

GEMEINSAME TEXTE 9A

FOR A FUTURE FOUNDED ON SOLIDARITY AND JUSTICE

A Statement of the Evangelical Church in Germany
and the German Bishops' Conference
on the Economic and Social Situation in Germany

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Foreword

This statement of the Council of the Evangelical Church in Germany and the German Bishops' Conference on the economic and social situation in Germany comes at a time in which courageous and farsighted action is greatly in demand. Unemployment in Germany is at an all-time high in the post-war period. The welfare state is stretched to the hilt. Traditional social culture is undergoing great change due to industrialisation and urbanisation, and has at some points disintegrated. Material desires and selfishness are increasing and threatening solidarity and social cohesion.

Guided and encouraged by the Christian understanding of the human being, the biblical message and Christian social ethics, the churches want to make their contribution to the necessary reorientation of society and renewal of the Social Market Economy. It is their concern to facilitate a common understanding of the foundations and perspectives of a public and social order that is humane, free, fair and based on solidarity. This should lead to a common effort being made to found the future on solidarity and justice. The churches do not see it as their task to give detailed political or economic recommendations. Nor is it their job to pronounce or arbitrate on the political controversy of the moment. The chief task and competence of the churches is to advocate that which serves the cause of more social equality and the common good.

This statement is divided into six chapters. Chapter 1 assesses the consultation process that led up to it. Chapters 2 to 5 are based on the structural principle of "see - judge - act". The final chapter is intended to demonstrate that the joint statement also involves commitment for the churches.

Chapters 2 to 5 differ in character. Chapters 3 and 4 point to the principles and criteria that are indispensable preconditions for a cohesive and sustainable social and economic order. This basic consensus is the churches' chief concern. They hope it will meet with broad support. The practical examples and pointers in chapters 2 and 5, by contrast, are a contribution to reaching public agreement on problems and possible solutions.

The six chapters are preceded by a summary setting out the main ideas. This is not intended to replace the full text. It may, however, make the latter easier to understand and give a picture of its basic concerns.

The EKD Council and the German Bishops' Conference have prepared this statement following a broad-based consultation process. Other churches participated in the process and numerous reactions were received from many sources. Our heartfelt thanks go to all who have assisted in some way or another.

Hanover/Bonn, 22 February 1997

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Summary

(1) The joint statement by the Council of the Evangelical Church in Germany and the German Bishops' Conference is entitled **For a Future Founded on Solidarity and Justice**. It relates to the ongoing discussion on criteria for economic and social policy in which one concept has featured prominently - sustainability. It is not enough to plan action to suit the needs of today or a single legislative period, nor even the needs of the present generation. While there is sometimes no alternative to short-term crisis management individual and political action should not stop there. Anyone who postpones or neglects necessary reforms will sooner or later drift into a crisis of life-threatening dimensions.

(2) The churches call for the recognition of solidarity and justice as defining criteria for sustainable economic and social policy. They see it as their task in the present situation to draw attention to the insights of Christian faith regarding a humane society, to the Christian understanding of human nature and to inalienable human values. Solidarity and justice are more necessary than ever. Our country is deeply divided, above all by mass unemployment, but also by the growing gap between affluence and poverty or the distance still subsisting between East and West. Yet solidarity and justice do not enjoy unmitigated respect nowadays. Individual selfishness is reflected in the tendency of social groups systematically to place their own interests before the common good. Some would like to take leave of the regulative concept of justice. They wrongly believe that an accommodation of interests comes about automatically in a free market economy. This state of affairs is a great challenge to churches and Christians, since solidarity and justice are at the heart of any biblical and Christian ethic.

(3) This summary does not directly refer to the content of each chapter but gives the main ideas of the statement in ten points.

1. *The churches do not want to intervene in politics themselves, they want to make political action possible.*

(4) The churches' statement is not an alternative expert opinion or another annual report on the economy. The churches are not a political party. They do not aspire to political power in order to implement a specific programme. Their mandate and their competence in the field of economic and social policy is to work for a value orientation serving the good of all. They consider themselves especially committed to advocacy for those who are easily forgotten in economic and political planning because they cannot speak out clearly them-

selves: the poor, the disadvantaged and powerless, coming generations, and dumb creatures. In this way they want to set the scene for political activity inspired by solidarity and justice.

(5) The consultation process is an excellent example of this intention. It has been an intensive process of awareness raising and learning together. That is more connected with political action than may appear at first sight. In a democracy the ability and willingness to act politically are determined by the attitudes and behaviour of all citizens. The more the contribution of the church, for example in the consultation process, succeeds in changing attitudes and behaviour and thereby extending political room for manoeuvre, the more successful it will be. Conversely, the less it inspires in this respect, the less successful it will be. In a democracy political room for manoeuvre depends on the attitudes and behaviour of voters. But politicians cannot be relieved of their responsibility to make courageous use of all available, and newly created, scope for action.

2. *The quality of social security and economic performance condition one another*

(6) The discussion paper which launched the consultation process in November 1994 was frequently called the "social paper". That is a simplification of the churches' intention and their mandate. Both are important - the social *and* the economic position. The quality and financial stability of social security is a function of national economic performance and vice versa. One can only distribute that which has been produced in terms of goods and services over a certain period. If this fact is ignored and the performance of the whole economy is under permanent strain from a disproportionate rise in state redistribution then the financial foundations of social security will be undermined.

(7) The dynamic character of the market economic system from which West Germany benefited in the 50s and 60s, in particular, is currently benefiting other providers in the globalised economy. This is leading to a pressure on the German economy to adapt, felt in job cutbacks. The creation of new jobs is not keeping pace. The dangers linked with this development must not be played down and explained away. Something has to be done about this, and soon.

(8) Yet the economic and social situation in Germany should not be depicted as worse than it is. Regular export surpluses testify to the continuing good performance of large parts of the German economy. Unit wage costs are an essential, albeit not the only economic factor. Collective bargaining partnership and social security have led to an industrial peace that has proved to be a significant locational advantage.

3. *The Social Market Economy needs structural and moral renewal*

(9) An economic and social order cannot survive without a framework of legal standards and institutions. Appeals do not suffice. This insight is reflected in the Social Market Economy. Successfully practised in the Federal Republic of Germany for five decades, this has been firmly based on the twin pillars of market freedom and social balance. The churches continue to consider the Social Market Economy to be the most suitable setting for sustainable economic and social policy. This applies to both the ongoing process of economic consolidation in the eastern German states (*Länder*), accompanied as it is by great hardship, and to the deepening and enlargement of European unification. The performance of the national economy and the quality of social security are like the two posts of a bridge. Both are essential. Today there is a great danger that competitiveness is to be stepped up at the expense of social security. Not only as the advocate of the weak but also as the voice of reason the churches warn against tunnelling under the pillar of social security.

(10) The Social Market Economy has been so successful because it has been constantly improved. That presupposes its *reformability*. Yet today people on all sides are intent on preserving what they have and maintaining existing structures. This conservative stance must not become a polemical position in the discussion about restructuring the welfare state. Defending existing subsidies and tax benefits also impedes reform.

(11) The renewal of the economic order must fundamentally aim for a market economy that is socially, ecologically and globally committed. Not preserving the natural life-support systems means undermining all economic activities. By their very nature, solidarity and justice cannot be confined to one's own society, they have to be understood in global terms. So the commitment has to be ecological and global, not only social. It is an illusion to expect that a market economy without such commitments - pure and unadorned - could meet the challenges better.

(12) Structures alone are not enough, however. A socially, ecologically and globally committed market economy is morally far more demanding than is generally realised. In order to endure, its structures must be embedded in a supportive culture. Individual self-interest, a crucial structural component of a market economy, may deteriorate into destructive egotism. The most visible consequence is bribery, tax evasion or the abuse of subsidies and social benefits. It is a cultural task to give self-interest a form compatible with the common good.

(13) In biblical and Christian tradition the churches have a treasure trove that can provide cultural enrichment in the future as in the past. They stand for a culture of mercy. The experience of divine mercy, from the liberation of Israel from Egypt, is the biblical foundation for the dual command to love God and our neighbour. Keeping the suffering of others in view is a condition for all culture. Mercy in the biblical sense is not a chance, fleeting feeling. The poor are meant to know mercy as a certainty. This mercy presses for justice.

4. *The social security system needs reform, not radical change*

(14) In Germany the different pillars of social security have been established over more than a century as an adaptable system of community insurance based on solidarity. The underlying idea and basic elements of this system deserve to be preserved and defended. Germany is still one of the wealthiest countries in the world. The Gross National Product has never been so high. The alternative models currently under discussion present no forward-looking solutions that could justify laborious, risky reorganisation. Comparisons with the United States of America overlook the different sociocultural tradition there and raise questions concerning social justice.

(15) Nevertheless, in order to safeguard financial stability substantial changes are necessary within the present system. They also include structural changes by which individuals are to be prevented from acting to the detriment of the insured community. The right to lodge claims and the obligation to provide benefits need to be more visibly connected. That will also necessitate cuts in social benefits. They will not be achieved without dispute. Apart from necessary legislative decision-making, this dispute is best located in the framework of collective bargaining by the social partners.

(16) A considerable weakness of the present social security system is its linkage with earned income. That has serious consequences for the situation of women, in particular, and hinders a more comprehensive understanding of work, one that is not fixated on paid work. But in this respect too, gradual adaptation is better than taking the great risk of radical transformation.

(17) Considerable problems arise from the age structure of the population. Germany has one of the lowest birthrates in Europe. Childlessness has risen steeply among the younger generations; society is polarising around private ways of living, with and without children, and thereby endangering its viability.

(18) A careful distinction should be made between quantitative and qualitative changes in the structure of the welfare state (*Sozialstaat*). In the 60s and 70s the structures in the Federal Republic of Germany deserved this name. There is

no guarantee that all the achievements of the past can be upheld at the same level under changed conditions.

5. *The prime assignment of economic and social policy is reducing mass unemployment*

(19) The persistent mass unemployment is dangerously explosive: in the lives of the individuals and their families, for the depressed regions - particularly in much of eastern Germany - and for social peace. Without overcoming mass unemployment there will be no reliable consolidation of the welfare state. The high unemployment figures mean loss of social insurance revenue and high outlay in unemployment and social welfare (*Sozialhilfe*) benefit. So it is unemployment that is too expensive, not the welfare state.

(20) This insight should, however, not keep us from taking the steps possible under the conditions of persistent unemployment to relieve and stabilise the social security system. That involves gradually removing non-insurance benefits from social insurance funds. These benefits cannot all be dropped and should be financed from tax revenue. The point of such displacement is, however, to cut non-wage labour costs substantially, to involve all well-off citizens in paying for the non-insurance benefits and to relieve the burden on payroll costs.

(21) Energetic and lasting efforts to reduce mass unemployment will be a priority for society in the next few years. This will help to achieve equal rights for women in working life. There must be cooperation between the federal, state and local authorities, management and unions and the different groups in society. There are no pat solutions and various approaches should be tried. Creating jobs still has top priority. That will be easier if labour costs are reduced. The two sides of industry bear a great responsibility here. More economic growth alone, however, will not create a sufficient number of jobs within the foreseeable future. Other measures need to be taken. One possibility is job-sharing, as desired by many women and also by men so that they can better reconcile a career and the family. Another possibility is turning at least part of the overtime worked into regular full and part-time jobs. Then there is the instrument of publicly subsidised employment, which amounts to financing jobs instead of joblessness.

6. *The welfare state contributes to social balance and so places a burden on those who are stronger to the benefit of those who are weaker*

(22) Social balance is an integral part of the concept of the Social Market Economy. Anyone who questions the principle of a limited correction of

income distribution calls the welfare state into question. Only a financially well-off state can function as a welfare state. It needs the means to meet the commitment to bring about more social equality. Despite necessary steps to streamline the state it must not be starved of resources and finally become so lean that it cannot adequately fulfil its task as a welfare state.

(23) The apt principle that performance deserves economic reward must not lead to high-income earners being unilaterally relieved of their contributions towards social balance. Moreover, the eligibility to show financial solidarity should also be assessed on the basis of assets, not just of current income. If the preservation of assets and property is declared inviolable then the social duty entailed by ownership is drastically restricted in one important connection, or even eliminated. It is an increasingly widespread argument that many citizens think the burden of contributions too high and *therefore* they must be reduced. Or, because of the high tax burden the informal economy is spreading and *therefore* taxes must be cut. Such arguments and moods have to be addressed by policy-makers, yet they must not become the prime reference point for decisions. The common good must take priority. In view of the intolerable mass unemployment, possibilities for creating new jobs must be improved. In so far as they contribute to this, the reduction of tax and contribution burdens is right and necessary.

(24) Wealth must become a political issue, not just poverty. Redistribution is currently often the redistribution of scarcity, because the affluence on the other side is spared. Economic developments are in any case tending to increase the share of capital income as against the share of wage income. The church's longstanding demand for a broader spread of assets is becoming all the more important. A number of wage investment models have been developed to that end.

(25) Social adjustment and social balance are also required when it comes to redistributing burdens. Changes and adaptations of the welfare state should not be only, nor primarily, expected of the low-income earners, the unemployed and social welfare claimants. It offends any sense of justice when, at the same time, those who can well afford them are spared cutbacks, and firm efforts are not made to combat tax evasion and tax flight.

7. *The welfare state must be developed so that state provision is supported by more responsibility on the part of individuals and small social units. It needs to be sustained and supplemented by social culture.*

(26) In view of the problems encountered in financing it, the welfare state needs further development: individuals and small social entities should be

empowered to take responsibility. Traditional social culture is undergoing great change and at many points has disintegrated. The beginnings of a new social culture are coming into view and need to be fostered. That is why families and new forms of solidarity figure prominently in this joint statement. New opportunities for solidarity are arising, for example in self-help networks, grassroots movements and voluntary groups, or in mutual neighbourhood assistance. A new social culture cannot replace the state social security system but it can provide services for which people used to automatically appeal to the authorities. A well-developed social culture will also help to dispel isolation and coldness in social relations, thus creating the conditions for a more humane society.

(27) This is exactly what subsidiarity is about. This concept has been aptly translated as right-of-way for individual responsibility. This includes more scope for workers in the organisation of working hours and in wage agreements. There should not be too many agreements binding on all. The lower levels are closer to the people concerned and can reach more appropriate and humane solutions. In its original sense subsidiarity is a principle protecting individuals and small and medium-size units from being deprived of what they can achieve on their own initiative and in their own strength. It takes on another emphasis, however, when in the name of subsidiarity tasks are handed downwards and voluntary labour required, with a concomitant transferral of risks and costs to the individual. Subsidiarity is about protecting and supporting individuals and lower ranks of society, and not about palming growing risks off onto them. So subsidiarity and solidarity, subsidiarity and the welfare state belong together. Subsidiarity means empowerment for personal responsibility. It does not mean leaving individuals to provide for their social security on their own.

8. *The inequality of living conditions in western and eastern Germany will remain substantial for a long time to come. The gift of unity must be filled with life in economic and social terms.*

(28) The economic situation in the eastern part of Germany has noticeably improved since the deep trough of 1990/91. Nevertheless, compared to the situation in the western part of the country, the economic difference can be felt everyday. Unification has forced people in eastern Germany, particularly many women, who bear the brunt of the employment crisis, to do some painful adjusting. This process is still continuing.

(29) West Germans have known for decades that freedom has its price and can be abused. For many East Germans the joy at the new-won freedom was mingled with horror at the dissolution of social ties and the ruthless pursuit of self-seeking interests. The price for withdrawing from the dominant grip of the

East German dictatorship, and its paternalist system of provision, was a loss of a sense of security and state-run welfare services.

(30) There's no knowing how high the cost of strengthening the economic conditions in the eastern *Länder* will be in the long term. It is part of Germany's burden after World War II. Sacrificial solidarity is totally justified - and, incidentally, is also required of the people living in the territory of the former GDR. The willingness to bear the necessary burdens also gives cause for gratitude. Voices urging a rapid termination of these payments should not be heeded.

(31) The tangible differences in living conditions are one of the consequences of separate development in different systems. Overcoming this is one of the assignments of renewed German unity. If it is not possible for rich Germany to close the West-East divide and make their circumstances more comparable - how should one cherish the hope that greater social justice can be created in view of the wide disparity in living conditions in Europe and beyond? Yet it is not merely a matter of raising the East to the "western standard" in terms of production, consumption and infrastructure. In order to meet the needs of a sustainable society both parts of Germany must change as they grow closer together.

9. *Human beings share the world with God's other creatures. Germany shares the earth with other countries. Solidarity and justice are indivisible.*

(32) A fundamental condition for sustainable development is maintaining the natural resources needed for life. In the long run no country on earth will get richer by destroying them. The rule for distribution should be a just and equitable use of resources, guaranteeing this to both the present world population and coming generations. In order not to exceed the carrying capacity of ecological systems it is not possible to make unlimited use of raw materials from nature. Care should be taken to observe safe absorption limits regarding toxic residues and substances released into the environment. These criteria of sustainability will necessitate a process of structural change in ecological matters. Premised on changes in life-style, it will also induce such changes. The churches contribute to a policy of ecological structural change whenever they interpret "conversion" as involving changes in life-style and criticise the idea that "the good life" means "many possessions".

(33) The church has a message to *all* people. It believes that the horizon of solidarity and justice can only reach beyond Germany and Europe to embrace the whole world. That is particularly topical at a point in time in which

business activities are becoming increasingly globalised. This globalisation does not operate like a force of nature, but needs to be regulated by economic and financial policies. It may afford new opportunities to many economically less developed countries. The opportunities will only subsist, however, as long as rich countries are willing to keep their markets open and to open them wider. That calls for changes on the part of people in Germany and will involve losses in some industries. Even that is something to be affirmed and promoted, in the churches' view, since one cannot demand economic opportunities for poorer countries and then stand back when this has its price. Moreover, promoting the economic and social development of poorer countries is not just required by global solidarity and justice, it is in the national interest. Tackling the root causes of economic and political migration is essential, and part of a far-sighted peace policy.

10. The churches' statement on the economic and social situation in Germany is not their last word.

(34) The Council of the Evangelical Church in Germany (EKD) and the German Bishops' Conference take responsibility for this statement. They have carefully sifted through the contributions from the consultation process, listened to different voices and weighed up the arguments presented. This statement could never be a final position on such a subject. The EKD Council and the German Bishops' Conference would welcome critical responses. The statement is part of the ongoing public dialogue about the prime goals of economic and social action and the best ways to reach them.

1. The Consultation Process

1.1 Times of change and renewal

(35) On the threshold of a new millenium Germany, Europe, and all industrialised and developing countries are in the grip of rapid and profound change, not to say upheaval. German unification, the process of European integration, the end of the post-war East-West conflict, the pace of technological progress and the expansion of modern information, communication and transport technologies are giving rise to developments with unforeseeable consequences. International interdependence is increasing, likewise the global integration of markets and the global exchange of goods, capital and services; competition is becoming fiercer. Then there are demographic and social shifts accompanying global mass migration, the aging of industrialised societies, the individualisation of ways of life and diversification of life-styles. All that calls for continual and sometimes painful adaptation.

