and alcohol abuse is much wider spread among long-term unemployed people than it is among those who are just unemployed for a short time and those who have a job (compare Sachverständigenrat für die Konzertierte Aktion im Gesundheitswesen 1987: 38) just one single explanation is definitely not enough. Among the group of shiftworkers the same symptoms of drug abuse are visible as they are among the long-term unemployed (as above 244). If one considers that night- and shiftwork is mainly done by members of the lower classes, that those people face a higher risk of being made redundant one finds here again that it is mainly this very

group which is affected by health risks whether they are employed or unemployed. One can come with Büchtemann to the conclusion, »that unemployment is for a large portion of the unemployed a longer phase of disintegration out of the working life. At its beginning there are exhausting working conditions which often lead to redundancies because of illnesses and at the end people are totally expelled from the labour market.« (Büchtemann 1984: 85f).

3.7.3. Poverty because of illnesses

Bad working- and living conditions lead to illnesses, in that respect the Stress-and-Strain-Hypothesis is right. But also a modified version of the Drift-Hypothesis is right if one includes besides genetic conditions also those who occur during life e.g. because of accidents/serious illnesses. The expulsion from the working life because of illnesses and longer lasting problems limit the opportunities of getting social benefits because there are not enough contributions to the social insurance. For the people affected this means not only living on a low material level but also living in dependency under a special social control. Since the early social security systems often are not enough the families or the social welfare system has to fill the gap.

a) Limitation of health care

The limitation of health care, specially in the national health system, in cases of chronic illnesses is another reason for impoverishment because of illnesses. The Socio-Economic Panel for 1984 shows that 35% of the panel-population are chronically ill, but are at the same time 64% of the medical cases and 66% of all hospital cases which is 1,8 - 1,9 as much as they would normally eligible for their group. People who are unable to do their daily tasks are 2,6 as much at the doctor and 3,4 as much in the hospital.

Chronical illnesses do not only mean health and psychosocial restrictions but also financial costs. A study about chronical joint-illnesses shows that around

40% of the costs have to be covered by the patient, because they are not covered by the national health system (compare Hartmann 1984: 42).

b) Results of long-term mental illnesses

The growing importance of mental illnesses in relation to early retirement shows just a small part of the problems related to it. The national health system is mainly designed to cover somatic illnesses and mentally ill are just covered insufficiently. Those people often do not fulfill the requirements for health care (e.g. because of minor-employment). Also much of the aid is time-limited (e.g. sickness benefits) so that the mentally ill are threatened by the risk of getting dependent on social welfare.

Generally the mentally ill are more threatened to be pushed out of the national health insurance into the pension insurance. Here they find again tight limits since in most of the cases they do not have the required »positive prognosis«. Because of this, early retirement means a pension on a low material level for these people. But still mainly drop out of this net and become dependent totally or partly on social welfare. More than half of the costs for the mentally ill are covered by social welfare. No other illness- or disabled- group is, according to the DGB »excluded from our social security system« as the mentally ill. (DGB o.J.: 24).

c) Material decline at occupational disability

Early retirement means a loss of contribution years (to the social insurance). 66% of the total loss of contribution years among men and 72% among women are caused by four major illness-groups which are: heart-and circulation-diseases, rheumatism, mental illnesses and malignant diseases. These illnesses have already been mentioned in the chapter on chronic illnesses. Very remarkable is the increase of mental illnesses among early retired employees (Schuntermann 1987: 478; Scharf 1980: 557). Early retirement also means material cuts:

chart 38: Material effects in case of disablement before retirement age
-as of July 1st 1991 according to pension levels in the former West

	occupational dis- ability pension	earning incapacity pension
from ...to...	<i>cumulative</i>	<i>cumulative</i>
DM/month		
to 500	17.122	5485799
800	32.184	719.970
1000	46.362	845.533
1200	63.115	986.992
1400	75.025	1.129.703
1600	80.069	1.262.591
1800	81.128	1.386.657
2000	81.240	1.485.286
2200	81.255	1.546.753
2400	81.257	1.578.050
2600	-	1.590.234
2800	-	1.594.011
3000	-	1.594.894
more than 3000	-	1.595.156

