



solidar



SOCIAL RIGHTS MONITOR 2020

COUNTRY MONITOR: GERMANY



In general, Germany's domestic economic situation has led to a strong labour market, which translates into a high rate of employment and a low rate of unemployment. Nevertheless, economic growth slowed in 2019, and the manufacturing sector was one of the worst-performing in the country, which affected export growth.¹ Germany's performance in the European Pillar of Social Rights is moderately positive, as reflected by the Social Scoreboard. Indeed, the country performed above the EU average in many areas, registering a high performance in the majority of the Scoreboard's macro indicators. Its poorest performance was classified as medium and concerned three macro indicators: the impact of social transfers, early school leavers and income inequality. However, these last three are still above the EU average.² Early leaving and income inequality were also problematic elements in this Social Rights Monitor.

Furthermore, the great disparities between native citizens and non-EU-born people in terms of access to the labour market and education, as well as general social conditions, are another major issue for Germany. According to the National Strategy Group, an inappropriate migration law contributes to the permanence of social inequalities in Germany. Furthermore, while poverty has been steadily decreasing during recent years, income inequality is on the rise. Gender equality is another dimension of social justice that needs to be improved. Despite a good level of female employment and a good position on the Gender Equality Index, Germany presents one of the highest part-time employment rates for women in the EU, and the household division of domestic and care duties is still uneven. The state of civic space is good overall, but extremist and hostile demonstrations represent a threat.

¹ European Commission (2020) Country Report Germany 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0504&from=EN>

² European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/>

	2018	2019	EU-28 2019
GINI index ³	31.1	29.7	30.1
Unemployment ⁴	3.4%	3.1%	6.3%
Gender Equality Index ⁵	66.9 (2019)	67.5 (2020)	67.9 (2020)
In-work poverty ⁶	9.0%	7.9%	9.2%
Housing Overcrowding ⁷	7.4%	7.8%	15.6%
CIVICUS Civic Space Monitor ⁸		OPEN	N/A

Selected indicators on the state of social rights

EQUAL OPPORTUNITIES AND ACCESS TO THE LABOUR MARKET

In 2019, the German labour market confirmed its strength. The unemployment rate stabilized at 3.2%, and the employment rate increased slightly, standing at 80.2%⁹ in the last quarter of 2019. Furthermore, the rising trend of wages persisted. Nevertheless, some points for criticism can be identified, including the following: the reduction of the employment rate and wages in the manufacturing sector; an increase of bargaining power of employers that could jeopardize the general growth of wages in the future; and the difficulties encountered by refugees and asylum seekers in accessing the labour market.¹⁰

The NSG is somewhat critical of the labour-market legal framework. Between 2002 and 2005, a set of reforms in the labour market was introduced. Despite their categorization,

these reforms did not exclusively concern labour law. On the contrary, they were mainly focused on reframing the social-security and activation system for the unemployed and others of working age who need support, in order to find them work as the top priority. Although the employment rate increased and the unemployment rate declined shortly after the introduction of these measures, their impact on those indicators has been much more limited than is often thought, according to a study of the European Economic and Social Committee. More specifically, even though the reforms have accelerated the transition from unemployment, they have in some cases failed to improve job opportunities for the long-term unemployed, or else contributed to a general deterioration in job conditions. Besides, they have caused a reduction of labour turnover, making it harder for

3 Eurostat (2020). Gini coefficient of equivalised disposable income: http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&dataset=ilc_di12

4 Eurostat (2020). Unemployment by sex and age: annual data: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en

5 European Institute for Gender Equality (2020). Gender Equality Index: <https://eige.europa.eu/gender-equality-index/2020/DE>

6 Eurostat (2020). In-work at-risk-of-poverty-rate : <https://ec.europa.eu/eurostat/databrowser/view/tespm070/default/table?lang=en>

7 Eurostat (2020). Overcrowding rate by age, sex and poverty status – total population: https://ec.europa.eu/eurostat/databrowser/view/ilc_lvho05a/default/table?lang=en