(36) The many changes and upheavals affect almost all areas of life, in some way or other. They are linked with future opportunities but have also led to problems and difficulties for many people. They make it necessary to examine the tenability of previous customs, convictions and seeming facts of life - at the German, European and global level. Although united, the former East and West Germany are still far from being properly joined. As the necessary adjustment of living conditions continues, the question is how to further develop the market economy with its social and ecological commitments. What reforms are necessary to overcome the sustained unemployment and preserve the social security system? To what extent will it take a fundamental change of heart and direction to meet the challenges of the future? The task at the European level is that of deepening economic integration through monetary union, strengthening common domestic, legal, foreign and security policies and completing European union in the political sphere. At the same time, the idea and practice of securing peace by political integration, developed in the last 40 years in western Europe, has to prove itself in central and eastern Europe. This involves the readiness to support these countries as far as possible in their difficult transformation into states based on freedom, democracy and the market economy. Finally, what is needed at the global level is a sustainable order based on solidarity and justice. This has to be created in common responsibility and partnership. Such an order must be equipped to deal with current and foreseeable changes for the benefit of all and to facilitate sustainable development, not least in the poor countries.

1.2 How the consultation process was organised and how it went

(37) The churches see it as their task to share responsibility for a humane and practical order in public affairs and in particular to pick up the concerns of the poor, the weak and the disadvantaged. In the present situation of radical change, the Council of the Evangelical Church in Germany (EKD) and the German Bishops' Conference therefore decided to prepare a joint statement on the economic and social situation and spark off a broad discussion process on the basic conditions of economic, social and community life. They see this as one way of serving society.

(38) This consultation process was introduced on 22 November 1994 with the publication of a discussion paper¹. It came with an invitation to dialogue: both within the churches, and with politicians, business representatives, unions and groups in society. This was intended to help the EKD Council and the German Bishops' Conference to prepare this statement and, through exchanging experiences and arguments, to broaden the basic social consensus. Besides the EKD and the German Bishops' Conference other churches took part in the consultation process. The discussion paper was disseminated in an edition of over 400,000 copies. A large number of meetings and events took place in the churches themselves, in parties, industrial associations and trade unions, and particularly between representatives of church and society. At a central Academic Forum on 12 September 1995 the advice of selected experts was sought². The consultation process was concluded at a winding-up event on 9-10 February 1996 in Berlin³. About 2500 responses were sent in, totalling 25,000 pages⁴.

(39) The discussion paper was designed to set the consultation process in motion and give an indication of its subject-matter. It certainly succeeded in doing that. From the start it clearly stated: "This paper does not intend to anticipate the planned joint statement. This can only follow on completion of

¹ On the Economic and Social Situation in Germany. Discussion Paper for the Consultation Process Leading to a Joint Statement by the German Churches, published (in English) in 1995 by the Church Office of the Evangelical Church in Germany and the Secretariat of the German Bishops' Conference.

² Documented in: Gemeinsame Texte 7, 1995.

³ Documented in: Aufbruch in eine solidarische und gerecht Zukunft, Gemeinsame Texte 8, 1996; cf. also: Arbeitsmaterialien zur Berliner Konsultation, ed. Katholisch-Soziales Institut (KSI) der Erzdiözese Köln, Bad Honnef, and the Sozialwissenschaftliches Institut der EKD (SWI), Bochum, 1996.

⁴ Documented and interpreted in: Alle Eingaben zum Konsultationsprozess mit Lesehilfen inclusive CD-ROM. Publication of a selection of particularly interesting responses is planned; this reader will focus on typical and memorable statements, concerns and suggestions of the consultation process (in preparation by the SWI).

the consultation process and on consideration of its findings. The joint statement will be issued directly by the Council of the Evangelical Church in Germany and the German Bishops' Conference."⁵

During 1996 advisory and editorial groups appointed by the two church governing bodies did much of the background work involved in the planning, discussion and final adoption of the joint statement by the EKD Council and the German Bishops' Conference⁶.

1.3 Findings and impact of the consultation process

(40) The churches broke new ground here; it was a learning process for all concerned. The experiment was a success. The consultation process offered excellent opportunities to satisfy the very proper interest within the church in its getting more involved in public life. It also strengthened the dialogue between church and society at all levels.

(41) The consultation process produced many important substantive contributions. It highlighted the things that bother most people in the present situation and where they would like to see some action. The following insights emerged:

- There must be no despair in the face of mass unemployment. It is not an ineluctable fate. There are ways of reducing it.
- Society needs general social security, guaranteeing all citizens participation in the life of society and a fair share of social benefits. The social insurance schemes in Germany are adaptable to change, as has been shown in comparable situations in the past.
- Only that which improves the situation of those in a weaker position deserves to endure. All the basic decisions must take account of the situation of the poor, weak and disadvantaged. They have a right to run their own lives, to participate in the life and opportunities of society and to enjoy living conditions that respect and protect their dignity.
- More thought must be given to the situation of families, women, children, young people and respect for their interests.
- Internal unity in Germany is more than simply an adjustment of life in the East to that of the West. Both parts need to resituate themselves in the process of growing together.

5 Foreword to the discussion paper, p.5.

6 Adopted by the German Bishops' Conference on 19.2.97 and by the EKD Council on 21.2.97; joint final editing on 22.2.97.

In terms of the space devoted to individual themes in the responses received, the consultation process has shown that the major tasks of the future - the preservation of natural life-support systems, the changing of the predominant model of affluence, European unification and the creation of more international justice - recede into the background in face of pressing social problems on our own doorstep. All these findings had to be carefully examined and appraised in the preparation of this statement, without preempting its substantive emphases. The consultation process covered the whole breadth of views in church and society on the economic and social situation. By its very nature it could not forestall the substantive decisions regarding the statement on the economic and social situation. What was the point of it then? Here are five considerations.

(42) First: *The consultation process greatly enriched the substantive preparation of this statement on the economic and social situation.* The EKD Council and German Bishops' Conference do not want to pronounce on economic and social questions without thorough consultation with others. This has hitherto happened via commissions made up of experts from different disciplines which have done most of the work for them. This time-honoured way of drawing up church statements will remain the rule in future. Yet a process of consultation broadens and deepens the opinion-forming and decision-making process. The advice of academics and experts can and should not be the last word - it is also important to listen to the large circle of actors and stakeholders in economic and social life. A comparison between the discussion paper and the present statement will reveal the insights and ideas the consultation process has brought to light. The introduction of a separate chapter devoted to the challenges to the churches is of special importance. The churches - as many contributors to the process warned - cannot speak out on criteria for economic and social action without measuring their own action in these fields by the same standards. Women, in particular, drew attention to the fact that the discussion paper gave very little space to their special situation. Account had to be taken of that.

(43) Second: *The consultation process may extend scope for political action.* In a democracy political room for manoeuvre depends on the attitudes and behaviour of the voters. The consultation process is not without importance on this score. It is a contribution to awareness-raising and social learning. They are more intensive if - as happened in this process - people are not confronted with a ready-made result that they can only accept or reject, but are themselves involved in thinking and weighing things up. Such processes have much more to do with political action than is apparent at first sight. Complaining about politicians is not the answer, although it is quite common in view of economic and social ills. Politicians' ability and readiness to act is largely determined by

the attitudes of citizens in a democracy. Therefore, the more it succeeds in changing attitudes and behaviour, and thereby enlarging scope for political action, the more successful the consultation process will have been - and conversely, the less this happens the less effective it will have been.

(44) Third: *The consultation process offers a framework in which the basic social consensus can be formed, strengthened and broadened.* The publication of the discussion paper was accompanied by an invitation to join in a public dialogue, and this met with uncommonly broad approval. The paper was an impetus or platform for numerous conversations: between the churches and the parties and social groups, within the churches and social groups, between the different social groups, at the local level and at the level of governing bodies. So the consultation process served to form, strengthen and expand the basic social consensus. Polemical attacks on a culture of consensus are short-sighted. Consensus certainly does not mean that conflicts are absent or ruled out. But they can be resolved in greater harmony with the common good, and a balance reached between different or still conflicting interests in the form of a compromise, if opposing parties accept the same consensus.

(45) Fourth: *The consultation process brought about practical changes at the personal and local levels and strengthened the solidarity networks.* In dialogue many of the participants underwent changes great and small; it set learning processes in motion and moved apparently immutable fronts. People discovered links between different problems and recognised broader connections. They questioned prejudices and listened attentively to arguments hitherto dismissed. The consultation process revealed a high degree of solidarity and sympathy with the fate of unemployed people, for example. Initiatives and groups have formed to make an effective contribution to practical support and solidarity. Already a lot of practical, unconventional schemes have been tried, even involving personal cutbacks in material terms for the sake of others.

(46) Fifth: *The churches have learned in the consultation process.* Within the churches there is a deep sense of social service and a range of impressive activities, but a lot of parishes and Christians are disturbingly self-centred and give too little attention to what is happening in society. The consultation process spotlighted the fact that witnessing to the gospel inherently involves working for solidarity and justice. Not just the choir but also the cry of the poor has to be heard in worship services; "mysticism" (encountering God) and "politics" (serving society) are inseparable for Christians. Last but not least, a valuable experience was the renewed confirmation that it is possible, and necessary, for the churches to speak out and act together on matters of social ethics.

(47) In all, it is clear that the consultation process must not be judged only by the statement presented here. The foreword to the discussion paper says: "In a certain sense it is true to say 'the way is the goal'. The very fact of engaging with the issues in serious common reflection and discussion, and the many attempts to find solutions will make this a valuable process, endowing it with its own significance, quite apart from the final result." That was not meant to imply that the way could render superfluous the goal of a joint statement. But in retrospect it remains true that the findings, impacts and side-effects of the consultation process have their own significance, quite apart from the joint statement presented here by the EKD Council and German Bishops' Conference.

2. Society in the throes of change

(48) In the aftermath of World War II most Western European countries were characterised by the political will to connect economic progress with more social equality. This welfare-state tradition, which stems from the 19th century, found expression in the Federal Republic of Germany in the model of the Social Market Economy. Germany and many other countries now have to face new, in some cases global challenges. Rationalisation processes, the process of European integration and above all the internationalisation of the commodity and capital markets are being accompanied by radical economic and social change, most felt in the labour market. The ecological limits of economic development call for changes that can no longer be put off. Persistent mass unemployment and the related problems of the welfare state threaten social cohesion and industrial peace.

2.1 Persistent mass unemployment

(49) In Germany and the other EU members states persistent mass unemployment is the most pressing political, economic and social challenge. The disastrous situation on the labour market is acceptable for neither the persons concerned nor the constitutional welfare state. In the consultation process unemployment was one of the subject areas that was given most attention in the responses. Appeals are addressed to political parties, local authorities, collective bargaining partners, those responsible for finance policy and the funding bodies for employment policy measures; they are all asked to make their contribution to a lasting reduction of unemployment.

2.1.1 The strains of unemployment

(50) Over 20 years ago the number of people registered as unemployed in Germany topped the million mark for the first time since the early 50s. Since then unemployment has set in and the number of those who cannot find a job even during economic upswings has risen continually. In western and eastern Germany together 4.6 million women and men were registered as unemployed in January 1997; in the EU countries there were about 18.1 million at the end of 1996. This does not include those people who are undergoing retraining or further training, doing short-time work or employed on a job creation scheme, living in early retirement or who have simply retired into their shell. Youth unemployment is a particular challenge to employment policy. A growing number of young people, particularly young women, run the risk of never being integrated into the employment system.

(51) Society in western Germany is affluent and its economy is one of the most successful in the world; nevertheless it has had rising unemployment figures for decades. Ideas about gainful employment are still largely patterned on the traditional model of industrial work. Secure jobs in industry are, however, declining in number and importance in favour of the service sector. At the same time, casual labour and pseudo-self-employment are on the increase. These upheavals in employment strike at basic structures of a society in which paid work is a central factor for a regular income, social integration and the opportunity for personality development.

(52) Although unemployment is a problem affecting the whole economy there is a widespread prejudice that it is due to individual failure. Many unemployed people relate such accusations to themselves, withdraw in shame and often feel excluded. They miss the opportunity to earn their living themselves, cultivate contacts, gain further qualifications and participate responsibly in the life of society.

(53) Persistent mass unemployment is worsening the selection and shake-out process of the labour market. If particular groups are not up to certain demands made on them, they find it very hard to get another job once they have become unemployed. Hundreds of thousands of long-term unemployed people feel they are no longer wanted. People who have not found a job over a lengthy period often become incapable of seeking work and lose all hope. Bitterness and resignation destroy their trust in the democratic organisation of society. A lack of prospects and fear of losing income and social status provide fertile ground for violence and xenophobia.

(54) Since the 80s long-term unemployment has been increasingly concentrating on the older age groups. About two thirds of registered long-term unemployed people are over 45. Single mothers are in a particularly difficult situation. Frequently they have no opportunity of getting a job due to the burden imposed on them by their circumstances, and so cannot earn their own living. They become dependent on welfare benefit and are hardly in a position to make any social contacts outside the sphere connected with bringing up their children.

(55) Due to the traditional division of labour between men and women it is mainly women who have taken on home-making and voluntary work. When this is added to paid work it means that two thirds of all work done in society is done by women. Because women still do most of the work in the family they are frequently at a further disadvantage when applying for jobs. That is why they do not participate in paid work to an extent in keeping with their training and qualifications.

2.1.2 Unemployment in the eastern *Länder*

(56) Mass unemployment is particularly high in eastern Germany. It has risen at a rate and to figures unprecedented in the western part of the country. Whole branches of industry collapsed along with the socialist planned economy, due to the abrupt introduction of a market economy without adequate structural back-up. Other factors were the revaluation associated with the currency union and the loss of previous eastern European markets. Over two thirds of employees had to abandon their old workplaces and look for new ones.

(57) In the first four years after 1989 the number of people in employment fell from 10 million to about 6 million. At the end of 1996 the unemployment rate was over 15%. Over a third of unemployed people have been jobless for more than a year. If there are no fundamental changes the situation could get worse.

(58) A special problem of unemployment in eastern Germany is the situation of women on the labour market. While in the German Democratic Republic over 90% of women of working age were employed, they were increasingly pushed out of the market after the fall of communism. Many of them have no prospect of a job in the long term. Over 75% of long-term unemployed people in eastern Germany are women, frequently well-qualified and relatively young. They have to bear the brunt of the employment crisis.

(59) The East German contributions to the consultation process showed that many of the people living there feel abandoned, despite help from western Germany. During the times of the German Democratic Republic paid work had the function - far more than in the West - of integrating people into the social structure of a workplace; for that reason joblessness is felt more strongly to be a loss of social ties and the opportunity to share in the life of society. Even the social benefits of the West German social security system, amounting to impressive sums, have not been able to prevent many East Germans feeling greater uncertainty regarding their material resources and their social status. Unemployment has devalued vocational qualifications and work experience acquired over decades. The people living in the eastern *Länder* increasingly believe that West Germans have a wrong impression of them because of their past. A large number of West Germans, they say, have no real conception of the hardships they face.

2.1.3 Causes of unemployment

(60) Many and varied are the causes of the structural unemployment has been increasing in Germany since 1973, and they are a subject of controversy among politicians and economists. Opinions expressed during the consultation

process varied accordingly. One thing is certain: unemployment cannot be explained monocausally.

(61) In the last few years economic growth has clearly slowed down. The forces of economic growth apparently do not suffice for a lasting reduction in unemployment. While the number of jobs was substantially raised from the mid-80s to the early 90s this was not enough to prevent a further increase in unemployment. That is due to the fact that in the last few years there have been far more people looking for work; in addition there have been considerable job cutbacks, a trend which has recently accelerated.

(62) In addition, the structural change in industry due to technological progress went hand-in-hand with an enormous increase in labour productivity, without there being any reduction in working hours or expansion of production to compensate for the drop in employment. The increase in jobs in the services sector has not sufficed to balance out the loss of jobs in industry.

(63) According to one widespread idea, the main causes of the high unemployment in Germany lie in international political change and the globalisation of the economy and competition. This, it is thought, has led to far-reaching adjustment in international division of labour and to German companies undoubtedly having to face tougher global competition. They are substantially restricted in their competitiveness, particularly through high wage costs, short working hours, and the burden of contributions and taxes. Further problems are said to derive from a subsidised distortion of competition, high energy prices, a high degree of bureaucracy and regulation, reservations about using certain new technologies, a lack of risk capital and currency fluctuations. It is also seen to be a problem that German companies are increasingly transferring their production abroad, while foreign direct investments in Germany are decreasing.

(64) Others see things differently. They point out that the labour market crisis is not specific to the German economy. In all developed industrialised countries growth has been slowing down and high unemployment has set in. At the same time, the international competitiveness of (West) Germany is extraordinarily high. No other country exports such a high share of its production. The trade balances with South East Asia's newly industrialised nations and the eastern European states is said to be in balance because these countries spend every deutschmark earned through exports to Germany on imports of industrial goods from Germany. The high direct investments abroad are also no real strain on the German economy since in the long term they will serve to open up and guarantee export markets. In this situation, then, it would be no solution for the national economy to follow what the companies see as the best business course, i.e. a strategy of national cost-cutting (wages and non-

wage labour costs, social standards, company taxes, environmental standards) for the further improvement of international competitiveness. Such a strategy would aggravate the unequal distribution of incomes and make the employees bear the brunt of adaptation by shake-out competition. Purchasing power would thereby fall.

(65) The globalisation of competition is in certain areas indeed linked with a considerable reduction in jobs. Countries with low wage levels are increasingly taking on the production of labour-intensive products. Germany and other developed countries concentrate more on the production of products calling for a high level of capital investment and vocational skills. The demand for unskilled workers in Germany is falling, while the demand for skilled workers is increasing. The consequence is that people who cannot meet these requirements have trouble finding a job.

(66) High unit wage costs play an important part as a cause of unemployment in eastern Germany. During the transition from a centrally planned economy to a market economy productivity in eastern German plants was too low for them to be competitive after the 1:1 adjustment of wages and the following collective agreements aiming at a swift adaptation to the West German wage level. Also the collapse of the Comecon states, the interest of the population in western products and the purchasing practice of wholesalers led to problems of demand. Further difficulties still include the lack of clarity regarding ownership that arose due to the priority given to returning property rather than offering compensation. Nor did it help that East German companies were bought up, then closed by their West German competitors - a practice that continues to aggravate the situation.

2.2 Crisis of the welfare state

(67) In the history of the Federal Republic of Germany the welfare state has been the decisive precondition for granting social peace. It continues to offer the vast majority of the population a high level of social security. However, the social security system faces great challenges due to fundamental changes in the social structure, persistent mass unemployment, population development and the situation of public budgets.