Source: Bundesregierung Rentenversicherungsbericht 1992: 127

In comparison: In 1991 in the former West the average net-income of male fulltime employed worker in industry was 2.609 DM, for the female 1.846 DM, for male employees it was 3.599 DM and for female employees 2.349 DM (compare Schäfer 1992: 642f). Looking now at the pensions because of disablement, these pensions are significantly lower. There are 32.245 pensions because of disablement which are below 1.000 DM among men and 14.117 cases among women. Among those who get a pension because of incapacity to earn a living more than 50% have to live with less than 1.000 DM. 657.000 women and 188.180 men are affected by that. In 200.000 cases the pension is between 1.000 and 1.500 DM and 100.000 women are in this group (Rentenversicherungsbericht 1992: 123ff.). With this it is already determined that they have to depend on social welfare if there are no other pensions to rely on or a spouse or family.

3.7.4. Conclusions

The reported situation might lead to the conclusion that one just has to adjust the health system and most of the problems will be solved. But because of the strong middle class orientation of the health system this seems not to be the case. But the system to cure rather than prevent illnesses will remain. The social statistics show the strong connection between illness and work and workplace, the living environment, the school and training system. Research on the connections can give reasons to change the health system in order to be more preventive than before. Apart from attempts to establish a monitoring system as described above it becomes important to improve the health care for vital parts of the lower social classes and put prevention forward.

The policy of cutting down costs in the health system in Germany has had strong effects on chronically ill people and has worsened the situation for the mentally ill. One has to watch if the rule to free these people of prescription fees will ease the exclusion processes. Generally, the care for the mentally ill has to be improved so that the exclusion of the mentally ill and addicts from the community can be stopped, and that they also get sufficient material resources to have decent life.

4. Immigrants

4.1. Immigration as a problem of limitation

Since the mid-seventies problems concerning the immigration of foreigners and of Germans from eastern and southern Europe who wish to resettle in Germany (»Aussiedler«) have become political issues.

In 1992 close on 6.5 million foreigners, approx. 8,4 % of the residential population, lived in Germany. Most of them (approx. 4 million) belong to the group of the so-called »ausländische Arbeitnehmer« (»guest workers«), who had mainly been recruited in South-European countries and Turkey or have either moved to Germany as part of their families or have been born as their descendants in Germany (approx. 1 million). As under German legislation on foreigners only specific persons are eligible for naturalization, most of the descendants of these former »guest workers« of the second and even the third generation remain foreigners in the legal sense although Germany is socially the centre of their lives and their perspectives. The second largest group is that of refugees which at present contains more than 700.000 persons. Amongst these there are refugees whose application for asylum status has been rejected, but who have not been deported to their home countries for political and humanitarian reasons (approx. 640.000 de-facto refugees; approx. 40 000 so-called contingent refugees whose admittance has been decided upon explicitly by the government and approx. 28.000 dislodged foreigners). The applicants for asylum status and their dependents form the third largest group (approx. 230.000) according to the Bundesinnenministerium, March 1993.

The Federal Republic has experienced increasing immigrant pressure as a consequence of economic problems and social and political tensions of many of the so-called third-world countries (civil wars) since the end of the 1970s and of the changes in eastern Europe since the end of the 1980s. In 1980 the number of applicants for asylum status exceeded for the first time 100.000. For the years from 1988 to 1990 alone an immigration surplus of approx. 2,5 million persons, among them 1 million »Aussiedler« (resettlers) from Eastern Europe, were registered. In 1992 438.000 persons applied for asylum status.

This development is a political challenge as the refugees burden a job market already under heavy pressure as potential competitors (mass unemployment of more than approx. 1 million unemployed persons since 1975), the housing sector (deficit of 1.5 million housing units) and make claims on social security and supportive systems which have undergone severe strain through the increasing unemployment and impoverishment of the German population.

These challenges have mainly been considered as problems calling for the limitation of immigration and not so much as a problem that might be solved by creating the legal and material conditions which could satisfy the demand for housing as well as social and economic security caused by migration. The policy of limiting immigration is a consequence of the guiding principle of German legislation on foreigners and German foreigner policy which insists that Germany is not open to immigration.

Thus the *Ausländergesetz* (law dealing with foreigners) amended in 1990 does not view naturalization as its main aim. The new *Ausländergesetz* simplifies naturalization for young foreigners between 16 and 23 of age and of foreigners who have stayed in Germany for fifteen years or longer (with a deadline at the end of 1995). Mainly, however, it concentrates on the regulation of the conditions which make foreigners eligible for more or less permanent permits of residence. The *Ausländergesetz* defines eight different types of residential status which partly refer to each other, partly apply to specific groups of foreigners (e.g. students or refugees) and are partly dependent on the discretion of the authorities in charge.

