



Local Social Policies in Germany

Webinar “Social Policy at the Local Level: Governance, Accountability and the Citizens’ Perspectives”, organized by ICRA Foundation and FES Warszawa, 19.11.2020

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The Role of Local Social Policies in Germany

- » Longstanding tradition of local responsibilities in policies against poverty, social care, children and youth affairs (services of „last resort“)
- » National centralized welfare state administered by social insurance bodies (standard life-risks)
- » In recent years, no clear centralizing or decentralizing tendency, but increasing blending of both layers in terms of fiscal responsibilities, ‚mixed administration‘ (jobcentres), and regulation
- » Traditional strong role of (organized) civil-society in service provision (Wohlfahrtsverbände), increased activation of new organizations, private providers and individual citizens since the 1990s
- » Local social policies as implementation vs. policy-making

Two Logics of Welfare Provision in Germany

	Local Self Government	Functional Self Administration
Level	Municipal	National
Main Tasks	<ul style="list-style-type: none"> -Child Care -Youth Welfare -Social Assistance - Care-Infrastructure -Social Housing - “Voluntary” Tasks 	<ul style="list-style-type: none"> -Employment and Unemployment Benefits -Old-age and disability pensions -Health -Care - Accident-Insurance
Dominant Fiscal Base	Taxes	Contributions
Dominant Legal Claim	Means Test	Entitlement
Administrative logic	Multi-Purpose	Single-Purpose
Nature of task	Personal Services	Transfer payments
Political accountability	Direct: Local Councils	Indirect: Governing bodies and federal ministries
Main Deficits	<ul style="list-style-type: none"> -Sensibility for local disparities - “Vicious Circle” between tax base and needs - rivalry with other local tasks 	<ul style="list-style-type: none"> -Discrimination against not-entitled persons -Coordination deficits -Financing of “Versicherungsfremde Leistungen”
Main Vantages	<ul style="list-style-type: none"> - Proximity and Flexibility - Responsiveness 	<ul style="list-style-type: none"> - Neutrality of treatment - Potential for redistribution

Tensions between the federal state and local governments

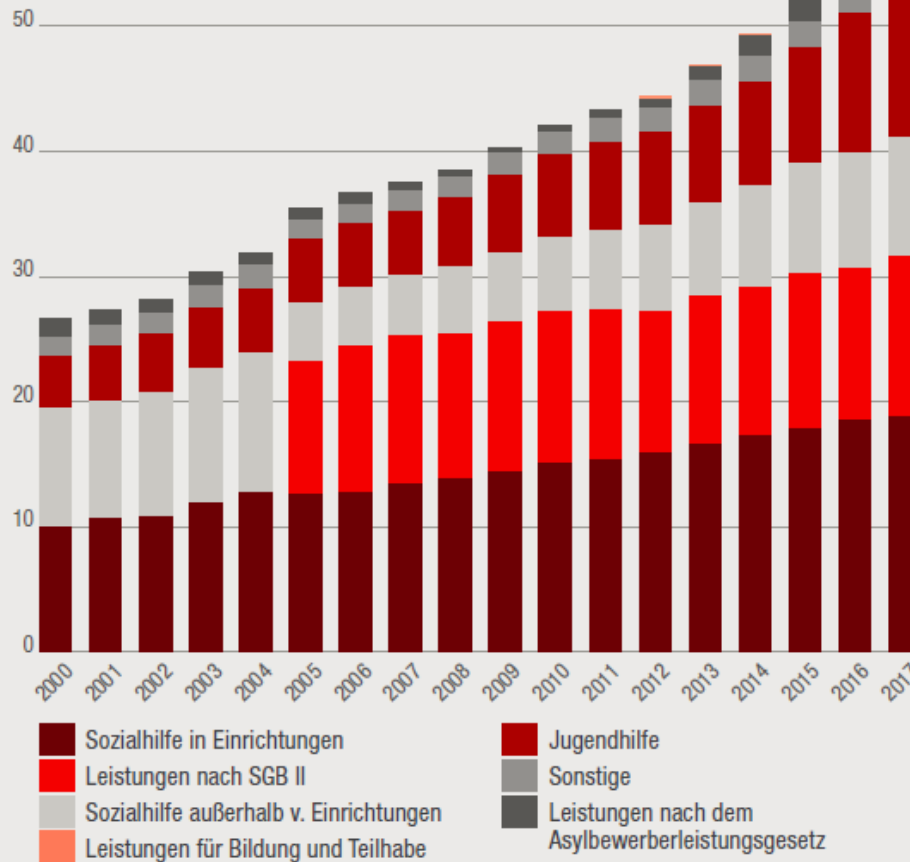
- » Tensions over **financing and supervision** of local implementation (Konnexitätsprinzip)
- » Traditional **coordination deficits** („Verschiebebahnhöfe“)
 - › (Local) Social Assistance  Employment Agency
 - › (Local) Social Assistance  Care Insurance
 - › Employment Agency  Pension Insurance
 - › Etc..
- » Policy responses: **Verticalization**: Introduction of care insurance (1995); Basic Old Age Assistance (2001); Hartz-Reforms (2005);
- » Ambiguous role of the states (Länder): „**Kooperationsverbot**“ between federal level and local governments