2.2.1 Poverty in the affluent society

(68) The last 20 years have seen a growth in poverty in Germany, as well as wealth. This poverty is fundamentally different from poverty in developing countries. Nevertheless it is a thorn in the flesh of the affluent society. Poverty has many faces and many causes. It is more than just income poverty.

Frequently needy people have several burdens, like a low income, insecure and poor accommodation, considerable debts, chronic illness, psychological problems, lasting unemployment, social exclusion and inadequate assistance. These situations of poverty particularly affect those who have for years relied on social welfare. One of the worst effects of poverty is the loss of one's home, which is happening to more and more people, including families with children, single parents, women and young people. There are no reliable national figures on the total scale of urgent accommodation shortages and homelessness, particularly as there are no uniform criteria. The number of homeless people who have been allocated temporary accommodation is alone estimated at 250 000 to 300 000.

(69) The subject of poverty is still taboo. The argument about poverty is like the argument about the environment in the early 70s, when problems were denied on the argument that they could not be scientifically proved. However, there is no ignoring the existence of poverty. The differing definitions of poverty conceal disturbing facts:

- "Income poverty" or "relative poverty". If the poverty line is set at 50% of the average net income per household in the population, as is usual at the international level for purposes of comparison, 750 000 people remained under the poverty line from 1984 to 1992 and 4.5 million people were poor for five or more years during this period. Having arisen very rapidly due to convulsive economic changes, social inequalities are particularly extreme in the eastern *Länder*;
- "Social welfare claimants". In Germany social welfare benefits (*Sozialhilfe*) are designed to enable a life in dignity for all. They aim at providing a minimum income on an individual basis and according to need. At the end of 1994 over 2.25 million people were receiving this income support in the narrower sense (to cover living costs). In the last few years the trend has shifted from the poverty of the elderly to that of children. The greatest increases are among children under seven; by the end of 1994 they had risen to 409 000. The above-average risk of children falling into poverty is all the more worrying as being on the fringe of poverty can easily lead to different forms of lasting deprivation. The number of Germans on social welfare has again risen considerably since 1992.
- "Covert poverty". Many people hide their poverty, i.e. they would be eligible for public assistance but do not claim it for shame, lack of knowledge or fear of the authorities. They include many large families with only one breadwinner. According to the poverty study of German Caritas (a Roman Catholic welfare organisation), for every four social welfare claimants there

are another three covertly poor people. In 1993 there were about 1.8 million. Only just over half of those entitled to receive welfare benefit actually claim it.

It is most important not to just argue about the definition of poverty, nor to see it only in terms of income. The focus must be the people concerned and the fact of poverty in the affluent society, while recognising the need to work to improve the situation.

2.2.2 Disadvantaging the family

(70) Parents find that sharing their lives with their children is extremely rewarding. They put up with many restrictions for their children's sake. Yet society has changed so much in the last few decades that, economically and personally, parents have to go without much more than others do. This places an ever greater strain on family relations. The economic strain on families can lead to parents having fewer children than they actually wish. The increasing number of childless people in Germany is evidence of how the attitude to children has changed.

(71) Statistical surveys show that the standard of living of a family with two children is considerably lower than that of a childless couple. On average, all forms of consideration of the family by the state do not even cover the immediate expenses of children, quite apart from the loss of shared income if only one parent goes out to work. Having several children today means risking poverty. There are also other disadvantages that weigh even heavier on young families. When seeking accommodation suitable for children they find - if they can afford the rent at all - that childless tenants are preferred. Families with several children are at an even greater disadvantage here. They are worse off on the labour market as they are less flexible in terms of mobility and time. The continuing loss of time together (through working on Sundays or in shifts) also hits families. They suffer when the breadwinner loses his or her job or falls deeply into debt. Industry, the government and social services often react with indifference to this responsibility of parents, i.e. they treat parents and childless people equally. The result is a structural disadvantaging of families. Germany has one the lowest birthrates and highest percentages of one-person households in Europe.

2.2.3 Financial strains on the social security system

(72) A basic cause of the financial difficulties of social security budgets is high unemployment. Mass unemployment means a loss of revenue from social

insurance contributions and income tax, with rising expenditure for unemployment benefit and pensions. Less income and rising expense leads to rises in contributions, which in turn may prejudice employment due to the rise in non-wage labour costs.

(73) Non-wage labour costs are so high because social insurance funds (pensions, statutory health insurance, unemployment insurance etc.) are heavily drawn on to finance German unity and for active labour-market policy. These matters are actually the responsibility of the state but have been transferred to social insurance schemes. Because the financing of these "non-insurance benefits" is not covered by federal subsidies the social insurance contributions have had to be raised on several occasions. In addition, early retirement has been over-encouraged in order to ease the situation on the labour market.

(74) One reason why spending on social security is so high - it is running at about one third of GNP - is the current rate of about 60% in the eastern *Länder*. By contrast, in the West it has not been so low for years.

(75) Further, difficulties in financing the social insurance schemes in Germany derive from the fact that in latter years there has been a change in the conditions under which they were conceived. Firstly, young women are now mainly interested in having both a career and a family, and there has been an increase in women working due to the growth of office work and services. At the same time family ties have become more unstable so the share of single parents is growing. The shortage of paid work and the change in employment structures has brought about an increase in part-time jobs with less secure employment contracts. This means a rise in the share of people whose careers do not correspond to the assumptions of normality of the social security system, and who consequently tend to be more threatened with poverty and dependent on welfare.

(76) The rise in spending on social welfare benefit is mainly due to mass unemployment, cuts in social insurance benefits, inadequate assistance for families, and expenditure for asylum-seekers and immigrants. Manifestly the social insurance schemes taking priority over social welfare are no longer coping with demands. Welfare was meant to be the final safety net in the system but in the last few years it has increasingly become the only source of livelihood for a growing part of society.

(77) Over and above its current financial difficulties, population development is confronting the social security system with additional challenges. A constant low birthrate and a far higher average life expectation are leading to an increasing share of older people and, on the other hand, to a stagnating and in future decreasing share of age-groups available for work, and also of children

and young people. This will impact not just on pension funds but also on health insurance and care for the elderly. A worsening of the statistical relationship between the number of pensioners and the number of contributors must lead to higher contribution rates (if benefits remain the same) or to a clear reduction in the level of pensions (if contributions remain the same). Similar problems also arise for the financing of civil service pensions.

2.3 The ecological crisis

(78) The ecological crisis is a global problem. Germany is involved in these global problems. Industrialisation has led to a growing strain on the carrying capacities of ecosystems. Although a fairly high level of technological environmental protection has been achieved in some industries, excessive strain is frequently made on nature's ability to regenerate; in many cases environmental threats, damage and pollution is continuing to grow.

(79) The most serious environmental damage includes the over-use and annihilation of renewable resources, the contamination of air, water and soil, the eradication of numerous plant and animal species, the depredation of non-renewable resources, the destruction and desertification of countryside and regions, the high production of waste plus the unsolved problem of nuclear waste disposal. There has been insufficient action to date on ozone layer loss and global warming. Due to their global character and their incalculable consequences for ecological cycles, these climatic threats to the environment represent a qualitatively new and existential challenge to modern civilisation. Many endeavours to improve the situation have failed due to national selfishness and the shortsightedness of the industries concerned. The facts are hardly in dispute any longer. Nor is there any lack of declarations of political intent. Nevertheless, it is very difficult to turn these insights into practical action and use them for international ecological cooperation.

(80) Industrialised societies are on the brink of exceeding the carrying capacity of important ecological systems. The rapid consumption of natural life-support systems is a considerable threat to life chances in countries of the South and future generations. If it is not possible to effectively contain the exploitation of nature this will be a fatal liability for posterity. End-of-pipe environmental protection is increasingly hard to finance, and many cases of environmental damage are proving irreversible. So the more the necessary environmental protection measures are postponed, the more it is to be feared that, in future too, only the worst cases of pollution will be tackled; long-term environmental damage will continue to rise to the detriment of other countries and future generations. Despite the enormously improved potential for an efficient and

sparing use of resources, and for a reduction in emissions, environmental damage continues to rise. A gain in prosperity through merely quantitative economic growth is therefore increasingly questionable in western Europe.

(81) Ecologically speaking, the contribution of agriculture and forestry is of special importance. Besides providing high-quality products, they contribute to safeguarding and improving the life-support systems and maintaining a varied rural setting for residential development, business and leisure activities. Traditional farming methods are based on an environmentally sustainable use of land and animal husbandry. It is all the more regrettable that neither the reform of the Common Agricultural Policy nor national programmes have been able to prevent a situation where fewer and fewer farmers can make a living or see a future for themselves in agriculture. Many farmers have already had to give up. Others fear for their livelihoods or - if they have no successor - for the survival of their farm. Difficulties also spill over onto other rural occupations like crafts, trade and services. The traditional picture of agriculture in the cultural community of the village is becoming blurred. There is a clear trend away from farmers and farming towards agro-industry.

2.4 The process of European integration

(82) The policy of European integration is of crucial significance for the continent and the future of Germany. Fifty years of peace and stability in Western Europe, the resurgence of European countries after World War II, the peaceful role of Germany in the international community and the restoration of German unity in harmony with the European partners - all this would not have been possible without European integration. This process must be continued in order to guarantee peace and stability in Europe, along with economic and social progress. The historical project of European union should by no means be reduced to its economic side. Its foundations go far deeper; they are rooted in centuries of common Christian history and tradition, and thus in the awareness of Europeans that they are a community based on values which have inspired common political orientations, standards and institutions such as democracy, the rule of law and the modern welfare state.

(83) European integration is even more important in view of globalisation. The process of European integration, particularly Economic and Monetary Union (EMU), stands for the insight that economic and social policies aspiring to remain independent of international markets require over-arching decision-making and coordinating bodies. The institutions and instruments that have developed within the European Union - and they need to be developed further -

offer possibilities of expanding common European economic and social policies.

2.5 Global challenges

(84) The process of progressive globalisation is based on the worldwide integration of markets and the dismantling of barriers to trade and mobility. It would not be possible without the new information and communication technologies. Globalisation means: worldwide opening of markets for goods and services, increasing mobility for entrepreneurial action and worldwide availability of technical knowhow and qualified labour. In addition there is the growing mobility of capital. Increasingly funds are reinvested on international capital markets so that they are not available for investment at the national level; they are thereby withheld from the task of creating and preserving jobs. Movements of capital are increasingly escaping national control.

(85) Globalisation does not only mean that commodity, financial and labour markets increasingly cross national borders but also that production and investment decisions affect locations in several countries. Wage processes or value added are distributed to different countries in order to minimise costs. Simple production takes place where wages are low, research is done in countries with few statutory restrictions and profits are declared where tax rates are low or taxbreaks particularly generous.

(86) Globalisation has led to fiercer competition. The emerging economies of Central and Eastern Europe, South East Asia and Latin America demand access for their products to the markets of industrialised nations and commend themselves at the same time as sites for new investments. Wages in Germany's eastern neighbours are at present exchange rates a tenth of wages in Germany (the Czech Republic and Poland) and even a hundredth (Ukraine and Russia).

(87) Globalisation involves opportunities and risks. The German economy has long made liberal use of possibilities to take part in rapidly growing global markets. Many countries of the South and East have received access to the markets in industrialised countries. On condition that world trade is not further distorted by protectionist efforts of industrialised countries this market access is even more important than development aid. In a number of countries, e.g. in Asia and Latin America, an economic upturn has been achieved that has benefited large parts of the population, albeit not all in the same way. The new prosperity there is also leading to more social security. On the other hand, there is an increase in polarisation between the dynamic growth centres and the regions that are missing out on this development.

(88) National economic and social policy is more difficult in the age of globalisation. Since deciding on a location involves weighing up the advantages of different nation states, traditional national economic policy is reaching its limits. The process of globalisation has taken on such momentum that it is increasingly difficult to influence by one state alone. Economic globalisation also means the globalisation of social and ecological issues. Changes of this magnitude enhance the importance of joint responsibility on the part of the international community. Globalisation is not a force of nature but calls for political regulation and control.

(89) The prosperity gap between the poorest and the rich countries has widened. In some developing countries corrupt elites, ethnic conflicts and few opportunities for participation prevent or hamper the population from engaging in economic and political development. Besides these internal factors there are external ones that can influence political and economic leaders in the industrialised countries. They include the agricultural protectionism of industrialised countries, the sluggish process of debt cancellation, and decisions and arrangements of international organisations (e.g. International Monetary Fund, World Bank, UN Security Council).

(90) Wars, violence, human rights violations, natural disasters, misery and hunger are forcing more and more people to leave their home countries. The rapid increase and extent of migration, escape and displacement all over the world have become one of the characteristic features of the last few decades of the 20th century. This has affected Germany too. The migrants that arrive as workers, refugees and asylum-seekers, or ethnic Germans coming to live in the land of their ancestors, are only a small part of the international migratory movement. At present almost 8 million foreigners live in Germany, including 5.5 million migrant workers with their families. Many of them are not yet legally and socially integrated even though they frequently belong to the second or third generation. The way society deals with them is a testing ground for its openness, solidarity, tolerance and liberality⁷.

7 A separate statement on the challenges of refugee movements and migration is due to appear soon.

3. Insights and stimulus from Christian faith

3.1 The human question

(91) Analyses of social challenges presuppose certain criteria of perception and include anthropological and ethical prejudgements. The Social Market Economy is likewise founded on anthropological and ethical preconceptions. It starts from a human image involving freedom and personal responsibility, solidarity and social commitment. The Social Market Economy is based on preconditions that it cannot create or guarantee itself, but without which it will not be viable in the long run. They should be brought to mind in the present situation of profound change, as the empowering source of the vision and motivation needed to face new challenges and to work towards a society based on solidarity and justice.

(92) A lasting improvement of the economic and social situation can only be based on the recollection of the human image and fundamental values underlying the Social Market Economy. In drawing public attention to them, the churches render a genuine service. The Christian view of humankind is one of the basic spiritual forces of our common European culture and the economic and social order deriving from it.

3.2 Shaping the world from Christian faith

3.2.1 The gift and task of shaping the world

(93) Christian faith perceives human beings as being made in the image of God and so endowed with a unique, inalienable dignity. They are created as men and women, with equal dignity. They are entrusted with responsibility for the whole of creation: human beings are meant to be God's stewards on earth (Gen 1:26-28). They are created and called to be physical, rational, responsible creatures in relation to their creator, their fellow human beings and all other creatures. That is what is meant when human beings are called persons with unique and inalienable personal dignity.

(94) The Bible speaks of the brokenness of the original order of creation, and of the alienation of humanity from its original destination. In the stories of the fratricide of Cain and Abel, of the Tower of Babel and the Flood it portrays the human condition, defined by sin and guilt, human pride and selfishness, and structural injustice. It testifies at the same time to the dawning of the new creation through the cross and resurrection of Jesus Christ, the gift of forgiveness and reconciliation and the new freedom. Because human beings have already been redeemed in Jesus Christ they do not need to save

themselves as they run their lives and the affairs of the world. That liberates them to act without care for themselves and concern for security through power; instead they can respond to the needs of the moment and of mutual service. Christian faith lives from the hope in a new creation that dries all tears, in which "there shall be an end to death and to mourning and crying and pain" (Rev 21:4). People cannot "make" this Kingdom of God. So they need not feel compelled to seek perfection and overtax their abilities. Christian hope makes it possible to tolerate and dignify that which remains imperfect in this life. It gives no detailed instructions, but takes responsibility for the world and for people. It gives light and strength, courage and confidence, under the conditions and in the circumstances of this world, to work for a humane, free and just order based on solidarity. This work in the light of God's kingdom means testifying to human dignity.

(95) Despite the brokenness of human existence the person called by God is - through creation and redemption - enabled to responsibly organise the affairs of the world. This ability precedes any duty. The ethical demand stems from the God-given ability to act reasonably and responsibly. Such a gift and such encouragement is particularly important in the present situation of radical change.

3.2.2 Shaping the world from historical and salvific experience

(96) The call to engage in the responsible organisation of life and the world goes to each and everyone of us, but not in isolation. God created us as individuals and as social beings and called us into the community of God's people. The people of God live from the memory of the history of God's mercy; they repeatedly tell the stories of divine mercy, which is celebrated on festive occasions. This is the source of our strength and confidence, giving us the motivation to attend to the poor, weak and disadvantaged in mercy and solidarity. Mercy acknowledges that each and every person, even if weak and guilt-laden, has inalienable dignity. This treasure trove of historical memory helps us to meet the new challenges.

(97) The fundamental historical experience is the liberation of the people of Israel from bondage in Egypt. It shows that God is gracious and merciful to his people; he wants them to live and liberates them to be free. At the same time he wants people to behave like him towards their fellow human beings. The rules for life of the Ten Commandments (Ex 20:1-17; Deut 5:6-21) are grounded in the experience of liberation and in God's covenant with his people. They aim at realising the freedom given in God's act of liberation by respect for life, by justice and mercy, and also by witnessing to the truth. The Ten

Commandments are directions for a life in human dignity, freedom, justice and truth. As such they are not a special biblical ethic; they express general human insights and affirm them on the basis of experience in the history of God's relations with his people.

(98) The experience of God's faithfulness in keeping his covenant despite human unfaithfulness, gives hope in face of the various contrasting experiences of history - of injustice, unfaithfulness and deceptiveness. It is a constant invitation to act so as to make room for the righteous and gracious will of God for each individual and for all, by containing the powers of evil and fostering the good. The Bible levels prophetic criticism at situations of social injustice (Am 4:1; 5:7-15; 6:1-8; Is 1:15-17; 10:1-4 etc.); it stands up for the disadvantaged and the strangers (Ex 22:20-26; 23:6-9; Lev 19:11-18.33f; Deut 15:7-11; 24:17-22 etc.). The power of biblical faith to shape society comes out clearly in many Old Testament passages.

(99) The actions and message of Jesus are in the tradition of his people's experience of God and history. Jesus links his message of the coming of God's kingdom and the invitation to believe with the call to repentance (Mk 1:15), i.e. to a life based entirely on God and his justice and mercy, proving them in a life of compassion with others. Jesus renews and fulfils the Old Testament's promise of liberation and healing (Lk 4:16-30) and in the Beatitudes of the Sermon on the Mount places them firmly in the setting of the promise of life for the poor, small, meek and non-violent (Mt 5:3-12; Lk 6:20-26). When Jesus (Mt 5:48) takes up the Old Testament injunction (Lev 19:2) to be holy as God is holy, this means being merciful as God is merciful (Lk 6:36). With the command to love our neighbour, even our enemy (Mt 5:43-47; Lk 6:27-28) Jesus picks up the age-old Golden Rule and goes one further: "Always treat others as you would like them to treat you" (Mt 7:12; Lk 6:31). Jesus did not just teach this attitude but adopted it himself. He was truly the man for others. He himself trod the path of solidarity, mercy and nonviolence. Due to his suffering and violent death he showed solidarity with people in everything (Phil 2:6-11). The cross and resurrection of Jesus Christ is the ground of their hope that in all - even seemingly hopeless - situations God is close by with his saving power.