In 1990 a law regulating the admission of »Aussiedler« (*»Aussiedleraufnahmegesetz«*) introduced the possibility of fixing contingents in order to limit the number of »Aussiedler«, and this has actually helped to bring their number down to 230.000 newly admitted »Aussiedler« per year. According to the agreement between the government parties and SPD opposition concerning asylum and immigration politics of December 1992 an immigration contingent of this size will be aimed at in future. In 1989 and 1992 welfare benefits for »Aussiedler«, which had put them on the same level with pensioners resident in Germany and refugees of the Second World War, were cut down to make resettlement in Germany less attractive.

A law of 1992 regulating asylum procedures (*»Asylverfahrensgesetz«*) is intended, - similar in this to former legislative efforts-, to simplify and shorten the legally and materially elaborate asylum procedure to which asylum-seekers have had an unqualified right according to Article 16 of the *»Grundgesetz«*

(constitution) up to now. The legal changes aim at refusing entry to those asylum seekers whose reasons for fleeing their home countries are considered inadequate, as well as at speeding up decisions on claims to asylum and at limiting the asylum seekers' legal means against a decision to refuse asylum.

More and more experts on the matter in the field of politics and journalism plead for a change of direction in immigration policies by pointing out that in reality Germany has already become an immigration country due to its resident foreign population, due to immigration pressures that will remain a standing feature of the future and because most foreigners living in Germany want to stay (approx. 60% of all foreigners have been living in Germany for 10 years and more by now (Daten und Fakten z. Ausländersituation 1992: 9). They demand yearly immigration quotas for foreigners, the introduction of double citizenship, simplified naturalization and improvement of integrating measures for foreigners.

4.2. Integration aid for immigrants

The subdivision of immigrants into groups of differing residential status corresponds to a differentiation in benefits that are to give them social security and to assist their social integration. Welfare benefits are the more extensive the safer their residential status (i.e. the more that status tends towards naturalization), and they are the more sporadic, the less secure the residential status.

»Aussiedler«, whose German ethnicity gives them a right to naturalization or who are already German citizens, hold the most secure status. Those who have been granted asylum status do not obtain German citizenship, but they have a secure and unlimited right to residence in Germany. Their status therefore is much safer than that of de-facto refugees and contingent refugees, whose status on the other hand is more secure than that of asylum seekers. Foreign workers, 40 % of whom have a permanent right to residence, take an intermediate position between those granted asylum with a guaranteed right to stay and refugees whose residential permit is of a more or less transient nature or who have to rely on mere sufferance. In detail, the various groups receive the following benefits to assist their integration:

4.2.1. »Aussiedler«

Integrating measures concentrate on assistance towards integration in the field of education and professional training. Besides the acknowledgement of qualifications and certificates, crediting claims on state old age pension and accident insurance schemes, aid towards setting up as businessmen and farmers is offered. »Aussiedler« whose university qualifications is not or only in part acknowledged receive financial assistance while learning German or attending courses which are to help their professional integration. »Aussiedler« who have not reached their 35th year are entitled to financial aid during their educational or professional integration. These measures are mainly funded by a so-called »Garantiefonds« founded by the Bundesministerium für Jugend, Familie, Frauen und Gesundheit and containing budget money. »Aussiedler« who are unemployed or mean to become employed receive »Eingliederungsgeld« (financial aid towards integration) if they attend full day German language courses. »Eingliederungsgeld« is paid from eight to ten months. In contrast to the benefits paid to businessmen or pupils, »Eingliederungsgeld« is granted by the »Arbeitsförderungsgesetz« (law promoting employment) and is funded by legal unemployment insurance and promotion schemes. Its amount corresponds to that of unemployment relief. As far as the job market is concerned »Aussiedler« are regarded as German citizens, they don't need work permits and they are registered and advised by the local branches of the Labour Office. In spite of these measures unemployment among »Aussiedler« is extremely high (close on 40% in 1990); this indicates enormous difficulties to adapt by this group of immigrants although they are granted the most extensive integration benefits. In urban areas of some of the Bundesländer special preparatory classes for children as well as special classes within regular schools and boarding schools are provided in preparation for participation in regular classes. These are organized and funded by welfare organizations. Approx. 300 »Jugendgemeinschaftswerke« consisting of various associations offer leisure-time activities as well as educational and counselling programmes to young »Aussiedler«.