Current Challenges of Local Social Policies

- » **Shrinking financial leeway and municipal budget crisis:** stagnating or declining revenues and rising expenses due to new tasks, increasing case numbers and rising costs
 - › **Breaking vicious cycles:** Those local governments most hit by budget crisis simultaneously are most severely affected by unemployment and social problems
- » **Internal “silos” and integration of new tasks:** Tasks that are added from “above” and “below” must be integrated in segmented administrative and political structures
 - › **From above:** Increase in tasks through new fields of action: Inclusion, early childhood education/kita expansion, municipalization in the Länder (e.g. integration assistance)
 - › **From below:** Increase in tasks through social developments: Migration, aging processes, changing family structures, segregation processes, changing values, changing world of work
- » **New coordination requirements:** New cooperation requirements due to reforms of other benefit systems: SGB II, nursing care, etc. In the youth sector, especially between health, school and youth welfare

Soziale Leistungen der Kommunen

ohne Berücksichtigung von aufgabenspezifischen Einnahmen, in Milliarden Euro

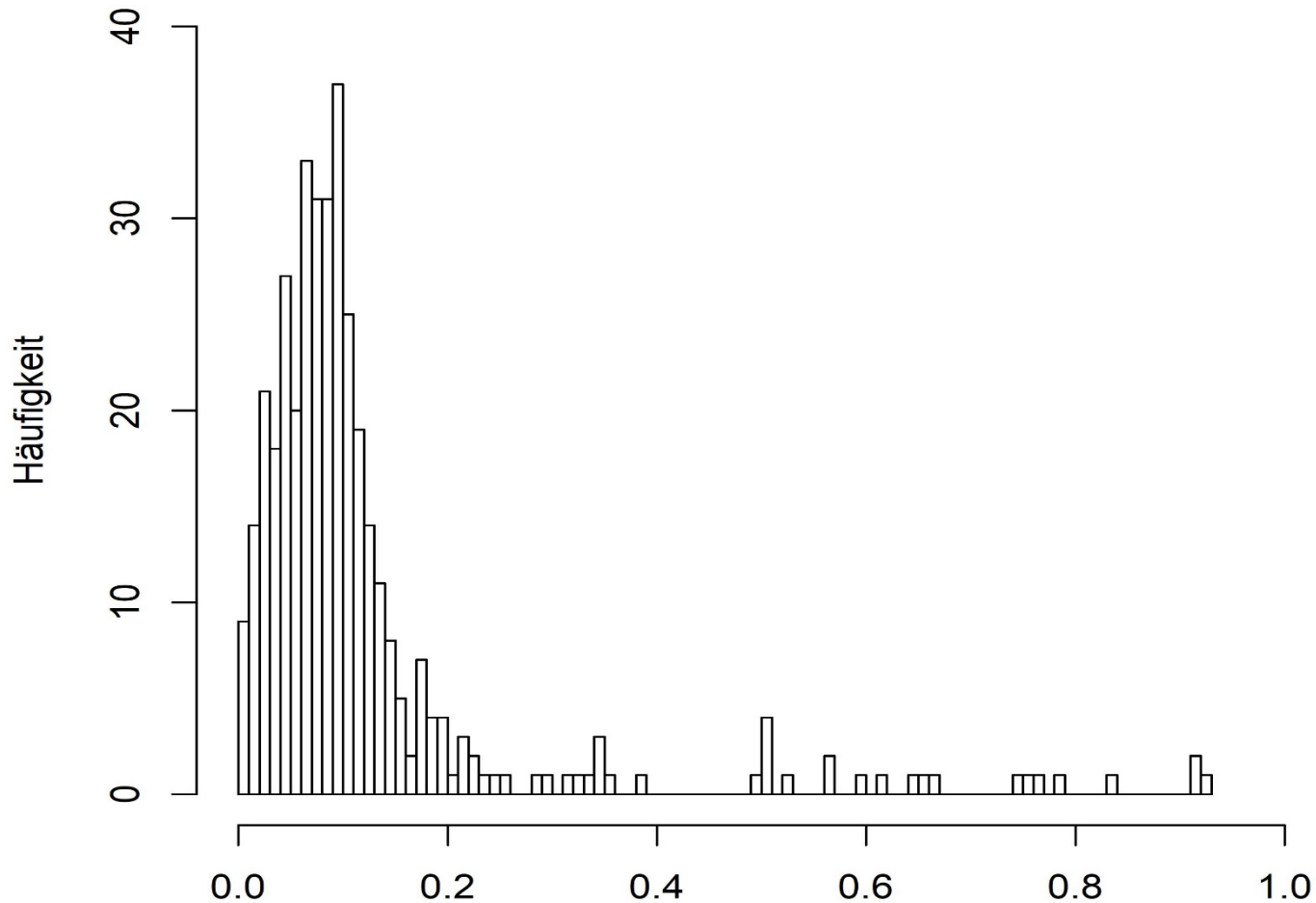


Eigene Zusammenstellung und Berechnungen nach der Kommunalfinanzstatistik des Statistischen Bundesamtes.

Increasing regional disparities: Local variation between ‚Will‘ ans ‚Skill‘

- » **Increasing disparities** in local social policies between local governments due to:
 - › Varying capacities (see municipal budgets)
 - › Varying political will to enforce social entitlements and create new citizen-oriented service arrangements
 - › Varying inclusion of citizens and civil-society organizations (co-production)
- » **No uniform political reaction patterns of** German local governments to fiscal and socio-economic pressure