3.2.3 Shaping the world: the church's commission as God's people

(100) The lines of biblical ethic as shown in the Old and New Testament also determine the life pattern and the social message of the church as the people of God. The church does not just exist for itself and it must not be self-absorbed. It has a mission to all people and all nations (Mt 28:19). Through word and deed it is to bear witness to the good, liberating news of God's presence in the

midst of our lives and in our history. Its message of salvation applies to individuals and to communities and nations. The church has a public mission and a responsibility for the whole of the population and of humankind.

(101) That is why faith and life, proclamation and practice in the church should not be divided in the church's behaviour and in its message. Christians cannot share the bread at the Lord's Table without sharing their daily bread. An unworldly holiness would only create an unholy world. Working for human dignity and human rights, for justice and solidarity, is constitutive for the church; it derives this commitment from its faith in God's solidarity with people and from its mission to be a sign and tool of unity and peace in the world. In the endeavour to come closer and unite, divided churches strive to fulfil this mission and send signals of reconciliation.

(102) The churches proclaim a social message on the basis of the biblical ethic, speaking increasingly with one voice to the general public. This message is the outcome of reflexion on human experience in different historical situations and cultures. Christian social doctrine is not an abstract system of norms: it stems from continued reflexion on human experience in the past and present in the light of the Christian understanding of humanity. It supplies no technical fixes and concrete instructions for use; rather it conveys perspectives, values, and criteria for judgement and action. Prophetic and critical, it is also encouraging, reconciling and healing.

3.3 Fundamental ethical perspectives

3.3.1 The dual command to love God and the neighbour

(103) The memory of God's mercy is the source of the dual command to love God and the neighbour (Mk 12:28-31), in which human action finds its fundamental biblical orientation. According to the testimony of the New Testament, this dual command is the summary of all other commands and so the "fulfilment of the law" (Rom 13:8-10). Jesus equates this dual command with the content of the Old Testament law (cf. Mt 22:34-40). It is the basic norm crystallising the biblical ethic into a community ethic. And the claim is not confined to the community of the people of Israel or the Christian community. The command to love strangers "as yourself" (Lev 19:34) and to "love your enemy" (Lk 6:27,35) cuts across all borders. Hostility is removed from all human relations and barriers to human solidarity are broken down. The unity of love for God and the neighbour expresses the connection between relationship with God and responsibility for the world; this link between faith and ethics is basic to mores in the biblical tradition.

(104) Loving God without loving one's neighbour remains abstract, and ultimately unreal: "If a man says, 'I love God', while hating his brother, he is a liar. If he does not love the brother whom he has seen, it cannot be that he loves God whom he has not seen" (1 Jn 4:20). That is why loving God takes active form in loving one's neighbour, and loving one's neighbour leads to love of God. So when the following are inseparable: loving God and loving one's neighbour, faith and ethics, confession/celebration of faith and practice of justice - the dual command of love must impinge on the structural dimension, on the struggle to build a society which excludes no-one and ensures chances in life for all.

3.3.2 Preferential option for the poor, weak and disadvantaged

(105) Christian love of the neighbour is primarily directed to the poor, the weak and the disadvantaged. The option for the poor becomes a benchmark for action. The experience of liberation from bondage which testifies to God's preferential option for his poor, enslaved people was a recurrent theme in the ethics of the people of Israel and a central argument backing the demand for justice in dealings with the weakest members of society. The right of the poor is grounded in the memory of the rescue from slavery: "You shall not deprive aliens and orphans of justice nor take a widow's cloak in pledge. Remember that you were slaves in Egypt and the Lord your God redeemed you from there; that is why I command you to do this" (Deut 24:17f). The prophets particularly condemn the injustice, exploitation and oppression that poison the life of Israel's society and foretell God's judgement on the culprits (Amos 2:6f etc). Their concern is that the whole community of God's people be saved, not destroyed. Hence their key message, that life-enhancing dealings with the poor and the implementation of law and justice are signs of faithfulness to God's covenant.

(106) The passage in Matthew about the Day of Judgement graphically describes the connection between God's option for the poor and the just action of human beings. Jesus Christ makes the decision on the final community of persons with God dependent on lived solidarity with the lowest of the low. "You have my Father's blessing; come, enter and possess the kingdom that has been ready for you since the world was made. For when I was hungry, you gave me food; when thirsty, you gave me drink; when I was a stranger you took me into your home, when naked you clothed me; when I was ill you came to my help, when in prison you visited me...I tell you this: anything you did for one of my brothers here, however humble, you did for me" (Mt 25:34-36,40). The reconciling encounter with the poor, in solidarity with them, becomes a place to encounter God.

(107) The unity of love for God and our neighbour takes concrete form when the preferential option for the poor becomes a leitmotiv for social action. From the standpoint of a Christian ethic, all social, political and economic action and decision-making should be gauged by the extent to which it concerns, benefits and empowers the poor. The biblical option for the poor is aimed at overcoming exclusion and involving everyone in the life of society. It commits one to see things from the angle of people living in the shadow of affluence and who, having no lobby, cannot make themselves noticeable as a social group. It draws attention to people's feelings, to the offenses and humiliation suffered by disadvantaged persons, to unacceptable and degrading treatment, and to structural injustice. It commits the well-off to share, and enter into effective alliances in a spirit of solidarity.

3.3.3 Justice

(108) When Christians read the biblical testimony alongside reports of current challenges they gain ethical insights, not only for their own lives but also in respect to the institutional framework of society. This involves the concept of justice. Justice is a key concept in biblical tradition, covering all that makes for a safe human existence. In the Bible it is connected with peace, freedom, redemption, grace and salvation.

(109) In older philosophical and theological discussion the idea of justice has been interpreted as a fundamental principle of social order. It states that everyone has their own right to be recognised as a person and to lead a life worth living. Everyone has the right to fundamental material and non-material opportunities enabling them to take responsibility for their own lives, and to play an active role in organising life in society. Everyone also has the right to what they have created or acquired by their own effort on the basis of publicly recognised rules. This right of each individual is to be respected by all others and by the whole of society; conversely, everyone has to respect the rights of others and of the whole of society. Only such justice can safeguard peace in society and the world.

(110) In theological tradition the idea of justice has been broken down into the different levels of relationship. Here the individual has an obligation towards the state or the whole of society that is called legal justice (*iustitia legalis*); conversely, the state is committed to distributive justice (*iustitia distributiva*) for the individual. Both aim at the just distribution of rights and duties in society. Furthermore, relations have to be established between members of society according to just criteria, according to compensatory justice (*iustitia*

commutativa), which in economic terms also comprises the requirement of fairness in market relations.

(111) Such a division is important and helpful in organising social relations, yet it cannot suffice under the conditions of modern society. Hence the appearance of the concept of social justice as a overarching ideal in church social ethics. This states that, in view of genuinely different starting conditions, it is only fair to remove existing discrimination in terms of inequality and to enable all members of society to enjoy equal opportunities and equivalent conditions of life.

(112) The concept of social justice expresses the fact that social orders are transformable, and based on the moral responsibility common to humanity. In order to put justice into practice all members of society have to share in the fashioning of fair relations and be able to make their own contribution to the common good. "Searching for justice means moving towards those who as the poor and powerless are marginalised in social and economic life and who cannot improve their share and participation in society in their own strength. Social justice has thus, and it is right that it should be so, the character of a taking of sides for all who are dependent on help and support... It is not exhausted in personal care for the disadvantaged, but aims at the removal of the structural causes for the lack of sharing and participation in social and economic processes"⁸.

(113) Structures have therefore to be created allowing individuals to participate responsibly in social and economic life. Besides the right to political participation, these include access to work and employment enabling a life in dignity comparable with that of the majority of the population, and an effective contribution to the common good. In order for people to participate and to have the opportunity to be heard and understood in the formation of public opinion, an educational system is needed that develops not only vocational skills but also political discernment and a capacity for political involvement.

(114) The biblical ethic has a liberating and stimulating function in the development of social justice. The biblical ethic is not confined to the demand for justice. Human beings are also deserving of personal attention, love and mercy. Mercy fulfils the demands of justice while going further. For that very reason mercy does not cancel these demands. Instead, Christian mercy is premised on justice and proves its authenticity in its motivation and resolution to achieve justice for all; struggling against unjust structures, it is committed to building a more just society.

8 Common Good and Self-Interest. A memorandum of the Evangelical Church in Germany, 1992 (in English), (para 155).

3.3.4 Solidarity and subsidiarity

(115) A just society is based on the two complementary principles of solidarity and subsidiarity. It expresses the fact that human beings are unique persons and at the same time social beings.

(116) The concept of solidarity is used in so many different ways in political and ordinary language that it is not easy to define it clearly and protect it from being used wrongly. Solidarity primarily means the fact that human beings are bonded together and share the same human destiny. Despite multifarious differences they have much in common and, if their similarities and mutual dependencies give a feeling of "togetherness", they can then hold together in action. After all, being dependent is a challenge to ethical action and in this sense solidarity is a matter and result of decision. People who feel bonds of solidarity recognise and pursue common interests, and refrain from seeking their own advantage when this would be at the expense of others or the community.

(117) The willingness to act in solidarity should go beyond the more manageable interpersonal sphere to include social relations between different groups and forces in society. This is how the encyclical *Sollicitudo rei socialis* understands solidarity - as the firm resolution to work for the "common good", i.e. the good of each and everyone. "Those who have the most influence because they have more goods and services should feel responsible for the weakest and be willing to share their possessions. Along the same lines of solidarity the weakest should, in their turn, not adopt a purely passive or anti-social attitude, but should do what comes their way, while of course demanding their legitimate rights. The middle-classes should not selfishly insist on their own advantage but consider the interests of others"⁹.

(118) This criterion also applies to international relations. The present global interdependency must turn into global solidarity committing the rich industrialised nations to reduce protectionism and understand development assistance as helping people to help themselves. The resources of creation are meant for all. The product of human work in processing raw materials should benefit everyone equally.

(119) The principle of solidarity is thus fundamentally connected with social organisation. It involves the insight that everyone is "in the same boat" and so it is essential to balance things fairly in society for the sake of healthy, peaceful coexistence. That applies both within a given society and in the broader context of One World.

9 Encyclical *Sollicitudo rei socialis*, publication of the Apostolic See 82, 1987 (para 39).

(120) Just as all having the same human dignity calls for society to be organised on the principle of solidarity, it is also a challenge to respect the unique dignity and thus potential for responsibility of every human being. That is why solidarity is accompanied by the principle of subsidiarity . It is the task of the political community to facilitate and foster the responsibility of individuals and small communities. Subsidiarity means organising social structures in such a way that individuals and small communities have the freedom and self-reliance to develop in their own way. Society, the state or even the European Union should not claim powers that could be exercised as well, or better, by non-government organisations, or at an lower political level. On the other hand, individuals and small communities must also receive the assistance they need in order to take independent action for their own and the common good.

(121) This dual meaning of subsidiarity bears remembering, precisely in the present situation. Engaging with the principle of subsidiarity means taking leave of the desire for a welfare state that paternalistically provides for its citizens from the cradle to the grave. Personal responsibility and initiative must be encouraged. All available human skills, ideas, initiatives and imaginative social ideas must be allowed to flourish, thereby renewing the whole social culture. However, subsidiarity is not intended to be understood in isolation, merely as a restriction of state responsibility. If it were, individuals and small communities, particularly families, would have to shoulder burdens that would considerably limit their chances in comparison to other members of society. It is precisely the weaker ones who need to be helped to help themselves. So subsidiarity and solidarity are like two sides of the same coin, together providing criteria for the organisation of society along the lines of social justice.

3.3.5 Sustainability

(122) Solidarity does not just relate to the present generation; it includes responsibility for coming generations. The present generation must not operate at the expense of our children and children's children, using up resources, hollowing out the functionality and potential of the national economy, running up debts and polluting the environment. Future generations also have the right to live in an intact environment and use its resources. Recently great play has been made about the principle of sustainability in an attempt to express all this, notably when calling for sustainable development.

(123) The goal of sustainability focuses on responsibility for creation. In biblical thinking this dimension of responsibility is grounded in the idea of human beings being created to live among fellow creatures (Gen 1-2; Ps 8; 104). They share the same destiny as all created life and have special

responsibility for the rest of creation. They are supposed to till and care for the earth (Gen 2:15), i.e. by cultivating it, to make and keep it inhabitable. The special position of human beings does not mean that they have the right to treat non-human creation in an arbitrary or exploitative way. Rather, it commits them to a reverent stewardship of God's creation, based on care, economy and conservation.

(124) Some biblical passages show that when humans experience well-being or trouble, peace or strife, this also means harmony or destruction, peace or strife for plants, animals and the whole of nature. This is shown in the story of the Flood and God's covenant with Noah (Gen 6-9) and also in the prophetic vision of a messianic, peaceful kingdom (Is 11:1-9). According to Paul, the whole of creation is in labour and waiting for the revelation of the glorious freedom of God's children (Rom 8:20-22). Even if such texts do not describe an ecological ethic in the modern sense they do point to a comprehensive meshing of all areas of reality. A human society can only be sustainable if it takes account of the whole ecological context.

(125) Christian social ethics must do more to raise awareness of the interconnectedness of social, economic and ecological problems than it has in the past. It must combine the basic idea of preserving the integrity of creation with that of shaping the world, thereby situating all social processes within the all-embracing network of nature. Only in this way can humanity be accountable to subsequent generations. This is what the key concept of sustainable development is about.

4. Basic consensus on a sustainable society

(126) The ethical perspectives developed in the preceding section on the basis of the biblical message and Christian faith are the basis for the churches' contribution to the development of a social and political order that is humane, free, just and based on solidarity. These perspectives and criteria are not postulates remote from reality but the expression of a long-term common sense that is undeterred by supposed constraints or short-term interests. They can also be accepted by non-Christians in a European culture shaped by Christianity and so contribute to regaining the basic ethical consensus on which politics, business and society depend. This is currently under threat and needs to be rediscovered under changed social conditions. Only such a consensus will allow citizens to agree on the most important prospects of a sustainable society, and reveal ways of coping with pressing economic and social problems.

(127) A basic consensus does not mean harmony - it means an adequate amount of agreement despite residual conflicts. The more complex the social circumstances, the broader the field of open issues, where opinions clash and are ultimately left up to the majority to decide, or the supreme court. On many questions there is no real consensus in the population; there is just an acceptance of compromises. It is becoming all the more important, however, to reach agreement on certain fundamental elements of the social order, as a basis for developing procedures to balance differing convictions and assessments and enable decisions to be taken which all concerned can live with.

(128) While earlier forms of society were well defined and made up of small, manageable units, modern societies are characterised by the complex interplay of a host of institutional orders of differing scope, which bring forth different actions and make differing demands on the actors. It is not enough here to subject people's actions to ethical appraisal. We also have to consider rules and conditions under which individual action takes place and has certain effects. The extent to which the dignity of all people is respected, social inequalities exist and natural life-support systems are preserved or over-used is not just a question of individual good will. The crucial point is the legal, economic and social conditions in which people live; that is what we should focus on when reflecting on the foundations of a sustainable society.

(129) Modern ideas on human coexistence have opened up the possibility of people with different beliefs, intentions and needs living together peacefully in freedom and tolerance. These ideas underlie the visions of an open, pluralist society, of a constitutional democracy and welfare state, and of a Social Market Economy founded on freedom, competition and social responsibility.

They have long characterised western society, and are gaining increasing acceptance worldwide. However historically effective these ideas have been, their realisation still depends on ethical premises which they cannot guarantee themselves. Democracy cannot thrive without moral consensus on universal human rights and recognition of the legal order; the market economy is just as dependent on the reliability and integrity of economic players as on the education of children and young people which should not be based on economic categories. In addition, free individuals do not just need political rights and economic goods - above all they need opportunities to run their own lives in a meaningful way. They must be able to give and receive acts of humanity and to enjoy recognition of their personal qualities. Economic thinking tends to restrict human life to economic dimensions, neglecting its cultural and social sides. By contrast, the social ethical traditions of the churches stress the whole context - the mixed bag of human hopes and all the variety of human rights and privileges.

4.1 Human rights

(130) According to Christian understanding, human rights are an expression of the dignity accruing to all people through their being made in the image of God. The recognition of human rights also means recognising the duty to stand up for the rights of others and to recognise their rights as the limit to our own freedom of action. Human rights can only be said to prevail when the state's legal order protects the elementary rights of everyone, irrespective of their gender, origin or individual features, with this order being recognised by all concerned. The duty to recognise and work for human rights does not end at national borders, however. A social order observing human rights will only be achieved when these rights are recognised and protected the world over. That is still far from being the case.

(131) The "history of discovery" of human rights shows that they have always been formulated as a reaction to elementary experience of wrong and suffering. Where people become sensitive to the suffering of their fellows they begin to ask about the structural preconditions of such suffering and whether it can be remedied by reorganising the social and political conditions that generate or favour that suffering. Because the importance of human rights safeguards are only fully appreciated when they are violated, there is always room for improvement of minimum human rights standards. The process of historical development necessitates a continuous improvement of human rights protection.

(132) Three main types of human rights have developed:

- individual freedoms guaranteeing protection against infringements by third parties or the state in the sphere of personal freedom: freedom of religion, conscience and opinion; the right to a fair trial; protection of the private sphere and of marriage and the family; freedom of occupation and movement;
- rights to political participation, opening possibilities of influencing public life: freedom of assembly and association, the right to vote and to be elected, freedom of the press;
- socio-economic and cultural rights justifying the claim to share in the opportunities of society and secure chances of human development: the right to education and participation in cultural life, the right to life and fair working conditions, the right to property, the right to social security and health care, to housing, recreation and leisure.

The guaranteeing of these three types of rights depends on differing conditions. It is a matter of controversy whether economic, social and cultural rights can, and should, be guaranteed by government programmes. In any case, states are obliged to act for the observance of these rights.

(133) The assertion of individual rights (e.g. freedom of occupation) is only possible in many cases through opportunities of social participation (e.g. through public education). A dynamic economy and society needs an individual willingness to learn, adapt, move and take risks, and this is fostered through an insurance against elementary risks of life. The institutions of a welfare state, social security and public education, health and social services, have thus developed into a constitutive element of western social systems. They are ascribed a moral value of their own as they incorporate the commitment to a socially just sharing in all life opportunities. The welfare state should therefore not be regarded as an appendage of the market economy, to be made "leaner" according to the dictates of expediency. It has its own moral value and incorporates demands on the economic system made by a responsible society and the solidarity of its citizens. Stable economic performance and increased earnings are, in turn, preconditions for the continued affordability of welfare-state institutions.