»Aussiedler« are entitled to apply for »Wohnberechtigungsschein«, so that they can try to obtain cheap council housing. Certain privileges such as being granted special priorities in the allocation of council housing have been withdrawn in the meantime. As there is hardly any council housing available by now in Germany (s. 3.5.) the effect of these aids is not feasible. However, if »Aussiedler« have found somewhere to live (- there is no legal claim to getting rooms through council agencies-) they may claim »Wohngeld« (housing

allowance) to lower their rents if their income is below the limit fixed by the »Wohngeldgesetz« (law regulating claims to housing allowance). (s. 3.2.)

Apart from these specific benefits there are counselling agencies for »Aussiedler« which are organized and funded mainly by the Verbände der Freien Wohlfahrtspflege (independent associations concerned with welfare activities) and in many cases by the local churches.

All these measures aiming at the integration of »Aussiedler« are not uniform and are not coordinated by an institution in their administrative and financial aspects. Corresponding to the over-all structure of German social security systems various organizations and authorities are responsible, - depending of the specific category an »Aussiedler« falls into and the kind of aid he makes a claim on. Benefits, (e.g. »Eingliederungsgeld«) which »Aussiedler« may claim as employees fall into the domain of Labour Office branches, while other integration benefits fall into the competence of state or community agencies; counselling on possible claims to aid is frequently in the hands of independent welfare organizations. Thus, »Aussiedler« are confronted frequently with the problem of spending a lot of time in finding out about whose competence it is to decide on their claim before aid can be granted.

4.2.2. »Asylberechtigte« (persons that have been granted asylum status) and contingent refugees

In 1992 438.000 refugees have claimed political asylum status in Germany. The rate of those who have been granted asylum status is 4.3%. If you add to these their dependents, the rate rises to approx. 8-9%.

Aid for »Asylberechtigte« and contingent refugees concentrates on the promotion of language ability, too. Their costs for language courses are provided for, however, they don't normally receive »Eingliederungsgeld« (financial aid towards integration). This financial assistance for language courses is granted for 6 to 10 months, depending on the Bundesland.

Like all foreigners »Asylberechtigte« and contingent refugees have to apply for a work permit at their Labour Office branch. They receive a liberal »Special« work permit which does not limit their potential occupational activities to a specific place, trade or firm. As a rule this work permit is not subject to any

temporal limits. In case of unemployment they are entitled to register with their Labour Office branch and may be supplied with a job if there is a demand.

4.2.3. De-facto refugees and asylum-seekers

There is no financial aid for language courses. Private welfare organizations or church initiatives alone organize language courses, assist in dealings with authorities and offer leisure activities.

The situation of refugees and asylumseekers is marked by almost complete social isolation from German society and in their own consciousness by a sort of permanent state of emergency, which makes it difficult for them or even impossible to return to everyday life. Refugees and asylum-seekers live in collection centres on first arriving in Germany; after that they are first distributed to the Bundesländer, and from there to the communities and rural districts according to a ratio formula. At their place of residence they live in so-called »Gemeinschaftsunterkünften« (community shelter), i.e. houses rented or built by the council authorities for the purpose, in hotels, guest houses or so-called »Containersiedlungen« (container villages). In the distribution and accomodation procedure little heed is paid to ethnic particularities, nor is the need for separate living quarters for unmarried men and women as well as families sufficiently taken into consideration. By way of social aid refugees and asylum-seekers receive clothing and food apart from accomodation. If they are provided with food by communal feeding in a canteen or if they receive vouchers for food and clothing this means a deduction from their social relief payment already reduced compared to those of others in need to which they are entitled, leaving them with a mere pocket money in cash benefits.

There is no compulsory schooling for their children.

Participation in the job market is made difficult for them, too. Asylum-seekers and refugees may be granted a »General« work permit, which is limited as to time and may further be restricted as to place, trade as well as to a specific firm.