- » Recent reform initiatives tend to ‚**verticalize**‘ **the financial burden** of local social policies, but struggle to implement harmonizing policy measures in supervision and control

Take-Up-Rates of Targeted Child-Benefits in Counties and Cities (Teilhabeleistungen im Rahmen des BuT) 2018



Citizens' as Actors in Local Social Policies: Between Lobbying and Co-Production

- » Traditional **strong involvement of citizens** in co-production of local social policies
- » Since the 19th century **incorporation of civil-society-organizations** in local welfare arrangement. „Wohlfahrtsverbände“ as dominant social service providers and co-decision-makers in local committees
- » Strong Criticism as **„welfare corporatism“** and quasi-bureaucracies since the 1980s
- » Two contradictory developments:
 - › **Breaking up established patterns of cooperation by marketization:** moving away from the principle of cost recovery, service agreements and competition instead of equal cooperation with independent institutions
 - › **Activation of new forms of participation and co-production:** Reaching new actors and unconventional forms of participation and co-production
- » **„Bürgerkommune“** as a partially adopted vision and fall-back option in times of budget-crisis

Providers of Social Services in Germany

	<i>Private sector</i>			<i>Non-profit sector</i>			<i>Public sector</i>		
<i>Care</i>	<i>1999</i>	<i>2005</i>	<i>2017</i>	<i>1999</i>	<i>2005</i>	<i>2017</i>	<i>1999</i>	<i>2005</i>	<i>2017</i>
...at nursing homes	34.9%	38.1%	42.6%	56.6%	55.1%	52.7%	8.5%	6.7%	4.7%
...at home	35.6%	43.1%	65.7%	62.5%	55.1%	32.8%	1.9%	1.8%	1.4%
<i>Youth Welfare</i>	<i>1998</i>	<i>2006–07</i>	<i>2016</i>	<i>1998</i>	<i>2006–07</i>	<i>2016</i>	<i>1998</i>	<i>2006–07</i>	<i>2016</i>
Youth welfare	3.0%	2.1%	8.8%	71.6%	72.8%	68.7%	25.3%	25.2%	22.3%
Child day care centres	0.5%	1.0%	2.9%	54.7%	63.2%	64.2%	44.8%	35.8%	32.7%