(134) The constitutional principles of democracy, rule of law and social welfare are difficult to fully implement in practice. Not all population groups are able to organise themselves and bring their concerns into the political process. Not all have the same access to information. That leads to lasting

differences in the distribution of political and economic power. Those who have the most difficulty in asserting their rights in an ever more complicated legal system include the unemployed, the poor, families, foreigners and young people, plus those with multiple disadvantages. Without competent legal advice and representation before the authorities and courts, and often in their relations with other private citizens, they cannot take the opportunities granted by the legal system. Even in the field of social services there is no guarantee at all that benefits primarily go to the most needy. Here, too, it is those in a position to push their interests who get more.

(135) Countering these tendencies, the Christian option for the poor, weak and disadvantaged insists on the duty of the strong to take up the rights of the weak. This lies in the long-term interest of society and so also of the strong. A society that neglects the younger generation and their parents places its own future at risk. Anyone who excludes the unemployed and foreigners fails to avail themselves of their skills and experience. And if chronically ill and disabled persons are not allowed a life in dignity, elementary criteria of life in society are called into question.

4.2 Liberal, social democracy

(136) The recognised and protected human rights provide models for public order that the German people has given itself "in responsibility before God and men" (preamble of the Basic Law, the German constitution). The fundamental principles of state structure are democracy, the rule of law, the welfare state and the federal system. They are laid down in Articles 1 to 20 of the Basic Law, which are the core of the constitution. Article 1 states the inviolability of human dignity and acknowledges "inviolable and inalienable human rights as the basis of every community, of peace and of justice in the world".

(137) Understanding the Federal Republic of Germany as a liberal, social democracy remains the foundation for lasting and basic consensus. Democracy is to be understood as a form of state authority and social integration in which social conflicts are resolved in non-violent public processes of opinion-forming and decision-making. The participation of citizens in settling their own affairs is therefore basic to democracy; this sometimes happens via representation. Qualifying democracy as "social" stresses that this participation of all citizens must not just be formally guaranteed by the rule-of-law principle but also materially by the welfare-state (*Sozialstaat*) principle. A democracy is considered "liberal" when it even tolerates relative inequalities for the sake of the freedom of all, as long as they do not become the basis of political oppression and exploitation.

(138) In a democracy the public is the forum of formation of political will. The striving for unanimity and unequivocalness and the human demand for harmony contrasts with the diversity, freedom and competition of opinions and the necessarily related political argument. There has to be room for the latter for the sake of freedom. Democracy needs the forum of a broad, informed public, that critically accompanies and confines the influence of parties. The role of public media has long been in dispute because of their great importance for the formation of political will and political culture. They can be institutions watching over the exercise of power, but also influential instruments of manipulation. Guaranteeing their internal and external freedom and independence, plus their variety, is therefore a practical requirement for liberal democracy. A plurality of voices in the expression of public opinion is also a basic condition for the democratic process.

(139) For the state the value of "freedom" is not only a limitation of its potential for influence and rights of intervention. The obligation of all concerned to respect the dignity of others in working relations calls for public laws and collective agreements to protect the health and safety of the workers. The freedom of consumers ("consumer sovereignty") requires laws for consumer protection and consumer education; this is because of the asymmetrical distribution of information and the possibility of psychological influence from advertising. A society that understands freedom as "bound freedom" and respects the dignity of others even in market relations will express this understanding of freedom in comprehensive parameters.

(140) At present people increasingly expect the state to take on the overall control of social development; it is expected to have the necessary expertise and support from the processes of formation of public opinion and conflict resolution. It is assumed that all interests will be duly considered hereby and the most convincing arguments will win the day. This goal is as unrealistic politically as the ideal of absolute competition in economic terms. Obvious limits to democratically legitimised governments are the unwieldiness of legislative processes, the bureaucratic self-interest of administrations, the unequal chances of citizens to obtain a political and legal hearing and the often insufficient predictability of the consequences of certain political decisions.

(141) Regional and local differences cannot be sufficiently considered at the national level. Federalism and municipal self-government are supposed to counter this in Germany, according to the Basic Law. That leads to additional difficulties in political processes, however, as soon as the interests of different decision-making levels overlap. That is reason enough to question the expectation that there can be comprehensive state control of social processes.

More importantly, state control should be critically appraised in terms of the subsidiarity of state action and to avert the danger of bureaucratic excesses. At any rate, in view of the mass of regulations existing already there can be no question of increasing them. It would be better to strengthen the forces of social self-directedness and self-management.

4.3 Socio-ecological market economy

(142) Market principles are an indispensable element of the freedom of citizens and the condition for innovative entrepreneurial action. Without these principles, modern societies would not have their efficient supply systems, technical progress and economic growth. No other principle of social order can currently better guarantee the use of economic resources and the satisfaction of consumer wishes than well-functioning competition. Industrialists who expose themselves to the risk of competition with their use of capital and their readiness to take decisions, thereby producing jobs and goods, also deserve high recognition from an ethical standpoint. However, optimum conditions for competition do not arise by themselves; they depend on the framework set by the state. Companies tend to withdraw from the pressure of competition through mergers or other forms of market power, e.g. cartels. That should be opposed by rules for competition. One condition for competition leading to demand-led, high-quality results is that there be a market balance between providers and seekers. Where this is structurally lacking, e.g. when jobseekers face a lack of competitive jobs or individual consumers are confronted with huge companies monopolising the market, the market itself cannot create this balance. Either a regulatory framework is required (health and safety regulations for workers, consumer protection) or voluntary organisation (trade unions, consumer associations). In addition, the market economy cannot solve the problem of a livelihood for those who cannot undertake paid work.

(143) The Basic Law left the question of economic order open. Yet there is a basic consensus that only a "deliberately socially regulated market economy" (Alfred Møller-Armack) is acceptable; incidentally, the social ethic of the churches was instrumental in devising Germany's social market economics. By this is meant a publicly guaranteed economic order based on the principle of private ownership committed to the good of all (Art.14(2) Basic Law). It also implies a functioning system of competition and income security provided by the welfare state for those not in paid work. The institutions that are to guarantee these principles include forms of industrial democracy for employees, collective bargaining autonomy, legislation on worker health and safety, a system of social security, free choice of occupation and workplace,

the right to property and its social obligations, protection of competition, and labour and housing market policies. The model of the Social Market Economy is a productive compromise between economic freedom and social balance. It is considered "social" because its goal is a system of socially just compensation, with everyone participating and sharing according to their ability in social, cultural and economic life, whether they be in paid work or not. At the same time the granting of fair working conditions is placed in the common responsibility of employers and employees. It is essential to an understanding of the Social Market Economy to realise that economic success and social balance are goals of equal rank and that each has to be seen as a precondition for the other. In West Germany market efficiency has hitherto been the basis of economic success, along with redistribution between social groups and strata. International comparison shows that this economic success has permitted a high level of expansion of social services. The distribution of national income gains was generally felt to be just, albeit a point of argument, as were the balance of forces achieved between the two sides of industry, and the creation of economic civil rights (the rights to co-decision-making) in the statutory framework for worker participation in companies.

(144) In eastern Germany the abrupt change from a centrally planned economy, which left behind a broken infrastructure, a mountain of debts and internationally uncompetitive companies, was a great shock; the conditions of a market economy led to extremely high unemployment and a rapid, unprecedented disparity of income and assets. This often meant a painful returning of houses, properties and companies to former owners, not without fraudulent practices, so that many citizens living in eastern Germany consider the new economic order to be socially unjust. Many have lost confidence in the Social Market Economy.

(145) While there is no economic system in sight that could organise the complex task of providing people with material supplies and social security as efficiently as the Social Market Economy, these criticisms need to be examined impartially. When it was established in West Germany after World War II the Social Market Economy was founded on at least four preconditions which no longer apply in the same way.

- The cycle of growing company earnings guaranteeing full employment, productivity-enhancing investments, rising wages and growing mass purchasing power no longer works as it did in the first few decades of the Federal Republic of Germany. Since it is getting more difficult to match economic success with more social equality the equal rank of these two goals is frequently disputed nowadays. The relationship between capital and labour

has shifted to the detriment of labour; incomes from capital are increasing compared to incomes from work.

- The social order at the beginning of the Federal Republic of Germany was based on a family structure in which only one partner was in paid work. Accordingly, steady full-time employment was presupposed only for males, who were expected to support a wife and two children. The growing demand for labour from the 60s and the fact of women becoming better qualified led to a profound change in attitude; most young women now had the wish to combining home-making with a career.
- The Social Market Economy in West Germany was originally firmly rooted in the nation state. Globalisation is, however, hampering such national economies that are driven by a strong degree of economic, social and cultural cooperation and integration. The greater the scope for free trade and the more uncurbed the room for manoeuvre of transnational companies, the greater the threat to the Social Market Economy model. The stabilising possibilities of the state are clearly declining.
- The extensive growth of the national economy has led to a rise in energy consumption and environmental pollution which threaten to impoverish quality of life in a densely populated country like Germany. It was not until the 70s that it was generally realised that the economic growth desired by all was being bought at the price of an excessive use of natural resources and level of toxic emissions.

(146) A purely market economic model cannot supply adequate answers to these new challenges. If the market economy were detached from its social roots this would put at risk democratic development, social stability, internal peace and the goal of social justice enshrined in the Basic Law. It would also be macro-economically fatal if individual economic activities had to rely on unpaid macro-economic "advance payments" (e.g. willingness to learn, ability to adapt, loyal to the company) and also on ample consumer purchasing power and long-term willingness to save. That is why it is unrealistic to think that current problems can be solved merely by adapting to international conditions of competition and by cutting payroll costs. It is just as unrealistic, admittedly, to cling to the status quo and defend each and every social standard and practice.

(147) The cost of social balance can no longer be covered by national income gains as in the past. Established social standards are beginning to suffer due to the increasing flexibility of production conditions and social security benefits for those who have been forced out of working life due to economic changes. The changed conditions include, moreover, the pluralisation of life styles and

the justified demand of women that paid work and home-making be shared more fairly between the sexes. Furthermore, global economic networks have consequences for the regions; this calls for an extension of the scope of economic policy-making to take account of the trend towards globalisation.

(148) Finally, growing environmental pollution is making it necessary to remodel the Social Market Economy ecologically. There is general agreement on the need for such ecological renewal, rising above all political argument about how to proceed and at what speed. German society can only do justice to the demands of sustainable development if it succeeds in organising its interventions in nature without encroaching on the justified interests of coming generations and people on other continents. Just as historical experience has shown that equitable social distribution does not follow from market dynamics, requiring a social framework, so ecological problems cannot be solved from the inherent dynamics of the Social Market Economy. If the "social question" is ultimately a problem of distribution, the "ecological question" points to the whole context of what there is to be distributed. Previous market economic goals will have to be measured against whether they will allow coming generations a life worth living. This requires that environmental quality goals, i.e. ecological components, be regarded as an autonomous factors of economic development. Just adding ecological improvements to the Social Market Economy model will not do. What is needed is a structural reform in the direction of an eco-social market economy.

(149) The following elements are essential to a modern social order and each has its own importance:

- personal responsibility and entrepreneurial initiative,
- the market as an effective means of creating prosperity by performance-related pay and profits,
- a social framework that observes the principles of solidarity and subsidiarity in providing the population with security against elementary life risks, social balance and fairness of opportunity,
- a tax system that serves to finance necessary infrastructure and public responsibilities, to promote growth and employment, and to enable socially just and balanced distribution,
- maintenance of currency stability,
- consideration of new international challenges and responsible responses,

- linking socio-economic systems to regeneration rates and the rhythms of ecological systems, and
- active solidarity as a precondition for values, trust and loyalty.

(150) From this perspective the generally accepted goal of aligning living conditions in eastern and western Germany appears in a different light. Frequently the raising of the level of production, consumption and infrastructure in the eastern *Länder* is understood as meaning to "western standard". The Basic Law understands the goal of "equivalence of living conditions" (Art.72) as meaning that deprivation of regions is to be overcome and fairness of opportunity restored. There are to be no disadvantaged regions in Germany. The point is that, as they grow back together, both parts of Germany have to accept the need for reorientation in order to meet the demands of a sustainable society.

4.4 The human right to work and a new understanding of work

(151) By far the most important way for most people in future to gain access to a livelihood and to share in the life of society will still be by doing paid work. In such a society the right of people to life chances, to development and participation, will take the form of a human right to work. Although this ethically founded right to paid employment cannot become an individually enforceable claim, it commits those in charge of economic, labour market, collective bargaining and social policies to make maximum efforts to guarantee participation in paid work. Yet there is more at stake than paid employment. Remuneration has to be sufficient to enable a standard of living in accordance with cultural standards after deduction of taxes, contributions and transfers. In addition, works councils and humane working conditions must allow workers opportunities for participation and personal development.

(152) From the Christian viewpoint the human right to work is a direct expression of human dignity. Human beings are created for an active life and feel the meaning of this in their dealings with other people. Human work is not necessarily paid work. Under the influence of industrialisation, however, the idea of work has been reduced to that done for material reward. The more the increase in work productivity accompanying technical progress enables economic growth with a parallel reduction of jobs, the more questionable the reduction of the concept of work to paid work will be. That is why society can become more humane and sustainable through increasing the opportunities for a secure living, social contacts and personal development, independently of paid work. The social security system, in particular, must adapt to the fact that the percentage of continuous working careers is declining and that, with the

pluralisation of life styles, more and more people are changing between phases of full-time work, part-time work and home-making with its household chores.

(153) A Social Market Economy is no longer to be achieved through "normal working conditions" of men and a merely indirect material provision and security for wives and children. Apart from actual distribution conflicts between the sexes the equality of women and men in the population is nowadays beyond dispute. An essential feature of equality is that women should in future receive a fair share of paid work and men a fair share of work in the home, in bringing up children and in caring situations. This goal can only be reached gradually. It is all the more necessary to attach more social esteem to these home-based activities and to voluntary service. This will include reducing disadvantage for the persons concerned arising from their lack of social security contributions, as far as this is financially feasible.

(154) The last few years have seen an enormous rise in performance levels, time pressures and short-term efficiency-mindedness. This has implications for working conditions in many fields. At the same time rising demands are being made on the private sphere in the name of flexible working hours. This affects the quality of life of many employees. More restrictions are placed on the choices and personal development of those who cannot keep up in this fast-moving society. So it seems all the more important to pursue the goal of making working life and society more accepting of children and families. Besides improving family incomes this could include increasing the employees' control over their own time and making urban and rural areas more suitable for children; in addition, affordable housing should be made available to needy families with children through appropriate housing-policy measures.

(155) If the economy is no longer in a position at present to employ all people looking for work, and at the same time voluntary activities essential to the common good are difficult to maintain, then policy-makers, including collective bargaining partners, should take vigorous action to change this situation. Otherwise the result will be a waste of human skills and a loss of humanity in society. On the one hand, there should be greater political and social recognition for the fact that activities other than paid work make an irreplaceable contribution to society. On the other, people who take on family responsibilities under present conditions need assistance with their burdens. It is not just property that imposes duties to society, individuals also have a social obligation.

4.5 Opportunities for solidarity in a renewed social culture

(156) Previous public discussions have almost exclusively focused on the tension between the market economy and the welfare state. Frequently there are also overtones of the old antagonism between the "planned economy" versus the "market economy" from Cold War times. When markets meet their limits the state is called to the rescue. If the state fails, the call is for more market, privatisations and deregulations. This dualism threatens to hide the fact that social groups and institutions ascribable to neither the state nor the market make their own contribution to enhancing the welfare of society. This primarily includes families (nuclear and extended) and also nonprofit organisations, self-help groups (e.g. in churches, unions or associations) and forms of mutual assistance (in neighbourly or other friendly relations). What underlies these varied forms of promotion of the common good is the solidarity motivating those involved.

(157) In the last 30 years the general rise in prosperity, levels of education and stability has accelerated the process of individualisation. People have more choices, links with traditional milieus have loosened, and free acceptance of obligations has to some extent replaced obedience to regulations. Even if conscious solidarity is now less a matter of course, this cannot immediately be equated with isolationism and a loss of social cohesion. Rather, there has been a change in the way solidarity is practised and lived. Traditional forms are increasingly giving way to voluntary involvement in groups that frequently arise from commitment to a common cause.

(158) This common cause relates to new values. Women and men today seek to realise goals in life that in the past appeared mutually exclusive. They would like to combine paid and voluntary work, a family and a job, personal freedom and political commitment. They are concerned to develop into creative and unconventional individuals and take responsibility in the community. They want to think globally and act locally. In addition new values have become widespread in society, e.g. regarding the environment and in relations between the sexes. What many of these new values have in common is an expansion of the concept of solidarity. Threats and risks, which have become limitless in extent and effect, fundamentally concern everyone and so promote an awareness of being globally connected. This universalisation of solidarity differs from older and more limited forms. Christians may discern in it the legacy of the universal Christian claim of human dignity and human rights. These new ways of holding together are frequently overlooked in public discussions which tend to lament the loss of social cohesion and decline in community spirit. Interestingly, the decline in traditional forms of solidarity has often been replaced, among educated young(er) people, by an increase in social, political and cultural involvement; more than in the past this is regarded

as enriching in terms of experience, the interest of the subject, and social communication.

(159) In the last 25 years action groups, new social movements, welfare associations and other non-governmental organisations in western Germany have livened up debates on political issues and thereby opened the way to a reorientation of government action. In East Germany the peaceful revolution was only possible because social, often church-related groups rose up against the totalitarian state and sat at Round Tables during the transition period to develop a democratic culture in which the participants sought new ways forward in solidarity and cooperation. Development policy groups in East and West proclaim with astonishing perseverance that responsible solidarity is universal and indivisible. Groups of unemployed people track down socially meaningful work that would otherwise remain undone. Parishes, church groups and associations conduct solidarity campaigns. Ad hoc action groups organise candle-light demonstrations expressing the solidarity of the German majority with threatened foreign minorities. Over and above their political demands, groups of environmentalists and feminists have tried out new life-styles and models of community living. Thousands of new self-help groups have arisen. Parishes, church agencies, organisations and initiatives have got involved in these searches and developed new forms of voluntary and full-time commitment. Over a million women and men do voluntary work in the welfare organisations of the Protestant and Roman Catholic churches in Germany.

(160) Like this potential for a renewed social culture, the many services performed in the home and in families are frequently overlooked. Yet when family members show mutual support, particularly in caring for children, and for elderly and disabled people, they serve the common good and make an indispensable contribution to the development, maintenance and learning of social behaviour.

4.6 International responsibility

(161) The preceding considerations have been related to the internal conditions in industrialised societies and particularly in the Federal Republic of Germany. However, a single country can today determine its own future less than ever. German society can never achieve sustainability on its own. Its international connections set limits to its further development, while at the same time offering opportunities.

(162) The gradual liberalisation of the commodity and financial markets after World War II, without the parallel formation of a socially committed

regulatory framework, led to the development of largely autonomous economic relations, without political or social commitment. This chiefly refers to transnational companies and the financial marketplaces. As has been shown on several occasions recently, international financial and capital markets can also have a destabilising effect on national economies. The high, and constantly rising sums that are continually traded on international financial markets point up the need to organise these processes in the interest of global welfare. After all, property always imposes social duties, and this includes internationally mobile capital.