8 CIVICUS (2020). Civic space monitor - Germany: <https://monitor.civicus.org/country/germany/>

9 Eurostat (2020) Employment and activity by sex and age - quarterly data https://ec.europa.eu/eurostat/databrowser/view/LFSI_EMP_Q_custom_185412/default/table?lang=en

10 European Commission (2020) Country Report Germany 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0504&from=EN>

people to improve their wages or working conditions by changing employer.¹¹ In line with this analysis, the National Strategy Group stresses the persisting negative effects of the labour market reforms on vulnerable groups and expresses concern regarding their possible link with old-age poverty.

INCLUSION OF MIGRANTS

German migration and asylum legislation has recently been modified through the introduction of a set of amendments called the Migration Package, adopted in June 2019. The most controversial among these modifications is the Orderly Return Law (Geordnete-Rückkehr-Gesetz) which toughens the rules on deportations. The new law allows the authority responsible for the deportation to resort to detention for a short period, though only for the purpose of facilitating deportation. The reason for this specific measure is claimed to be the risk of someone absconding before deportation. What is considered highly worrying by civil society organisations (CSOs) working in the field of migration is that until 2022 regular prisons (instead of specialised institutions, which were used before the introduction of this measure) can be employed for pre-removal detention. Although detainees will be held in separate premises from regular inmates, this practice is considered unacceptable by many NGOs.¹²

An even more recent modification to the migration law, the Skilled Immigration Act,¹³ entered into force on 1 March 2020 and concerns the integration of skilled migrants into the labour market. This law responds to a shortage of skilled workers in the labour market that threatens Germany's economic growth.¹⁴ The new

measure makes it easier for qualified migrants to enter and take residence in Germany and extends the opportunity for skilled migrants originating from non-EU countries to stay, even while seeking employment or training. However, the law does not target immigrants whose asylum applications have already been rejected, nor migrants who have been living and working in Germany for years. This means that skilled migrants who meet the qualification and linguistic requirements, but who have been living and working in the country, are not eligible for a skilled worker's visa. Instead, they must first return to their home country to apply.¹⁵ Although some modifications have been introduced concerning the recognition of educational and professional qualifications – such as the acceleration of recognition processes – recognition is still far from being linear and automatic. It is thus not surprising that in its Country Report 2020, the European Commission states that 'immigration of skilled workers from third countries demands more-efficient and transparent administrative procedures, as well as improved recognition of educational and vocational qualifications'.¹⁶

Low-skilled males, young people with a migrant background and refugees are overrepresented among temporary-agency workers. Furthermore, the gap in employment rates between native-born people and those born outside the EU remains one of the highest in the Union: 16.3 percentage points in Germany versus an EU average of 9.4 points. This situation disproportionately affects women, as the employment gap for women born outside the EU is twice as high as for non-EU-born men. The big differences between natives and non-natives apply also to the gender activity gap, as the difference between the two groups'

11 European Economic and Social Committee (2014) The impact of the labour legislation reform in Germany <https://www.eesc.europa.eu/sites/default/files/resources/docs/qe-02-13-503-en-c.pdf>

12 AIDA; ECRE (2019) Germany: A controversial law package passes the Parliament <https://www.asylumineurope.org/news/14-06-2019/germany-controversial-law-package-passes-parliament-1>

13 Recognition in Germany (2020) Skilled Immigration Act <https://www.anerkennung-in-deutschland.de/html/en/pro/skilled-immigration-act.php#>

14 European Commission (2020) Country Report Germany 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0504&from=EN>

15 Euractiv (2020) Germany's Skilled Immigration Act: Who will benefit? <https://www.euractiv.com/section/justice-home-affairs/news/germanys-skilled-immigration-act-who-will-benefit/>