Note: slight differences in reference periods due to availability of data

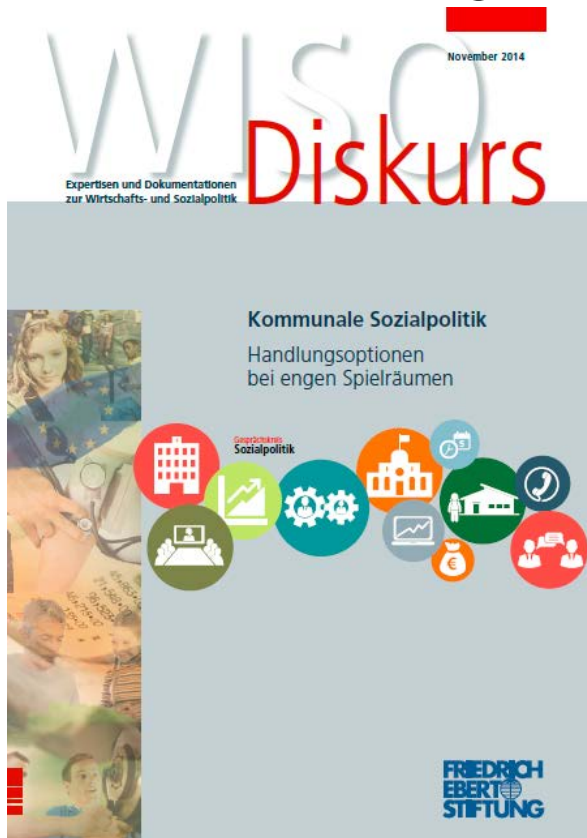
Sources: Statistisches Bundesamt, Einrichtungen und tätige Personen in der Jugendhilfe. Jg. 1998, 2006, 2018; Statistisches Bundesamt, Pflegestatistik, Jg. 2001, 2007, 2019

Source: Grohs 2021

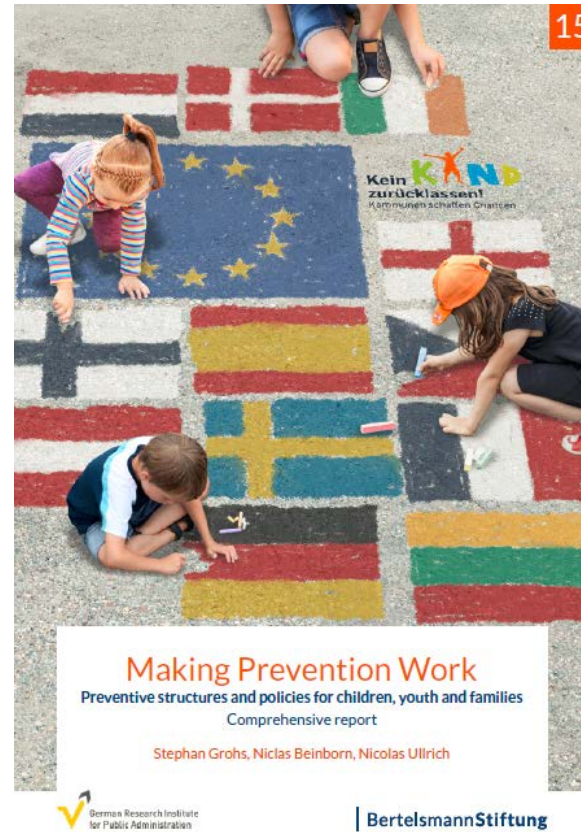
Conclusions

- » Local social policies in Germany oscillate between verticalization and local autonomy
- » Growing disparities between regions and local governments
- » Cooperation and coordination as central challenges
 - › Visions of integrated, social investive, and preventive local welfare arrangements
- » After Covid-19: New fiscal challenges of local governments ahead due shrinking local taxes.
- » Activating citizens beyond traditional associations as challenge and chance

Further Reading



<http://library.fes.de/pdf-files/wiso/11017.pdf>



https://www.bertelsmann-stiftung.de/fileadmin/files/BSt/Publikationen/GrauePublikationen/KeKiz_Making_prevention_work_15.pdf

Thanks for your Attention!

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