(163) In view of the untrammelled dominance of private business interests at the global level and the resultant restriction of the political room for manoeuvre of individual states, there is an urgent need for a global framework for economic and social action. The activity of the United Nations, the World Bank, the International Monetary Fund and above all the World Trade Organisation have started working on this. These beginnings need to be expanded, particularly by rules for fair economic competition and minimum social standards. It will only be possible to enforce these rules and standards when supra-national quasi-state institutions have been equipped with regulatory competence.

(164) The European Union takes on new significance in this light. The upgrading of common monetary and financial policy institutions and the economic and socio-political cooperation between member states are proving not just desirable, but also unavoidable. The Europeanisation of economic policy has indeed been much speedier and more decisive than the corresponding development of social policy. There are several reasons for this. In Europe different social models coexist. Harmonisation has never been seriously considered due to the differing performance of these systems and the considerable costs for individual member states to date. Moreover, the latter have only been able to agree to transfer competences to the European Union in very few areas of employment-related social policy with relevance to competition. These include health and safety at the workplace and individual labour law issues including equal opportunities for women and men on the labour market. With an eye to the subsidiarity principle no action has been taken to expand social policy at the European level. In the European Union the tasks of social policy are largely discharged at the national level. However, better coordination between national social policy-makers is required, along with the setting of minimum standards in the field of social and labour legislation. This will not be achieved without stronger representation of trade unions and social welfare agencies at the European level.

(165) A basic consensus on a sustainable society also involves a model for taking international responsibility. As a consequence of unification, Germany

has doubtless gained in international influence of late. With that comes a greater responsibility to take practical political action in the following fields: promoting the rights and development potential of poor countries, eliminating mass poverty, coping with migration, improving international environmental protection, harmonising social standards and responsibly regulating international financial markets. These concerns are surely prerequisites for the global observance of human rights and peaceful international coexistence. Due to its social and environmental experience, its political convictions enshrined in the Basic Law and its European obligations, the Federal Republic of Germany is especially committed to doing everything in its power to help to establish these principles at the international level.

5. Goals and ways forward

(166) On the basis of the above theological and ethical statements and agreement on a new basic consensus for a sustainable society, the question now is what actual changes can be made. What are the appropriate and necessary responses to present and future challenges? It is not the churches' job to give a detailed description of means and ends. Rather, they want to point the way forward. They want to encourage action and so make it clear that there are ways of finding solutions.

There is little agreement in Germany on goals and ways to reach them. It is therefore not enough merely to raise legitimate demands. It must be recognised that the implementation of these demands is in the enlightened self-interest even of those of whom they will require sacrifices or cutbacks. A political and social consensus can form a sound framework in which the interested parties can wrestle with the problems and argue - as indeed they must - about suitable courses of action.

5.1 Reducing unemployment

(167) Unemployment is not an ineluctable fate holding politics, industry and society firmly in its grip. There are indeed possibilities for big cuts in mass unemployment. Production and the national income in Germany have never been so high. Germany has a modern, well-developed infrastructure with efficient large, medium-size and small companies. Workers are highly qualified and motivated. The two sides of industry reach agreements and there is industrial peace. Prices are stable and interest rates low. There is therefore no cause to run down Germany as an industrial location. The Social Market Economy just has to prove that it can solve a problem like persistent mass unemployment and is therefore superior to an economic system without social obligations.

(168) As long as paid work is the basis for guaranteeing a livelihood, for social integration and personal development, it will be the task of a socially committed, equitable economic order to enable all women and men who need it, and so desire, to gain access to paid work. This will give them opportunities of participation, social integration, securing a livelihood and personal development. This challenge is addressed equally to politicians and collective bargaining parties, and also to chambers of trade and industry, chambers of crafts, the *Bundesbank* and individual companies. It also goes to a host of organisations which could sponsor employment initiatives, not least to the churches and their welfare agencies. Without a broad consensus in society, without concerted efforts, without a common cooperation of the different

groups with responsibility there can be no progress. There are no simple and easy solutions to the problem of getting far more jobless people into employment. Many and varied are the ways that must be tried.

(169) In a successful, efficient and competitive economy new jobs must first be expected on the regular labour market. If unemployment is to be reduced, it is primarily competitive workplaces that have to be created. Particularly in years of persistent high unemployment and visibly fiercer international competition it would seem economically necessary and socially justified to call for wage and salary rises that are geared to productivity gains and do not raise unit wage costs. Labour market policy is dependent on the positive employment effects of dynamic change in economic structures.

(170) All those with responsibility in economic policy should therefore promote structural change by improving the business environment. The tax and contribution system urgently needs thorough reform with the goal of reducing them and at the same time making the system more conducive to job creation and more socially equitable. It is also necessary to step up incentives for technological and industrial innovation. Only in this way can high-tech products be produced and industry react quickly to changed market conditions. It is necessary to open up additional fields and potential for employment. This employment potential is chiefly to be sought in the field of new technologies and technological innovation (microelectronics, biotechnology, new media, use of new materials, environmental technologies, transport) and in the field of private services and those related to industry. Finally, it is necessary to improve the educational system. Education and training are to be understood as lifelong learning; they should not be restricted to specific periods of a person's life.

(171) Self-reliance and entrepreneurial initiative should also be promoted. Jobs have chiefly been created and preserved in the labour-intensive small and medium-size companies in crafts and manual trades. Not only do the majority of employees work there but they also provide the vast majority of training opportunities. Every new company founded in Germany offers on average four trainee places. Incentives must be given to a new culture of enterprise. There is great potential for business start-ups and self-employment in the field of manual trades and small or medium-sized companies. While still in general education or training, young people should be encouraged and enabled to set up a company, particularly as workers in all sectors of industry will in future have to be capable of demonstrating self-reliance and personal responsibility.

(172) The basic idea of sharing paid work has always been important to the churches in the discussion about combating unemployment. They have never

claimed that unemployment could be overcome solely, or primarily, by sharing paid work. Yet this has to be done too. Cuts in working time without full pay can contribute to creating new jobs and help men and women to reconcile a family and a career. More part-time jobs and the reduction of overtime are also suited to distributing available work more broadly. Flexibility of working time enabling shorter and also longer working hours can also contribute to reducing unemployment (taking account of the interests of employers and employees, and the latter's families). While workers would have less pay, or have to do without pay rises, they would enjoy more leisure and more personal control over their time. Companies could set off higher costs against savings from flexible working hours and the possibility of using plant for longer periods. Improvements in operating results are also to be expected from a corporate culture based on partnership and participatory management, since that promotes higher motivation and creativity of employees and a higher identification with the company.

(173) From an ethical angle the question of sharing available work poses the difficult task of accommodating interests: between the unemployed, employees with low incomes, employees with high incomes, households with several high-earners, companies, full and part-time employees and the sexes. Shared work means shared wages. Yet not all can share their income, in particular not those who earn a low income in the first place. Increased part-time work and stints of work at irregular intervals affects social security in the event of unemployment and in old age; consequently there should be guaranteed minimum limits for social security. Low-paid jobs, if they are regular employment, should be subject to social insurance obligations. Uninsured jobs should remain the exception. Part-time employment should be increasingly offered to men too, and accepted by them, in order to avoid widening the split in the labour market to the detriment of women. Companies and public administrations are in particular to be encouraged to allow part-time work for higher-level positions as well.

(174) It is, finally, also necessary to use and refine all active instruments of labour market policy. These include upskilling unemployed people, and those threatened with unemployment, and the improvement of the occupational integration of the long-term unemployed. Here the whole sector of publicly subsidised work has an important function, ranging from the promotion of "employment companies" to the support for social enterprises and programmes like "Work not welfare" and job creation schemes. In using these instruments it is important that the different levels of government and the different labour market policy-makers jointly take responsibility for reducing mass unemployment. Even in view of scarce public funds it is more sensible to

finance work than unemployment. There is plenty of work about. Ways and means have to be found to use the wealth of talent in society in such a way that it can also be paid for. There is a great demand in the field of environmental and landscape protection, household and person-related services, youth work, urban renovation and small-scale repairs. Despite preference for the regular labour market, some work will have to be subsidised; the human right to work cannot be implemented in the foreseeable future on the regular labour market alone. Publicly subsidised forms of work should be developed in cooperation with private industry involving a better combination of income from work and social security; in this way incentives should be created for an easier change from unemployment, or from job creation schemes into regular employment. Here it will be necessary for the comparatively small wage paid by the employer to be supplemented by an additional social income, so that the employees do not fall into poverty.

(175) There should be greater promotion of the local employment initiatives that have arisen in close cooperation between municipalities, free initiatives, companies and social institutions like parishes, unions, chambers of trade and industry, or chambers of crafts. A decentralised labour market policy can develop appropriate strategies for the creation of employment, e.g. offer employers the possibility of meeting members of problem groups in the labour market on a trial basis.

(176) When trying to resolve the employment crisis the point is ultimately to overcome the "dominance of paid work" and for society to recognise and support different forms of work. Work is not merely remunerated but is also done in the family and in voluntary activities. These forms of work are particularly important in the churches and in public life. This is an appropriate place to highlight the intermediate forms between contractual paid employment, home-making and voluntary work. They are gaining in importance in view of greater leisure time, the difficulty of access to the labour market, improved education and training and an increasing demand to engage in activities necessary to society.

5.2 Reforming the welfare state

5.2.1 Consolidating the social security system

(177) The social insurance schemes in Germany have stood the test of time and proved themselves particularly in recent years in face of growing economic tensions, persistent mass unemployment and the increase in personal hardship and need. Their task is to open opportunities for development to everyone, and to provide security against periods of elementary risk (illness, invalidity, age).

While aiming to guarantee a life in dignity they do not seek to compensate materially for all personal disadvantages and vicissitudes of life. It would be to misunderstand the welfare state to expect the latter, and yet it would not be compatible with the principle of subsidiarity to neglect public responsibilities in the field of social security. What with the present radical changes, however, the German welfare state is in for a crucial *test of strength*.

(178) The core of the welfare state in Germany is the social insurance system in which contributions and benefits are linked to earnings. This self-imposed precautionary solidarity required by the democratic consensus has enabled the vast majority of the population to receive effective social security when needed. Anyone who falls ill, for example, does not have to go downhill financially. Such a social insurance system will remain indispensable in future - in spite of the considerable growth in private wealth in western Germany. Money and financial assets are increasingly unevenly distributed so that the broad mass of the population will not have sufficient resources of their own to cover their elementary life risks in future, any more than now. The social system also features a supplementary system of transfers from inland revenue to deal with cases of poverty.

(179) The welfare state is and remains committed to enabling a life in dignity for all people in Germany. *Social welfare benefit* is the last safety net in the social security system. It sets the standard for assistance to the needy in their plight. Its principles of "covering needs, individualisation, last resort" must be retained. The Federal Social Welfare Act has proved itself since its introduction in 1961. This safety net has been subject to strain in the last few years in that it has had to provide for an ever greater group of persons on a regular basis. If the prior social insurance schemes (e.g. those covering unemployment, pensions, health, family benefit) actually prevented hardship in most cases, as they are intended to do, only limited reforms to social welfare benefit would be required. The strain on welfare benefits could be considerably eased if the social insurance schemes were made "poverty-proof". This could be done by fixing a baseline for unemployment benefit, unemployment relief (a subsequent, lower allowance) and also for state pensions at the level of the socio-cultural subsistence minimum, the difference being financed from tax revenue. This would be a great step towards combating covert poverty.

(180) The standard rates of social welfare are to remain geared to real needs and subject to annual cost-of-living adjustments. They should reflect changes in consumer behaviour and average net earnings of all employees (not just those of the lowest wage brackets). The difference between welfare levels and lowest wages is maintained at present. It is only due to inadequate state

consideration of the family in other respects that families with several children receive almost as much in social welfare benefit as earners in the lowest wage brackets. The requirement that social security payments should not exceed wages is not appropriate here, however, since the number of children is not considered in a performance-oriented wage system. It is all the more urgent that all forms of state consideration of the family (*Familienlastenausgleich*) should be designed to take account of real needs.

(181) Standard social welfare benefit should not be "frozen" because that would mean not just real cuts in the subsistence minimum but families would also be disadvantaged (due to the related repercussions for other forms of state consideration of the family). Neither German nor non-German claimants should receive assistance in kind instead of financial payments. Income from work should not all be deducted from basic benefit, as an incentive for recipients to take up legal paid employment. The problem is less that of motivating welfare benefit claimants to go to work than of making suitable work available to them. Finally, the future reforms of social welfare benefit should consider that the particular nature and practice of current means-testing is such a barrier for many of those entitled to assistance that, despite their urgent need, they refrain from lodging claims.

(182) A social *housing policy* is especially important for the successful combating of poverty. Present housing-policy instruments - tax relief, subsidies for public housing construction, individual support via housing benefit - do not sufficiently reach socially disadvantaged and low-income families, if at all. A major problem is that housing benefit has not been adjusted for years. The direct promotion of public housing construction frequently benefits people with average incomes, and even the well-off. Wrong decisions have to be avoided here. The direct subsidisation of public housing should be expanded with the goal of better accounting for differences in income and access, and should be more closely linked with the other support instruments. It is worth examining whether, in the long term, subsidising buildings should be replaced by direct assistance of socially disadvantaged persons. Housing benefit should be adjusted to income and rent development, in order to keep housing costs affordable for low-income households. Furthermore, the elimination of the causes of structural poverty involves effective assistance to avoid the debt-trap and insolvency and protect people from losing their homes.

(183) The restoration of confidence in *pension insurance* is a matter of great urgency. Demographic development, i.e. higher life expectancy and the drop in the birthrate, has caused a shift in the relationship between contributors and pensioners. The pension reform of 1992 was able to stabilise provision by

adjusting pensions to net wage development. The new formula links pension levels, pension insurance contributions and the federal pension subsidy, allowing for greater adaptability of social insurance and fair distribution of demographic risks among contributors and pensioners.

(184) Further reforms are necessary. The foreseeable rise in the contribution rate as a consequence of demographic changes calls for counteraction. The expected immigration will constitute a positive factor if the immigrants are of working age and can take up steady jobs. The level at which pensions can be kept in the long run will depend on the development of employment, the income levels and economic performance. Another necessary reform will be that of provision for civil servants and public employees. A reform in this field, involving greater personal contributions by civil servants to their pensions, is long overdue - on grounds of social justice.

(185) Structural reform in the field of *health* is proving more difficult than expected. Reforms are still required. Full medical provision must continue to be guaranteed for everyone and free access to all health care as required, independent of income. There must be no reduction in the performance of the health service, and standards of medical and nursing care must remain high. Solidarity and justice must be preserved in the system. Spending cuts should not mean reducing medical and nursing services to technical acts; human attention and nearness to patients are essential characteristics of humane health care. Present legislation governing statutory health insurance already provides for a variety of forms of personal participation and additional payments. That has spared patients additional rises in contributions. If health service providers want to pass on rises in costs, action to limit this should be balanced and not jeopardise the varied range of health service providers. Further measures to safeguard the health service should ensure that they do not lead to a dismantling of solidarity and disadvantage those with low incomes to an unacceptable extent. If limitations are too rigid the financial consequences for the whole of society will be much greater than short-term economies; the statutory priority given to prevention, rehabilitation and out-patient care will be jeopardised.

(186) The social security system is dependent on *supplementary private provision*. This has happened on a large scale in the form of encouraging home ownership. Additional security could be given by wealth creation measures in the hands of workers, even though the extent of such steps should not be over-estimated. The subsidiarity principle central to the German welfare state can be an important point when it comes to supplementary private provision. Security through statutory social insurance schemes could be reduced for those citizens who can afford private insurance without any great restriction to their living

standard. For example, the development of private wealth in Germany shows that higher income groups among employees are in a position to do more about their own pensions. It is out of the question that the level of social security supplied by the welfare state be lowered for those who depend on these benefits. In view of the very uneven distribution of accumulated wealth the statutory social insurance system will remain essential for the bulk of the population.

(187) Financial problems and shortcomings of the social security system are contributing equally to the crisis of the welfare state. The widely accepted goal of not increasing the share of social overheads and of cutting non-wage labour costs in view of the employment crisis means that it is out of the question to increase benefits or introduce new ones without at the same time reducing others. Yet growing poverty in Germany indicates that some welfare-state benefits are currently not achieving their goal of preventing social decline and poverty. This makes it all the more important not to reduce the debate on *how to finance the welfare state* to the question of how to save money; it is ultimately about devising policy to shape society. Safeguarding the foundations and financing of this social system will continue to be possible as long as there is a guarantee of broadbased, sustained levels of income earned across the whole economy, linked with a flexible coordination of contributions and benefits.

(188) The most important precondition for financing the social security system remains an employment policy that raises the share of contributors and reduces the share of those dependent on transfer payments for their living. For reasons of distribution and employment policy, non-wage labour costs have to be cut and the resources necessary to cover non-insurance benefits supplied from tax revenue. As long as substantial population groups do not contribute to financing social insurance schemes it will remain questionable to draw on insurance contributions to finance matters that are the responsibility of the whole of society, such as training or employing workers, or the follow-up costs of German unification.

(189) By contrast, a certain sharing of burdens among the insured community (e.g. through children being covered by their parents' insurance) is certainly compatible with the principles of social insurance. The whole point of it is to provide security against the kind of eventuality that private insurance companies exclude as "bad risks". A precondition for the financing of contributions is, however, that the group receiving benefit largely corresponds to that of the contributors and their families.

(190) The necessary remodelling of the welfare state cannot be engineered without economies and cuts. Public budgets should not be burdened by even

greater debts. A sustainable finance policy precludes public debt at the expense of future generations. The burden of contributions and taxes must not be raised either. Current financial difficulties are generally the consequence of high unemployment and this situation makes it harder to provide security for the weak in society. It is high unemployment that is too expensive, not the welfare state. The welfare state and welfare-state benefits are not the cause of persistent high unemployment. It cannot therefore be assumed that unemployment will fall if benefit is restricted. Despite all the need for reform, a lasting consolidation of the welfare state cannot be achieved without a sustained and energetic reduction of unemployment. Problems of economic success and employment cannot be solved by the transfer system. Likewise it will not be possible in the long run for the welfare state to adapt to persistent unemployment, transferring to a decreasing number of earners the provision for more and more non-earners. Yet this seems to be the trend. An appropriate reform of contribution-financed social insurance schemes must consequently be geared to cementing the connection between contributions and claims, strengthening personal responsibility, relieving social insurance schemes of non-insurance benefits and broadening the base of those paying contributions.

