WEEK4: The German Welfare State

* G ‘prototype’ of welfare regime
* Insured against risk of unemployment, illness,old age
* Contributions in pension, health, unemployment, (care insurance- introduced 20 years ago)
* Pension- largest social programme in terms of spending, 70% of prev earnings but is now 60%.
* Prove that you went to uni eg. 5 years is added to years added to unemployment. Also, for each child can be added to pension.
* Problems: young people can not support no. of retired people
* **Health**: end of 19th century. Required to participate in sickness funds. 2 x the verage wages can take out private health insurance. Civil servants covered by separate schemes. Self-employed also applicable
* **Unemployment**:
* Everyone covered by social system
* Wage earners enjoy more social protection benefits than average wage owners.
* **‘Insurance against risk of work’**
* Social state underpinned by social market economy-states general commitment to provide income and employment security is complemented by obligations of private associations or groups and also families and individuals to support themselves
* 19th century shaped by econ and social change, pop growth and urbanization- life expectancy increased.
* Industrialization- weakening of community ties, security of min living wage and chance to secure family. Mass poverty posed a threat to the state a posed a threat to modern welfare state.
* Provision for old age, against illness become common instead of individual responsibility
* Why?- fear of workers would gain too much power and become a danger to the state. Tie people to state.
* 1883- sickness insurance, 84- accident insurance – 89- old age/disability insurance introduced
* Communities eg family, church was supplemented by state, not wanting to replace these communities.
* WW1- Maternity benefits for soldiers’ wives, retirement age lowered to 65 years old
* Weimar republic- social rights, indiv expects more from state including right to work, housing, education, state support when needed, co-determination, to form trade unions
* National socialism- 1941: all pensioners included in health system. Instead of supporting the weak, social policy devoted its resources to biologically valuable, who could contribute
* After WW1: duty that citizens could enjoy equality and enhanced quality of life eg. Access to higher education.
* West Germany: ‘social federal state’, seem to be struggling in structure in 80s, decline in employment= lower contr to pensions, increase in taxes, complex structure of shared responsibilities for the long term unemployed.
* Changes: to improve healthcare and pension. Reduction of generosity of benefits.
* Pension insurance on the private market. Receive pension equal to 70% of prev owners.
* Recent reform addressing probs eg. ‘Ruruprente’ aimed at self- employed, ‘lebensleistungsrente’ for low income earners.
* Promotion of efficiency and cost savings
* Health care reforms resulted in increase in prescriptions, dental etc.
* Future of social state: ‘forward looking’ and ‘progressive’ subject to reform efforts
* Discourage social behavior eg. Marriage, having kids
* Basic structure remains stable eg. Benefit entitlement, marriage, having a family
* Moving towards more flexible policies but within framework of a conservative welfare state and a coordinated market economy.
* **Group 3**: disadvantage- price competition for energy
* Everyone has health insurance
* More difficult to get more state censored.
* **Group 1: ‘nanny state’?** regulations of control, tax on alcohol etc. to promote health, speeding on autobahn, people unaware of the regulations in daily life, limits citizens own decisions of their best interests. ‘autobahn’.
* **Group 2:** cross the road, water pressure, accustom to regulations. Gives structure to life, maintain ‘cultural identity’. Come from a ‘higher power’- are regulations stricter now?
* **Group 3:** variation in price quality, state security for sale? Element of state control on everything
* **Group 4:** gov involvement, reduced gov involvement in the future? Socialism a central aspect of government. Slow adaptation to extra provisions for themselves. Can not rely on just one pension.