16 European Commission (2020) Country Report Germany 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0504&from=EN>

gender activity gaps stands at 20.2 percentage points, more than the double the EU average of 9.4 percentage points. This shows greater gender inequality in terms of the activity rate among the non-native population. Although the employment rate among refugees increased to 42.9% in 2018, up from 37.3% in 2016, barriers exist that still prevent this group from participating in the labour market. The main obstacles are a lack of German language and professional skills, together with the complexity of recognition procedures for qualifications achieved in their home countries.¹⁷ Some services in Germany are actively supporting immigrant access to the job market, such as the Service for Youth-Migration (JMD), which helps young people with an immigration background aged between 12 and 27. It supports migrants with their integration process through individual support, professional advice, group and educational courses and effective networking at schools and training organisations.¹⁸

The National Strategy Group mentions the persistence of racism in German society as a worrying phenomenon that is not sufficiently tackled. Moreover, it adds that right-wing populist parties often take advantage of this climate, pushing for anti-immigration policies. These claims are corroborated by the European Commission against Racism and Intolerance report on Germany, which identifies the increasing use of hate-speech for political propaganda. The report identifies Islamophobia as the main form of social hostility on religious grounds.¹⁹

EDUCATION AND YOUTH UNEMPLOYMENT

Although public expenditure on education has been increasing in recent years, Germany does not spend as much as it used to on this. The percentage of GDP directed to education decreased from 4.3% in 2010 to 4.1% in 2017. The percentage of total public expenditure on education is 9.4%, slightly less than the EU average of 10.2%. Although the proficiency in basic skills did not change much over the same period, according to the OECD's PISA scores for Germany, socio-economic conditions have a great influence on student performance. For instance, 27.5% more 15-year-old students from a low socio-economic background have poor performance in reading than students of the same age with a high socioeconomic status. Underachievement rates are also far higher for students born abroad. In this regard, Germany is one of the EU countries with the widest gaps, and the trend has been worsening since 2009. Educational performance also varies considerably between regions.²⁰ The National Strategy Group is in favour of keeping students on the same educational path as much as possible, notwithstanding their school performance, so as to reduce the impact of educational achievement on students' educational and professional future. The NSG reckons that the current school system imposes a choice of educational path that will heavily affect students' lives too early (between nine and 12 years of age).

17 Ibid.

18 Jugend Migrations Dienste (n.a.) <https://www.jugendmigrationsdienste.de/en/>

19 European Commission against Racism and Intolerance (2019) ECRI Report on Germany <https://rm.coe.int/ecri-report-on-germany-sixth-monitoring-cycle-/16809ce4be>

20 European Commission (2020) Country Report Germany 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0504&from=EN>

The percentage of early leavers in Germany for 2019 was in line with the EU average and slightly below its Europe 2020 target.²¹ Nevertheless, as is many other cases, great differences exist between native-born and foreign-born early leavers. In 2017, the rate of foreign-born early leavers from education and training was almost three times that of native-born.²² The National Strategy Group envisions the introduction of counselling in the school system as a possible way to mitigate the phenomenon of early leavers. This type of support would enable students to identify appropriate and sustainable education paths. The NSG considers

the participation of parents in this process fundamental.

Youth unemployment is not a significant issue in the German labour market. The unemployment rate of people aged 15 to 29 in 2019 was 4.3%, less than half of the EU-28 average (10.7%) and almost one-third of the euro-area average (12.5%).²³ However, there is still inequality between native and non-native youths. Also, the National Strategy Group underlines the persistent phenomenon of internal migration, as youths leave rural areas to work or study in urban areas.