(191) The population is willing to bear with necessary economies if it can assume, and see, that burdens and benefits are equitably distributed. The whole of the insured community has to be involved, and social justice and solidarity preserved at the very point of raising resources, not just regarding outlay and benefits. Where that does not happen and burdens are unfair, frank and vigorous protest is justified. Corrections to the welfare state are particularly necessary regarding the just distribution of burdens of financing, the like treatment of like social situations, the elimination of abuse and the limitation of inappropriate advantages. Solidarity and social justice make it necessary to review tax breaks and subsidies in the same way, to generally tighten up on fiscal justice and to put more energy into tackling tax evasion, the abusive use of tax relief and subsidies, and bribery. In its 1996 annual report the Federal Audit Office criticised yet again the unequal treatment of tax-payers and called for "more rigorous tax inspections".

5.2.2 Towards a more inclusive society

5.2.2.1 Supporting families

(192) The family is a place where people find fulfilment, children can grow and develop, social responsibility and solidarity are learned, and experience and traditions are passed on. Children are particularly affected by strains on the family, difficulties in their daily life and limitation of opportunity. The

family deserves particular protection because of its importance for society. Like marriage it "shall enjoy the special protection of the state" (Art.6 Basic Law). The task of protecting and supporting marriage and the family in a special way goes beyond the state and legal system to include the whole of society. In order to do justice to the variety of justified concerns and interests of families, cooperation is necessary between all social forces. These include policy-makers, employers and employees, associations, churches, media and - of course - the families themselves and their associations. The case law of the Federal Constitutional Court confirms the priority of the welfare-state task of ensuring equitable compensation for burdens and economic disadvantages that family have to suffer through bringing up children. The principle of social justice here demands that people who have similar family responsibilities outside of marriage, including single parents, should have a similar claim on assistance, in the interests of their children.

(193) Families and the economic system are mutually dependent on one another; adjusting to the demands of paid work under present conditions is, however, to the detriment of family life and time spent together. Whether young couples decide for or against children often depends on whether they have found a relatively satisfactory solution to the problem of reconciling work and a normal family life. The working world and companies should adjust more to the needs of families; in a period of strain for the economy and the labour market, family questions should not remain peripheral but should be an element of any corporate policy. For example, more good part-time jobs are needed, accessible to both men and women and not only attractive to less qualified candidates. The idea that men are mainly responsible for earning a living and women are responsible for the family does not do justice to the change in understanding of male and female roles in society, nor to the equality of relationship found in partnerships. Paid work can be adjusted better to family life if the parents can decide more themselves on the use of their time through flexible working hours and forms of work. If there is to be more freedom of choice with respect to home-making and earning a living, there will have to be more child-minding facilities.

(194) For a career and a family to be compatible they both have to be understood as being of equal importance for the well-being of society and for personal fulfilment, without rank order. There needs to be greater social and political recognition of home-making, reflected in financial terms. In that way there would be less pressure on parents to put working life before family life, or to incur high costs in the interest of the family.

(195) Parents who do not go out to work because of their children, or accept part-time positions, should no longer be discriminated against in the social

security system, particularly regarding pensions and nursing care insurance (for invalids or the elderly). This is all the more important as it is desirable that one parent be in a position to go without a job, at least for certain periods, in order to be able to devote themselves to home-making and bringing up the children. Parents will only have genuine freedom of choice in balancing work in the home and at the workplace in the cycle of family life when this does not have a detrimental effect on pensions, and both parents can opt for both forms of activity. That means that the statutory pension insurance scheme must give even more recognition to periods spent bringing up children as a basis for granting or increasing the level of pensions. Efforts should also be made to improve parents' opportunities for reintegrating into working life.

(196) Families in special life situations are exposed to additional burdens and so even more dependent on support. Single parents frequently do not just have financial problems but, in view of the lack of childminding facilities, they also have great difficulty reconciling their family life with earning a living. An undesired pregnancy can plunge women, couples or families into difficult conflicts if it involves a threat to their future livelihood and all previous prospects and hopes for their own lives or social relations, including their existing partnerships. In this situation the women, and couples, should not just be able to have access to counselling, making it easier for them to opt for the child, but should receive all further assistance in their subsequent family life.

Immigrant families often have a particularly hard time; they do not just have to manage in another culture and as strangers in a strange land, but are frequently exposed to prejudice, even rejection. People of different nationalities have to be certain of being treated humanely in Germany. Children of such families have special problems as language difficulties affect their school achievement and there is often tension between the values of their families and the lives of their peers. Foreign parents and their children do not only deserve the same respect as Germans, they should also be given special language tuition and guidance.

(197) In order to provide appropriate material security and social recognition of families it is particularly necessary to organise the tax system in such a way that married couples or single parents are not worse off than childless taxpayers. Tax allowances for children should be a realistic reflection of estimated necessary expenditure. Child benefit and allowances for bringing up children (*Erziehungsgeld*) are to be set at such a level that children cannot be the cause of poverty and no family, even in the lower income bracket, will have to depend on social welfare merely because of the children. The welfare-state concern to guarantee the subsistence level of families calls for cost-of-living adjustment of financial benefits at appropriate intervals. These state

benefits must continue to be available; they must be adjusted as required even when public budgets are under strain, and not sidelined by new, different financial priorities.

(198) An important way of improving the economic and social situation of families is by making available suitable family accommodation and creating an environment friendly to children and families. The local authorities have special responsibility here; they should reserve favorable building land for young families, possibly with building leases. Housing assistance programmes, particularly facilitating owner-occupation, should primarily benefit families in the lower and middle income brackets and those with several children.

(199) Apart from the question of financial assistance, families are frequently dependent on institutional assistance from day care centres for children or family education programmes. Other assistance is particularly geared to families who live in difficult circumstances, e.g. various advice centres, practical support and recreation services. This assistance reflects the fact that supporting families with children is a responsibility for the whole state and it has to begin where families have reached their limits or need help and support due to their special situation.

5.2.2.2 Achieving fairness of opportunity between women and men

(200) A central concern of many contributions to the consultation process was to give more attention to fundamental changes in the position of women in economic and social life. They listed a host of practical problems and disadvantages that still constitute barriers to the equality of men and women and fair chances for both sexes.

(201) Due to the gender-oriented division of labour in public, social, working and family life, it is still common for women not to enjoy fairness of opportunity, even when they are as educated and qualified as men. Women want to invest their skills and interests in their families and at work, in private and public life. They want to share the paid work and also the unpaid work, which is mainly left to them, and cooperate with men in all fields on a partnership basis. This does not just presuppose a change in behaviour and relations between men and women. It also requires structural changes in economic and social life, to take account of the differing needs and situations of men and women, and of fathers and mothers.

(202) Combining a family and a career, which hitherto has been solely at the expense of women, has to be equally possible for women and men. That includes involving men more in housework and home-making, but also endeavouring to make more people aware that home-making is of equal value

to paid work. It has to be made easier to enter paid employment, undertake vocational training and further training and above all resume work again after a phase spent raising a family. This should not affect promotion chances. Personal social insurance for all women should be introduced step by step. Only so will women and men enjoy real freedom of choice in organising their lives.

(203) Occupations which are typically performed by women should be upgraded in financial and social terms. There should be special training course to open a broader range of careers to women and overcome the gender barrier, particularly on the labour market. That could also prevent women from being laid off faster than men, which is happening due to continuing modernisation in the production and service sectors. Special support should be given to measures designed to raise the share of women in decision-making positions in education, the media, business, society, politics and the church. Staffing and organisational possibilities should be created in all these fields to involve women more in management positions and in economic, social and political decision-making.

5.2.2.3 Securing the future chances of young people

(204) The sustainability of a society is measured not least by the prospects and opportunities it offers its young people. The question is: do young people grow up in a humane climate and under favourable conditions? Do they receive the necessary attention, acceptance and assistance? Can they grow into society, be listened to, participate and pursue their own careers in keeping with their inclinations and abilities? Do they have chances on the labour market? Spending on education and training are investments in the future of society. Besides the acquisition of knowledge, goals of equal importance are personality development and the growth of personal responsibility and community spirit; young people have a right to achieve these goals.

(205) High unemployment and existing difficulties in access to training schemes and the labour market place young people under considerable strain. It is all the more necessary to make available an appropriate and diversified range of training and work opportunities. Young people rightly expect to be able to develop economic and social prospects for themselves via training and a career, enabling them to take responsibility for their lives in a meaningful way.

(206) The "dual system" of vocational training (a mix of classwork and hands-on job experience) has proved itself in Germany. It must be preserved. This can only happen if employers - industry, public sector, churches and associations - fulfil their obligation to provide trainee places in sufficient numbers. The two sides of industry have particular responsibility here. When

appeals and voluntary commitments are not enough, political action must be taken to offer incentives, so that as many young people who so desire can take up appropriate training. The system of vocational training has to be developed into a holistic system of training and further training, with the goal of achieving steady jobs and being able to gain further educational qualifications even while holding down a job. New job profiles must be developed and continued in fields with a future. Young people must be given assistance in choosing an occupation as early as possible by qualified career guidance personnel.

(207) The support for girls and young women is an integral part of the dual system, with the goal of raising their qualifications. The equal value of general and vocational education is another important building block in the development of a holistic system of vocational education. That includes better facilities for vocational schools, simplifying college and university access in the context of vocational training and a better integration of vocational qualifications into the system of general education. The tried-and-tested instruments from the Employment Promotion Act for disadvantaged young people, particularly those with learning difficulty, should be maintained and expanded.

(208) If a viable consensus is to be reached on the questions of economic and social order young people must be drawn more into sharing responsibility. Young people need a sufficient number of appropriately equipped youth centres or youth clubs with a high degree of self-management, where they can develop their own personality, learning to show solidarity and act responsibly.

5.2.2.4 Filling German unity with life

(209) Fashioning Germany's internal unity is an ongoing task. It cannot be understood as a process to be concluded in the foreseeable future. It is not a matter of reaching the same level in all fields, but of crafting a common society in the whole of Germany that will allow every person a life in dignity, reduce personal and regional disadvantage, and show special concern for the weak. Closing the gap between East and West in Germany and creating equivalent living conditions also involves overcoming blatant inequalities. Such inequalities have to be levelled out, not just in the East-West relationship but all over Germany.

(210) Neither the people nor the economy in East Germany were ready for the abrupt introduction of a market economy. The many positive aspects contrast with new injustices and economic problems. The profound change in every aspect of life for people there is something they have not yet worked through - far from it - and the extent of this change has not been sufficiently realised in

some western German circles. This has to be seen as a common historical burden arising in the wake of the Nazi regime and World War II.

(211) Many contradictions have surfaced in the united Germany. On the one hand, there have been impressive efforts of construction and solidarity, which continue to this day. At the end of 1996 net transfers to the eastern *Länder* amounted to about DM 750 billion (approx. US\$ 500 billion). This has caused an enormous upswing, compared with the situation of other central and eastern European countries which suffered a similarly drastic economic collapse. Most people in eastern Germany confirm that they have noticed a distinct improvement of their personal material situation. Yet the West German expectation of gratitude, lack of comprehension and tendency to give unsought advice have led to uneasiness and sometimes tension in relations, compounding all the unsolved problems. Although the creation of equivalent living conditions will take a long time, it must be possible even at this stage to reduce reservations and misunderstandings between East and West and to strengthen the feeling of belonging together.

(212) The different problems that arose through the collapse of the GDR's economic system and the upheaval in the whole of society will continue for the present so that financial transfers and other forms of solidarity will continue to be urgently necessary at all levels. Increased investments are necessary to build new industrial structures. It is also important that there be no further cutbacks to job creation schemes. Such cuts often hit the very ones who are able and willing to work, who are qualified and became jobless through no fault of their own. The feeling of not having a chance contains the danger of resignation and despair, and deepens the division in society.

(213) German unification has opened new opportunities and prospects for many people. The vast majority of people in East and West are grateful for the change of system. There is hardly anyone who would like to turn back the wheel of history. The unification of Germany is not least the result of a deliberate struggle of people in the East for a parliamentary democracy and of their rising up against paternalism and poor management. Now all are called upon to fashion internal unity with commitment and imagination: governments, unions, associations, institutions and individual citizens. It is a task without precedent, for which there is no comparable historical experience to draw on. And yet the churches have a duty to offer assistance in bringing about dialogue and mutual understanding, and to stand up for solidarity. An independent development marked by a particular history and cultural tradition has to meet with a sensitive response.

(214) Internal unity can only succeed if people in East and West understand one other as being mutually dependent. In the interest of the whole they will have to be willing to put up with limitations as best they can for quite some time to come. The unavoidable sacrifices and burdens must be spread fairly, without threatening the efficiency of the state and the economy.

5.2.2.5 Creating a fairer distribution of assets

(215) Private ownership and thus private assets are constitutive elements of the economic and social order of the Federal Republic of Germany, providing for livelihoods and also for macro-economic capital formation. Earnings from assets supplement income from work. Assets and returns on assets constitute an additional provision for later life and a nest-egg for emergencies.

(216) For this reason the churches have long argued for a more just and equitable distribution of property and for a stronger participation of employees in productive assets. The goal of a socially more balanced and fairer distribution of wealth in Germany is far from being achieved. Even though undoubted progress has been made in certain areas of asset accumulation (e.g. financial assets and home ownership), there is increasing concentration of wealth on the high-income and propertied classes; the gap is widening between rich households and those with modest assets, if any.

(217) Once again the situation in the eastern part of Germany differs sharply in this respect from the West. It is not just that private households account for extremely little productive capital - quite understandably, in view of the previous economic and social order. Financial asset accumulation and home ownership is also lower, for the same reasons. In real estate and above all productive capital there has been a large-scale shift to western German ownership. About 80% of privatisations managed by the Treuhand (trust administration) went to West German companies. It was a great mistake not to link the re-establishment of industry, investment promotion and the equalisation of wages and salaries with the goal of a broader participation of employees in productive capital; this would have led to a fairer distribution of wealth.

(218) For productive capital to be spread more broadly, capital policy parameters have to be devised to this effect. This is all the more urgent today as the relationship between capital and labour has slipped increasingly to the detriment of work as a source of income. The churches and church associations and organisations have developed a host of initiatives and models for an increased participation of employees in productive capital; this would also contribute to facilitating investments, securing jobs and creating new ones, and

so to consolidating economic and social conditions. At the same time they have highlighted principles and lines of compromise for removing existing obstacles particularly with regard to including asset accumulation in collective agreements. It is primarily up to collective bargaining parties to agree to such arrangements and thereby achieve a breakthrough with respect to asset accumulation by employees. Yet it is also the responsibility of the government to show the way.

(219) Reliable data on the distribution and development of wealth in Germany is not available in sufficient quantity. While economic research institutes and the federal government's expert advisory council (*Sachverständigenrat*) regularly review macro-economic development there is no such regular reporting on the highly complex field of income and wealth distribution. Such information is indispensable for proper planning of necessary decisions in the complex web of inland revenue and social security distribution systems, and for reviewing the efficiency and fairness of measures taken. What is needed, then, is not just a regular poverty report, but also a report on wealth.

(220) Wealth, not just poverty, must become a theme of political debate. Redistribution is frequently the redistribution of scarcity nowadays, because the abundance on the other side is hardly touched. It is therefore not just a matter of broadening the base of capital formation and distribution. From the social ethical angle the well-to-do have an obligation to show solidarity, and property imposes duties towards society, to quote the Basic Law. The capacity to share resources and bear burdens in society is not only determined by current income but also by wealth. If assets are not used appropriately to finance such important responsibilities of the whole of the state these duties to society will be only partly discharged, if at all. In a situation in which special tasks - like financing German unity - have to be largely financed by public debt there should be more recourse to private assets. How that could be done in a fair and constitutional manner is something that requires examination.

5.2.2.6 Promoting a new social culture

(221) The pace and extent of economic, social and cultural change is modifying the definition, forms and way of working of traditional social culture. These changes are impinging on the social networks in civil society without which there can be no economic and social life. There has to be more appreciation of social culture. It contains great potential for creativity and commitment on social issues. The resources available in society for ethical and social action must be given more attention and recognition: networks and social services, local employment initiatives, self-help groups and the voluntary sector.

(222) Through creating suitable conditions at all levels, the state must do its part to enable these initiatives to develop. One priority is to gain public recognition for voluntary work. Voluntary and unpaid services could be rewarded with e.g. reimbursement of expenses, further training programmes, consideration when applying for paid jobs, and vouchers (for a claim on assistance in the hour of one's own need). It should be easier to take unpaid leave of absence for social projects. Anyone who has been involved in youth work could be given special consideration in the awarding of university places or traineeships. It would be good to be insured against accidents that could arise in voluntary work. Another idea is for the government to establish an "education account" for young people, corresponding to the time budget that they devote to the community work - at whatever stage in their lives.

(223) An irreplaceable and valuable feature of social culture is Sunday. The protection of Sunday is increasingly threatened by the priority given to economic interests. Sunday must continue to be protected. It has a central religious content as the Lord's Day. It is also a time for spending with the family, friends and neighbours and thus an important cultural value that cannot be allowed to disappear¹⁰.

5.3 Advancing ecological structural change

(224) Sustainable development is by its very nature an economic policy with a distributive claim. The rule for distribution should be a guarantee that resources are used fairly, both among the present world population and in the course of the generations. Natural life-support systems are to be preserved in the interest of posterity. Environmental pollution or degradation should be remedied as far as possible.

(225) The basic condition for sustainable development is the preservation of natural life-support systems essential for human existence. In order not to exceed the carrying capacity of the ecological systems raw materials should not be exploited unlimitedly and toxic residues and emissions should not exceed absorption limits. Appropriate substitutes should be created for raw materials that regenerate very slowly, if at all. Whether the maintenance of environmental functions can be achieved more by economising or by improving the usage of resources is an open question in this approach.

(226) On the road to a sustainable economy, it is important to delink the use of resources and environmental pollution from industrial development; this

¹⁰ Cf. Our Responsibility for Sunday. A Joint Statement of the Council of the Evangelical Church in Germany and the German Bishops' Conference, 1988 (in German).

should be a clearer option than to date, involving from the start the integration of production processes into natural cycles. Economic processes are ultimately part of ecological systems from which raw materials are taken and in which waste substances have to be processed. "Long-term economics" also has to be concerned with the conditions for maintaining these ecological preconditions for economic action and their specific laws. This means opting for environmentally compatible substance flows and sources of energy, as far as possible closed-loop, fault-free technological cycles, and integrating them into the metabolism of nature. It also means recycling waste and residual substances as far as possible. In addition, the development and production of goods should be geared to making them long-life and easy to repair. That would decrease the importance of production and increase the share of repairs and customer care in the value added - these usually being sectors that are decentralised and labour-intensive.

(227) Further, structural adjustments of the fiscal system have to be used for ecological goals, as is currently being demanded in the tax debates at present in European Union bodies. One pragmatic proposal has long been discussed, with views differing on its ecological, economic and social consequences. That would support this adaptation process by an environmentally sound financial reform (abolition of environmentally harmful subsidies, energy and CO₂ taxes in return for reducing non-wage labour costs). In the opinion of its advocates, such a financial reform could also be an employment-promoting incentive, since it would take the pressure off the cost of labour and also reward energy saving. In any case the state should provide the necessary framework through taxes, regulations, liability arrangements and also financial incentives to support an ecologically sustainable economy and favour precautionary environmental protection.