4.2.4. Aid for foreign workers and employees

Foreign workers and employees who come from non-EC countries have to apply for a work permit. If they have the required residence permit («Aufenthaltsurlaubnis» or «Aufenthaltsbefugnis») and have been staying in Germany for 6 years, they receive the »Special« work permit. Approx. 75% of all foreign workers and employees are in possession of this kind of work permit. In respect to legal old age pension schemes, public health, accident and unemployment insurance they are assimilated in status to German citizens. Social legislation concerning »Wohngeld« (housing allowance), child benefit, educational benefits, etc. are applied to them as well as regulations concerning workers' participation in management.

However, the social risks of foreign workers and employees are greater throughout; they frequently work in unhealthy and accident-prone jobs and their jobs are less safe. The rate of unemployed foreigners was 10.7% in 1991, compared to 6% of the German citizens (old Bundesländer). The government representative for foreigners holds language and qualification deficiencies responsible for this, as well as the fact, »that foreign workers are frequently employed in economic sectors with extremely high rates of unemployment, but discrimination against them, too.« (Daten und Fakten zur Ausländersituation 1992:2)

Germany does not offer specific social benefits that might reduce or remove those risks for foreign workers and employees. Only the counselling agencies that have been founded by welfare associations and social counselling services for foreigners that are supported by budget money aim at the special social situation of foreign workers and offer e.g. educational advice geared to their needs. According to the Federal Ministry of Labour and Social Politics there exist approx. 500 counselling agencies of this kind with approx. 1.000 employees at present.

Apart from these, there are special services especially in education, i.e. within the general educational sector as well as within the sector of vocational training for young foreigners in order to improve their education and job perspectives.

Whereas social benefits aiming at their social integration may be, - or appear -, widely different for the various groups of foreigners, the restrictions as to political representation and participation are great for all of them to the same extent. Foreigners do not have the active or passive right to vote, neither on federal, nor on Länder or district level. They are not permitted to found parties

and their other political activities, e.g. in associations, may be regulated or prohibited.

5. Perspectives for policies to combat social exclusion

The Federal Republic of Germany is a rich country, but social exclusion and poverty can be found within its limits. Social polarization existed in Germany even before unification, but now their quantitative and qualitative extent has been heightened.

Because of the federal German social services system, even socially weaker individuals and sections of the population can share in the country's general wealth. Classic social hazards in particular are normally well guarded against through the strong social security system. This system is based on a large scale on employment. Employment determines to what extent services will be provided. So it is not surprising that hazards which are not directly related to employment, such as long-term unemployment, disabilities and family matters such as divorce or numerous children, can lead to social exclusion.

The study submitted showed that social exclusion has many dimensions and that there is often a strong interaction between these dimensions. This often leads to a paradox: It is the insight into the multi-dimensionality of social exclusion which leads to the realization that obviously much more complex mechanisms must be grasped in order to stop the process or to change its course altogether: Knowing more can lead to the realization of being able to do less.

This would be a hasty conclusion. The realization of the interdependence of the degrees of supply also shows that deficiencies in one area can have grave consequences for another. In this respect, politics, administration, private associations and organizations must do what they can to modify and positively influence those activities which only come into contact with partial aspects of the social exclusion process. In the areas of children and youth, grave foundations for prospective, deficient life situations are laid. This is why this should be combatted as early on as nursery and primary school. The same goes for other areas such as policies on professional training, employment, housing, health and income.

At the same time the intentions of combatting social exclusion and applying capital efficiently can be realized if the knowledge acquired, through research, about social exclusion processes, poverty and socio-political practices can be

included in political debate. These social exclusion processes are complex in nature and need to be treated in a complex activities on all levels. This applies to the numerous dimensions mentioned above and to their interdependence and complexity.

After social politics tried for a long time to compensate social hazards reactively, it began in the late 1960's to practice prevention: Especially since the Employment Assistance Law (*Arbeitsförderungsgesetz*) was passed, giving priority for measures preserving and supplying jobs, social politics has found its way to a new approach. The reality is certainly not satisfactory, but even in this report the positive effects of these measures can be described. Social politics has also applied this prevention theory to other areas. The climate remains open, but the basic principle - that social politics should try to prevent the emergence of social hazards, instead of just compensating the damages, has found its sediment in social politics.

In the same way, the multi-dimensionality of social exclusion processes should be taken into account. The dominance of the causality and equivalence principle in the existing security system has, on the one hand, guarded against certain social hazards. However, gaps in the security system remain. These gaps appear again and again, whenever the topic of practical policies against social exclusion arises. The integration of various negotiators and negotiating concepts, the connecting of monetary benefits with service benefits and the creation of smaller and larger networks for self-help and help for migrants must all be strengthened. Disabilities, long-term unemployment and special familial occurrences lead to such complex aid structures that it would be better to prevent them if possible.