FAIR WORKING CONDITIONS

RISK OF IN-WORK POVERTY AND INEQUALITIES

In-work poverty is one of the downsides of the German 'employment miracle'. Between 2012 and 2017 the rate of people who are in work but at risk of poverty increased from 7.7% to 9.0%, peaking at 9.9% in 2014. In 2019, the rate was 7.9%. The European Social Policy Network notices that since 2014 the trend seems to have been reversed as a consequence of the introduction of a statutory minimum wage. In general, the demographic groups that are more at risk of in-work poverty are women (10%, or 2 percentage points higher than the rate for

men), youths aged 18 to 26 (12.6%), people born outside the EU (18.6%) and people with a low level of educational attainment (21.7%).²⁴ In terms of precarious employment, Germany registered the lowest rate in the EU in 2019, along with Romania.²⁵

Income inequality has been rising. In 2018, the income share of the bottom 60% of earners fell by 2.5 percentage points from the previous year, while the share of the top 20% rose by 3.7%. Similarly, wealth inequalities continue to be high: in 2017, the richest 10% of households possessed around 55% of total net wealth.²⁶

24 ESPN (2019) In-work poverty Germany file:///C:/Users/User/Downloads/ESPN_DE_TR1_2018-19_on_in-work%20poverty_final.pdf

25 Eurostat (2020) Precarious employment by sex, age and NACE Rev. 2 activity https://ec.europa.eu/eurostat/databrowser/view/LFSA_QOE_4AX1R2_custom_196006/default/table?lang=en

26 European Commission (2020) Country Report Germany 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0504&from=EN>

21 Eurostat (2020) Early leavers from education and training https://ec.europa.eu/eurostat/statistics-explained/index.php/Early_leavers_from_education_and_training

22 European Commission (2018) Education and Training Monitor 2018 Germany https://ec.europa.eu/education/sites/education/files/document-library-docs/et-monitor-report-2018-germany_en.pdf

23 Eurostat (2010) Youth unemployment rate by sex, age and country of birth https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=yth_empl_100&lang=en

GENDER EQUALITY

Germany scored 67.5 points out of 100 on the Gender Equality Index for 2020, placing 12th in the general ranking. In recent years, Germany has improved its score, progressing faster than the rest of the EU. In 2020, the EU's Gender Equality Index was 67.9, slightly above Germany's.²⁷ Still, gender inequalities are present in Germany's society and economy. The female employment rate is one of the highest in the EU, but the gender gap in part-time employment is considerable. There is also a high gender pay gap, due to both the difference in hours worked and sectoral segregation.²⁸ However, the share of women working full time slightly increased between 2010 and 2020. In terms of educational and training segregation, women are overrepresented in the educational, health and welfare domains. Big inequalities also persist in the economic

situations of men and women: female single parents are 18 percentage points more at risk of poverty than male single parents.²⁹

Based on 2016 and 2015 data, women spend much more time than men carrying out care or domestic duties. Therefore, they have less time to invest in professional, personal and educational development.³⁰ The National Strategy Group flags this dimension of gender inequality as the most problematic one in Germany and the one with the biggest impact. Flexible working times have been discussed at sectoral and company level, and some changes have been introduced – such as the provision of leave for training or care purposes.³¹ But the NSG fears that these measures will not benefit women and their fairer integration in the labour market, as the uneven gender division of roles in households is still very present.

27 EIGE (2020) Gender Equality Index 2020: Germany <https://eige.europa.eu/publications/gender-equality-index-2020-germany>

28 European Commission (2020) Country Report Germany 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0504&from=EN>

29 EIGE (2020) Gender Equality Index 2020: Germany <https://eige.europa.eu/publications/gender-equality-index-2020-germany>

30 EIGE (2020) Gender Equality Index 2020: Germany <https://eige.europa.eu/publications/gender-equality-index-2020-germany>

31 Eurofound (2020) Living and working in Germany <https://www.eurofound.europa.eu/country/germany#working-time>

SOCIAL PROTECTION AND INCLUSION

HOUSING

The National Strategy Group considers living conditions in Germany to be satisfactory overall. However, it flags high housing prices as a major issue. According to the European Commission's 2020 Country Report, people in Germany use a higher proportion of their income to cover rent than the average for the euro area. House price inflation was 10% in 2019, increasing the difficulties for low- and middle-income households to afford adequate housing. This situation is particularly problematic considering that the ratio of homeownership in Germany is low. In metropolitan areas, housing investment is still far from responding to housing demand, which has been increasing partly as a consequence of net migration to metropolitan areas. The issue is particularly problematic in the case of social housing, as the supply was only one-third of the demand in 2017.³² The NSG laments the lack of coordination at local and regional levels, which is also confirmed by the European Commission's Country Report for 2020.