(228) For a comprehensive strategy of sustainable development, the energy sector, the chemical industry, agriculture and transport are particularly sensitive areas. Energy policy has always to be accompanied by the principle of risk containment, both with regard to the environment and to the health and safety of humans. A second key principle is energy efficiency, which needs to be backed up by a broad range of individual measures - from the long-term rise in energy prices for industry to the promotion of research and development of regenerative energy sources. The same applies to the chemical industry where a change of policy has to relate not just to emissions during production but also to the products themselves.

(229) Natural life-support systems could be improved and safeguarded, and the countryside kept environmentally healthy if agriculture followed more ecological methods. This includes ecological awareness in the production of

foodstuffs and animal feed, and the preservation of natural soil fertility, humane livestock husbandry, biodiversity, forests, clean water and the variety of crops and vegetation. Traditionally these services have been performed by farm-based agriculture, latterly now organic farming, and they have to be supported and maintained by a sound political framework. By caring for the countryside, farmers and foresters perform important services for the whole of society, which cannot be rewarded in the market price of products. The numerous family farms that still exist need adequate economic foundations and future prospects in order to be able to survive and provide a livelihood for coming generations.

(230) In the field of transport the constantly growing volume of traffic and accompanying expansion of transportation infrastructure constitutes an enormous strain on the climate, the countryside and the health of many people. Necessary reforms must aim to shorten journeys, shift traffic to more environmentally friendly forms of transport, conduct environmental audits and calculate transport costs. Travellers should also change their mobility behaviour and lifestyles.

(231) Changes in lifestyle including cutbacks are necessary in many other areas. An exploitative, throw-away mentality has to yield to sustainable industrial methods and ways of life. Many well-off people in the western affluent societies have succumbed to excessive consumerist thinking. This attitude is increasingly stretching ecology to its limits and is at the expense of the life chances of future generations and of people in the developing countries. The goal of sustainability will certainly not be reached if the average level of consumption in industrialised countries continues to grow. That is why there must be greater awareness that more quality of life today can hardly be reached by "more" and "faster". Rather, it must be characterised by "less", "slowing down" and more environmental consciousness. Such changed lifestyles will probably only spread when it becomes clear that careful treatment of the environment and all other creatures brings new quality of life.

(232) Precisely when it comes to appreciating the various dimensions of being "well-off", in other words, by stressing the aspect of lasting human well-being, the churches can make an important contribution. A Christian life offers many opportunities for criticism of an attitude equating "good living" with "many possessions". People's numerous needs cannot simply be satisfied by all-out consumption. A return to a simpler lifestyle can lead to a growth in quality of life and cultural development. There is no getting around the fact though that sustainable development based on human accountability involves personal restraint and sacrifice.

5.4 Deepening and expanding European integration

(233) Important decisions will be taken in European politics in the next few years. The member states of the European Union have decided in principle to expand the Union by a number of central and eastern European states plus Cyprus. This expansion is not just a political necessity, it offers Europe considerable opportunities. Member states are currently confronting the task of creating the institutional preconditions for decision-making in a Union with 25 or more members. The main thing here is that the goal of expansion should be linked to deeper integration. The issues concern the Union's freedom of political action in foreign and security policy, a common domestic and legal policy, and the official recognition of fundamental human rights at Union level. One of the key questions is whether member states are willing to drop the principle of unanimity and accept majority decisions in politically sensitive areas. This involves distinguishing between nation state sovereignty and Community law competence in central areas of policy.

(234) Social policy is still a particularly controversial topic in the European Union. The areas of a European social policy defined in the Maastricht Treaty will have to apply in future to all member states. Member states are particularly at odds on the question of a further extension of minimum social standards binding on all EU states. This expansion is an important precondition for equality of competition and greater similarity in social security systems. It would also encourage young democracies in central and eastern Europe to prepare for entry to the European Union by setting up their own social systems. They should not be placed under excessive strain. However, care must be taken that introducing minimum social standards does not mean levelling existing standards down to the lowest common denominator, which could lead to a hollowing out of national welfare-state guarantees.

(235) One of the most important assignments is introducing a stable, single European currency. Whatever objections one may have to this project, the common currency will necessarily complete the single market, which can only develop fully if there is also a single finance market. A single, stable currency will not only be able to offer a reliable basis for economic development and social compensation at the European level - at the same time it will be a contribution to a stable international monetary order and a precondition for the success of European integration as a whole. The single currency will entail changes and redistribution. Yet social protection for the under-privileged must not be abandoned; all should bear their fair share of burdens.

(236) Much has already been achieved. For a large part of the population in western Europe more prosperity, the possibility of settling in another country and travel without border checks have become a matter of course. Nearly 50 years of European integration policy have, however, not been able to develop a clearly focused European community awareness and a common European identity. The churches in Germany see it as an important task to make a contribution here, in collaboration with their ecumenical partners in Europe. The awareness of reconciled diversity, the ability to encounter and learn from one another, and the will to shape the future of Europe together will be essential for meeting the challenges on the threshold of the year 2000.

5.5 Taking responsibility in One World

(237) People have increasingly recognised the need for a cohesive and responsible co-existence of states in the international community. This has led to numerous international and supranational agreements. The less developed countries, which have very little political influence on the world scene, are being increasingly bound into a general responsibility. After all, the global common good cannot be guaranteed by the rich nations alone, the members of the Group of Seven (G7). Major UN conferences attempt to awaken awareness for the general responsibility of all states and to make the struggle against poverty, unemployment and social exclusion a common responsibility. National courses of action, however important they might be individually, are no longer enough in a system of international division of labour.

(238) Solidarity has so far been exercised in trade and environmental law, in fighting crime, in helping to calm monetary turbulence, in cases of disaster, in health policy, in security policy, in coping with migratory flows, in the struggle against erosion and desertification, in the protection of the seas, in security questions regarding nuclear energy, and in the non-proliferation of nuclear weapons. A global society that holds together does not need to be invented, but can build on these beginnings.

(239) There is large-scale agreement that governments in poor countries are called upon to promote socially and ecologically sustainable development in their countries through appropriate internal conditions. That will only succeed, however, when industrialised countries like the Federal Republic of Germany, which are role models, offer examples of forward-looking economic management, supporting them by their style of foreign trade.

(240) There is a dangerous trend, now that the East-West confrontation is over, to cut funds hitherto used to defuse the social dynamite between North and

South. The debt crisis is still developing dangerous momentum in a number of southern countries and destroying what development aid is supposed to be setting up.

(241) There have to be more far-reaching international arrangements and agreements. International law needs improving (particularly in trade and anti-cartel legislation); protectionism should be tackled more firmly; steps should be taken to control economic power and develop international social legislation, as has already begun with accords on forced labour, child labour etc. There needs to be a more international cooperation in social and development policy-making. International operations have to be brought under political control and a regulatory framework created with effective sanctions and instruments. They should give new status to the common responsibility for social security and justice at the international level.

(242) Taking responsibility for One World means:

- All national decisions are to take account of the whole world: that will only work when development policy finally becomes a cross-sectoral topic in general policy-making and is not just relegated to a single department.
- Development policy in Europe must be better coordinated: that has already been agreed through the commitment to coherence and coordination set out in the Maastricht Treaty and should be implemented without delay.
- Groups of poor countries have to get a greater say in international bodies, so that it is easier for them to be tied into responsibility for the global common good.
- In view of the risks bound up with international finance markets, improved oversight bodies must be developed to monitor international activities on these markets. New international arrangements about overseeing banking operations more effectively have already been initiated to some extent. Improved oversight must also cover trade in securities and the investment fund and insurance sector.
- In the framework of an internationally agreed, coherent refugee and migration policy the causes and negative effects of displacement, escape and migration should be avoided or relieved. All direct measures for the improvement of living conditions in developing countries, the elimination of poverty, better educational opportunity and a livable environment will also serve to reduce the causes of refugee and migrant flows.

6. Tasks of the Churches

(243) It is not enough for churches to make an issue of economic and social structures and the behaviour of people involved in them. They also have to consider their own action in economic and social respects. Church commitment to changes in society will be all the more convincing if it is visible in the church itself.

6.1 The churches' own economic activity

(244) Churches are employers, owners of financial assets and landed property, or economic actors when they build or operate institutions and centres. They cannot formulate and propound criteria for economic action without applying the same standards to themselves. This is rightly seen as a question of credibility. Still, it is not enough just to demand credibility as a basis for acceptance; the ideas and demands of a person or institution need to be examined on their own merits. If well-founded, such ideas and demands will retain their validity even if their proponents fail to live up to them.

(245) Together with their social welfare agencies (Diakonisches Werk and Caritas) the churches are large *employers*. In this role they are - neither more nor less than other employers - called upon to draw up employment contracts to suit families (e.g. flexible working hours), to seek fair dealings with staff, to observe the equality of women and men, and to ensure the consistent enforcement of rules for staff representation and active participation in decision-making. Through the decline in their revenue churches have recently had to reduce the number of their employees, after a long phase of expansion. In this phase of financial squeeze all are called upon to avert social hardship with a sense of responsibility, imagination and flexibility. Special attention should be given proposals aiming at moderate restrictions of the salaries of church staff in the middle and higher salary groups. Where drastic economies are unavoidable job-sharing should take priority over dismissals and reduction of positions. Salary restriction and job-sharing should, however, be kept in reasonable proportions. Good, sacrificial work deserves a just reward.

(246) The churches have *financial assets and landed property*. It serves religious, social and cultural purposes. Some of these assets would be impossible or extremely difficult to sell.

When deciding on investments, choosing forms of bank deposit and cooperating with business partners, the churches have to be stricter with themselves than companies are. They also have a special obligation to make

available real estate for public and social purposes, primarily for public housing, possibly as a building lease, as has long been practised in many places.

(247) In their *building activity*, which today is mainly a matter of maintenance of building stock, renovation and restoration, the churches have to be aware of their responsibility for the funds invested. This also applies to the cultural and architectural scene, however, which their buildings help to characterise. Care should be given to simplicity of furnishings and facilities in functional buildings, e.g. vicarages.

Agricultural areas in church ownership should be managed along the lines of ecology and nature protection. In addition, *responsibility for creation* should be shown in church construction works, in catering for church institutions and centres, in running church events, and in the means of transport and cost of business trips. Church environmental convenors have made numerous practical suggestions in this respect.

6.2 Shaping the world and proclamation

(248) The consultation process highlighted the possibility and necessity of church participation in social dialogue about the present economic situation and social tensions. As faith communities the churches proclaim the biblical message of God's turning to all people and God's faithfulness to his creation. As worship communities they celebrate God's gracious mercy that so often enables new beginnings. As diaconal communities they are concerned for the needy and disadvantaged and work for a society founded on justice and solidarity.

The churches live and work in the midst of society and so share in its ups and downs. They are led by their calling to show solidarity with the poor and follow the movement of God, who has shown a preferential option for the poor, weak and disadvantaged, so that all may have life "in all its fullness" (Jn 10:10).

(249) The churches stand in the biblical and Christian tradition of justice and mercy. God expressly calls on people to act mercifully and work for what is right and just. That is why Christians are concerned for the poor and also for fairer structures in society for the prevention of poverty.

(250) *Diaconal and charitable* service to people in need has been an inherent characteristic of the church from the beginning and is also an obligation for the future.

This service takes place today at several levels. The large welfare agencies are most well-known - the Diakonisches Werk on the Protestant side and Caritas representing the Catholic church. They are very involved in serving society

through their activities and initiatives. They give effective and essential assistance to the community through their social services, nursery schools, counselling and care-providing, rehabilitation centres and many other agencies. There are many forms of church-run social company, workshops, youth clubs, groups renovating public housing or youth centres, "new work" projects, groups accompanying the structural change of a region, or meeting-places for members of different generations. Recent changes in social legislation have attempted to introduce a market principle into social responsibilities and services. This poses great problems for church social services and the end is not in sight. Subjecting all diaconal activity to the laws of the market does not do justice to the matter in hand, nor to people.

Fortunately innovative responses are being suggested for the new challenges, which is very important. Over the centuries the churches' social services have always been renewed by initiatives of this kind.

The level of churches and parishes is of lasting importance. Diaconal and charitable work cannot be confined to professionalised services and simply delegated to them. Parishes, church groups and associations have special possibilities of raising interest among the general public with their social, diaconal or charitable work. The initiatives working with the unemployed, jobless young people, the poor and socially disadvantaged are particularly important at the moment. They give these groups support and assist them to reintegrate. Organising visitor teams and meeting-places for the unemployed are ways of enhancing the social responsibilities of congregations. With the aid of such activities, it is important for parishes and associations to notice what is going on around them, and to recognise the socially disadvantaged in their own midst. It is crucial that Christians and congregations do not stop at diaconal activities and programmes. There has to be a "new conversion to diaconia", in which Christians will make their own the joy and hope, the grieving and anxiety of people in need of help.

(251) The horizon of service to people in need has steadily expanded in the last few years. Many of the "neighbours" receiving love are very far away. That has been reflected in church *aid agencies for global solidarity and overseas development activities*.

By its nature the church is a worldwide and cross-border undertaking. It has special ways of helping people to realise they live in One World and of heightening interest in other countries and peoples. Ecumenical cooperation with churches from all over the world and intensive twinnings between congregations and local churches expand horizons beyond their own cultural

sphere. Such contacts also draw attention to the hardship of the South and global economic dependencies. The involvement of churches in the "conciliar process for justice, peace and the integrity of creation" means a comprehensive orientation of church action to the urgent tasks of social change. In ecumenical cooperation Christians confront the great survival issues of humankind. Commitment to countries of the South leads to new initiatives in their own field.

Direct assistance is provided by large relief agencies like Adveniat, Brot für die Welt (Bread for the World), Hoffnung für Osteuropa (Hope for Eastern Europe), Misereor, Missio and Renovabis. They do not just raise funds and send experts for disaster relief or longer term development programmes, they also raise awareness of development and economic policies. Due to their direct contacts in the countries affected and their years of experience the churches have become important and respected sponsors of development projects. In their Joint Conference Church and Development the churches strive to improve dialogue in the field of development cooperation and peace initiatives.

Besides church funding there is also public money available for development. The financial pressure on the church in the last few years has made it increasingly difficult to keep up the previous level of funding made available from church taxes for church development agencies. Churches are discovering the conflicts and pain connected with priority debates in their own field of activity.

(252) Here are a few more fields in which the churches carry out their mission of creative action and service in the world.

- Parishes and districts, dioceses and regional churches have set up *Round Tables for Social Responsibility*. They try to stimulate local dialogue on social problems between politicians and administrators, particularly from social security and employment services, chambers and companies, unions and employers' organisations, media and - last but not least - the population groups concerned. Round tables prove their worth in such cases because they strengthen the awareness that regional economic and social problems can only be overcome by working together.
- This intermediary role can be undertaken more easily if the churches have continual, intensive *contact with the working world*. The concern here is for all workers, including those in management, and also for changes in the working world itself. These contacts should not just be taken up in a crisis, e.g. threats of plant closures. Regular visits to companies and regular talks with employer organisations, trade organisations and unions create a basis for trust which can be built on in the event of conflict.

- The churches are committed to oppose xenophobia and strive to *establish a positive attitude to foreigners* in society. That happens through local encounters and joint events. The churches also seek better social integration through giving practical help and support. Above all, they share the concern about immigrant children and young people. They advocate a humane and just asylum practice.
- *Working for environmental protection* in the church sphere helps to strengthen social awareness of the necessity of sustainable economic activity. The commitment of many Christians to maintaining natural life-support systems has led to their founding separate church environmental groups and, more importantly, actively supporting mainstream associations for environmental protection.

(253) The *proclamation of the Word of God*, his love of all people, is at the centre of church action. The church witnesses to God's love and his claim to the whole of life. A life by God's grace removes the fear of losing out and gives courage and confidence for action. This proclamation is not just directed towards individuals with their inalienable freedom, but also towards the structural - social, cultural and economic - conditions of their existence. The churches must not settle more or less comfortably into a niche in the pluralist society. Their proclamation has to prove itself as they become leaven for a social order founded on justice and solidarity.

(254) The proclamation of the churches depends on their being willing and able to have a sensitive and sober perception of what is going on. For example, often people suffering unemployment or poverty are in the midst of the church community yet on the social fringe in terms of the notice anyone takes of them. Only when those not immediately affected by the problem develop the necessary openness can a process of understanding begin. Empathy is one prerequisite for the willingness and ability to notice. This will be heightened by an awareness of economic and social connections, ethical norms and values and the Christian view of human beings and society. Preaching has to relate to people's lives and interpret them in the light of the Gospel and the Christian social ethics that follow from it.

(255) The most significant church options for action include *educational activities*. Here too the churches try to enable people to take value-led action in the personal, social and political field. This happens in parishes and associations, in adult education, in the work of church academies and social institutes and in the many and varied forms of church presence in the field of state education. With its public statements, memoranda and discussion papers

the churches contribute to forming ethical judgements and social consensus. Religious education in schools is particularly important, particularly in vocational schools, as are educational programmes in church schools, boarding schools and nursery schools, and also the churches' presence at colleges and universities. These are places for putting across values fundamental to the corporate life of society.

(256) Church life centres on *worship*. In worship the church receives God's gift and responds with prayer, confession and praise. This response is above all one of thanksgiving. Anyone who lives from thanksgiving can understand the whole of reality as a source of gratitude and so tackle more confidently the tasks connected with economic and social action. Social action by Christians loses its force when no longer rooted in prayer and celebration. In worship Christians are freed and commissioned for world service. When Christians worship together they approach a personal God - radically different, and yet close by - who sends them out in service.

6.3 The churches' service for a future founded on solidarity and justice

(257) The churches are to be experienced as

- places of orientation, where questions about the meaning and goal of human life and that of society can be kept alive by Christian faith;
- places of truth and a realistic view of human beings, where fears, failure and guilt do not have to be concealed because there is constant forgiveness and a new beginning for Christ's sake;
- places of conversion and renewal where people change, notice the needs of others and set aside old ways of behaviour;
- places of solidarity and love of the neighbour, where mutual responsibility is affirmed and practised among, and for, one another;
- places of freedom, for discovering that freedom and bonds, self-fulfilment and commitment are not opposites but condition one another, and that this reciprocal relationship is important for a good life;
- places of hope, for seeking meaningful ways of organising life together in society and looking beyond the present in this quest.

(259) The reason why the consultation process met with such a great response in the general public and in the relevant social groups was doubtless because many hoped that the churches might be able to help in bringing about overdue economic and social reforms. Society and the public authorities are dependent

on reminders of the ethical preconditions of a liberal social and legal order; they also need stakeholders other than political parties and lobby groups to participate in the public dialogue. It is in the context of such shared responsibility that Christians and churches perform their service to society for a future founded on solidarity and justice.