In practical politics, there are already approaches and trail models that attempt to find new solutions for certain especially under-privileged groups, whether it be on the federal, Federal State or municipal level. In addition to German cultural decentralization, the allotment of employment also has the possibility to compete between centralized and decentralized social state concepts. However, this »contest« could lead to worse solutions, above all in situations which, like this one, are marked by budget problems. The multi-dimensional causal correlations have to be brought into politics stronger than ever before against social exclusion. This is an important task for politics.

The dimension of income will not be forgotten: A large part of social aid dependence would not exist in Germany if the social security system had not received minimal payments. In the prelude to its report on poverty, the Caritas Association demanded once again that a minimum protection according to need

should be introduced in annuity insurance. The Caritas Association is one of many organizations which have demanded the reform of minimum protection for many years. Different models are given for this however. These should not be repeated in this report. The expansion of the present minimum protection system should be done in such a way as to stop the segregation process, occurring in the East, and to preserve the social order in society.

The planned amendment of the BSHG, foreseeing the expansion of counselling services, will definitely be very meaningful. Unawareness of the sometimes complex social security system can often lead to gaps and social problems. Though also the structures must be rearranged in such a way as to make it suitable for those excluded. In this way and through reforms according to necessity, the minimum protection will have a large role in social politics to come.

Summary

The policy to combat social exclusion is facing a new situation since the German reunification. Based on the geographical site, the wealth divide and the political stability Germany became a refuge country for many people. This results in many problems like the social integration but also finding an inner-german and European solution to limit these migration moves. Adding to that there are enormous pressures to create a social unity in Germany. The limited financial means in the Federal Republik, the Bundesländer and the local communities resulted already in a wide discussion about cutting costs in the social welfare system and limiting the growth of debts. As a result of this it is more likely that the elements of social exclusion will grow stronger rather than improving the social welfare system.

The potential poverty population measured according to EC-standard of the 50 % line of the available household income remains in the Federal Republik of Germany steady over the recent years at 6 - 7 %. In East Germany in 1992 a similar percentage of 5,2 % is shown. While the number of German recipients of social welfare remained steady over the recent years the number of foreigners increased. Consumption and indebtedness risks are obvious with people with a low income and those who are unemployed. A future amendment of the Federal Welfare Act which promotes more preventive means has been delayed mainly because of the bad financial situation at the moment.

The general school education is very vital for a future chance on the training and labour market. Very important is special care for children with health, social and other problems which cannot attend regular schools or fail there. In Germany there are many special schools, local different, because of the federal education system, to help those children and their families.

The training sector shows a definite relief in West-Germany. The number of offered training places is higher than the number of people seeking one. Problems occur with people who do not fulfill the requirements of the training system. That is why one needs partly qualifying and job preparing schemes. In East-Germany there is still a lack of training places.

After a small relief on the labor market in West-Germany as result of the boom because of the German reunification now the signs show clearly a recession on the labour market. The following social groups are mainly affected by that: woman, foreigners, older employees and people with more than one of

these factors. In East-Germany half of the jobs are gone. Many government schemes are necessary to help during structural change of the economical structure. These schemes cover at the moment 1,6 million people.

A very problematic sector is housing. Changes in the structure of households, increased demand in more space per habitant, the stream of resettlers and refugees and other reasons has led to an enormous lack of housing facilities in West-Germany. In East Germany it is mainly the devastating condition of the houses which results in a high demand for new appartments. Housing politics will have to be very strong in order to solve these problems.

In Germany there are first moves towards a health monitoring system. The first results and data prove that people who are unskilled have to face higher pressures at their working place and get worse medical treatment. They also face special health risks: early retirement and an early death are often the results. A special health risk is unemployment. Illness itself is another reason for social exclusion and poverty.

The Federal Republic of Germany is a rich country but still there happens social exclusion. The social security system helps because of its principles mainly those who worked for a long time and contributed to it. If the people did not work for a long time the risk of social exclusion rises. Adding to that it is an extremely difficult and complicated welfare system with special problems for those, who need help in a difficult situation of life. Here a strong integration of the different benefit systems and an improved security system is necessary.

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