THE FIGHT AGAINST POVERTY

In 2019, 17.4% of people in Germany were at risk of poverty and social exclusion (AROPE), a rate considerably lower than both the EU (21.4%) and the euro-area (21.1%). The rate has been declining in recent years, as confirmed by 2019 data.³³ Germany is so far making progress on the path towards the UN SDG 1 ("end poverty in all its forms everywhere").

Nevertheless, the children most vulnerable to poverty are those in single-parent households, in families with three or more children, or whose parents have low educational attainment or a migrant background. The Strong Family Law was adopted in July 2019 to improve the social protection of children by easing access to child-related benefits, the supplementary child benefit (Kinderzuschlag) and benefits for education and participation (Leistungen für Bildung und Teilhabe). All these benefits were expanded under the same law. The coming months will indicate whether these new measures have had the desired effect of reaching more children and families.³⁴ In this respect, the NSG welcomes the recent policy changes but stresses the importance of improving social protection and benefits for the most vulnerable groups. Moreover, it encourages the strengthening of life-long learning and upskilling opportunities as a way to tackle poverty in general, especially considering the fast digitization of the labour market.

HEALTHCARE

The coexistence of public and private healthcare services leads to inequalities in the quality of care received by different income groups. The high-income population benefits from higher-quality treatment and shorter waiting times than the low-income groups, the National Strategy Group Reports. This is corroborated by statistics on self-reported health and on mortality and life expectancy, both of which show strong economic links. However, the

³² European Commission (2020) Country Report Germany 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0504&from=EN>

³³ Social Scoreboard (2020) At-risk-of-poverty or social exclusion rate (AROPE) (2019) <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

³⁴ European Commission (2020) Country Report Germany 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0504&from=EN>

overall rate of unmet medical needs in Germany (0.2%) was much lower than the EU average (1.8%) in 2018.³⁵

In terms of workforce, German healthcare is affected by a shortage of nursing professionals, which could have a negative long-term impact on the quality of care. To improve the situation, the government has released funds to hire 13,000 additional nurses from

2019 and is promoting recruitment from non-EU countries. In 2019, the NSG made the criticism that the reduced number of staff in hospitals had led to dangerous working conditions in the healthcare sector, especially during the Covid-19 pandemic. Another deeply problematic aspect of the German health system underlined by the National Strategy Group is that undocumented migrants do not have access to medical care.

CIVIC SPACE

The National Strategy Group for Germany positively evaluates civic space in the country in all dimensions: freedom of association, freedom of assembly and freedom of speech. The CIVICUS monitor of civic space confirms this evaluation, assessing German civic space as open.³⁶ In freedom of speech, Germany occupies 11th position out of 180 in the World Press Freedom Index for 2020. Its placement in the ranking improved by two positions from 2019 as a consequence of an improvement in its score. Journalists work in a secure environment thanks to an independent judiciary and solid constitutional guarantees. However, some aspects can be criticised, such as extremist and hostile demonstrations – mainly by far-right groups, but not solely – that sometimes threaten journalists. Government officials' and lawmakers' proposals to enforce far-reaching security, data-retention and surveillance laws present a potential risk of infringing rights such as digital privacy and anonymity. Other weaknesses in the country's civic space are a lack of access to information and the erosion of media pluralism.³⁷

GOOD PRACTICE DEMOCRATIE LEBEN

Demokratie Leben (Living Democracy)³⁸ is a federal programme launched by the Federal Ministry of Family Affairs, Senior Citizens, Women and Youth and implemented in 2015. It aims to strengthen democracy, shape diversity and prevent extremism in Germany. To this end, it funds innovative initiatives that are in line with the programme's objectives at the local level and gathers knowledge and expertise from pilot projects for future learning in this field. Demokratie Leben also builds competence and expertise in thematic areas through specialists' events and similar activities.

35 European Commission (2020) Country Report Germany 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0504&from=EN>

36 CIVICUS (2020) Monitor tracking civic space <https://www.civicus.org/index.php/state-of-civil-society-report-2020>

37 Reporters Without Borders (2020) Germany <https://rsf.org/en/germany>

38 Federal Ministry of Family Affairs, Senior Citizens, Women and Youth (n.a.) <https://www.demokratie-leben.de/en/programme>

COMPARISON WITH THE COUNTRY SPECIFIC RECOMMENDATIONS

The European Commission's 2020 Country-Specific Recommendations³⁹ for Germany include some of the elements in this Social Rights Monitor. In line with the National Strategy Group, the Commission identifies the need to increase investment in housing and education in order to achieve upskilling and training in the face of the digitization of the labour market. The need for a more resilient health system and more nursing staff is also mentioned. On the other hand, the recommendations do not go far enough on the social dimension of the European Semester, as the document focuses on economic recovery, financial sustainability and technological

development in several sectors. In fact, the recommendations do not address some of the issues linked to the European Pillar of Social Rights: they do not include indications concerning more consistent socio-economic inclusion of people from a migration background or the significant gender gap in part-time employment that affects Germany's labour market. On a positive note, space is given to the transition to a green economy, and suggestions are elaborated for how to improve Germany's policies in this field. For instance, investments in sustainable transport infrastructure are encouraged, as is the strengthening of energy networks.

39 European Commission (2020) Council Recommendation on the 2020 National Reform Programme of Germany and delivering a Council opinion on the 2020 Stability Programme of Germany [https://eur-lex.europa.eu/legal-content/EN/TX-T/?qid=1591720698631&uri=CELEX%3A52020DC0505](https://eur-lex.europa.eu/legal-content/EN/TX/T/?qid=1591720698631&uri=CELEX%3A52020DC0505)

SOLIDAR's Social Rights Monitor 2020 has been developed in the framework of the Together for Social Europe programme co-funded by the EU Programme for Employment and Social Innovation (EaSI). It provides an insight into the state of social rights in 17 European countries. The Monitor assesses the state of social Europe in terms of equality of opportunities, fair working conditions, social protection, inclusion and civic space based on the observations of Civil Society Organisations working on the ground in combination with statistical data and scientific findings. It does so on the basis of observations of National Strategy Groups set up in each of these countries by a SOLIDAR member or partner. The 2020 Monitor also analyses to what extent these aspects are reflected in the Country Specific Recommendations of the European Semester process towards a socially sustainable recovery after the Covid-19 crisis.

RESPONSIBLE EDITOR:

Mikael Leyi

AUTHOR:

Martina Corti

COORDINATION OF PUBLICATION:

Carlos Roldán Mejías, Violeta Meotto,
Jedde Hollewijn, Julie Martinaud

COPY EDITING:

Sebastian Moffett

GRAPHIC DESIGN:

Maximilian Fischer

CONTRIBUTIONS FROM:

Willi-Eichler-Akademie



WILLI-EICHLER-
AKADEMIE e.V.

solidar



TOGETHER FOR
SOCIAL EUROPE

SOLIDAR is a European Network of more than 50 Civil Society organisations who gather several millions of citizens throughout Europe and worldwide. SOLIDAR voices the values of its member organisations to the EU and international institutions across the three main policy sectors: social affairs, international cooperation and lifelong learning.

For more info www.solidar.org

Avenue des Arts, 50
1000 Brussels - Belgium
+32 2 500 10 20
www.solidar.org
@SOLIDAR_EU



This publication has been produced with the financial support of the European Union. The information contained in this publication does not necessarily reflect the position or opinion of the European Commission.

