THE WELFARE STATE
Opportunities and support for all

How does our welfare state work?
How does Social Democracy's social policy differ from the policy of other political movements?
How do the parties want to further develop the welfare state?
And what major developments will change the welfare state?

These and many other questions are answered in the third part of the book series Social Democracy – Concise and Clear.

Clear, practical, quick. As part of the Concise and Clear series, we look at important issues in politics. We use shorts texts that have been written in language that is easy to understand.
Social Democracy – Concise and Clear 3

THE WELFARE STATE
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THE WELFARE STATE
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Want to know more?
Are you interested in social policy?
Do you want to make the world a better place? Do you volunteer?
Or do you work in politics?
The Academy for Social Democracy provides you with answers to your questions and ideas for further thinking.

The welfare state
For a just society, we need a good welfare state.
For Social Democracy, the two belong together.

Why? Because a society is only just if all people can live without fear and hardship. No one should be left to fend for themselves if they are unwell, old or unemployed.

A good welfare state therefore includes good health insurance, a good pension system and good unemployment insurance. But a good education system and fair taxes are also important.

Whenever we mention ‘citizens’ or ‘workers’, we always mean both, women and men!
A good welfare state can help to ensure that the gap between the rich and poor does not become too large. It can help to ensure that everyone has equal opportunities. That is why the welfare state and a just society belong together for Social Democracy.

But how do other political schools of thought see it? How does the welfare state work? And what is particularly important in the different areas of the welfare state? This book answers these questions – and many more besides.

**The perfect introduction**
Our series *Social Democracy – Concise and Clear* provides the perfect introduction to the world of ideas behind Social Democracy. As part of the *Concise and Clear* series of books, we look at important issues in politics. We use shorts texts that have been written in language that is easy to understand. Here you will find easy-to-read introductions and many practical examples from everyday political life.

**Here are Jan and Anna.**
Jan is doing an apprenticeship.
He has a lot of questions about politics and society.
Anna is committed to greater Social Democracy.
She is happy to explain what Social Democracy is.
Deciding your own path
We use a compass as our symbol. The compass is a maritime instrument. It helps us to find the right direction.
The Academy wants to help people decide their own political path. We’d be delighted if this book series helps to achieve that.
After all, politics is a force for good if many people learn about it, think about it and participate.

Jochen Dahm
Head
Academy for Social Democracy

Markus Trömmer
Project Manager
Publications by the Academy for Social Democracy

Why use everyday language?
We want everyone to understand what Social Democracy is all about. This is why the Concise and Clear series has been written in language that is easy to understand.
The welfare state is one of the fundamental components of Social Democracy. The welfare state helps to ensure that we can actively implement our fundamental values. By this, we mean that the welfare state should guarantee a life in freedom, justice and solidarity for all people in Germany.

Not all political schools of thought see the welfare state as so important as Social Democracy does. Conservatives and liberals often have different opinions about fair opportunities and redistribution. This makes political discussions about the welfare state both fascinating and important.

This book contains a lot of information: backgrounds, comparisons, criticisms and opportunities. Form your own opinion about our welfare state! If you know how everything works, it is easier to establish, clarify and defend your own point of view.
The welfare state is the third volume in our Concise and Clear series. In the first book, An Introduction to Social Democracy, we looked at our shared fundamental values. Do you want to know more about freedom, justice and democracy? Then volume 1 is the book you need.

The second Concise and Clear book is all about the social economy. What is special about the economic policy of Social Democracy? The answer lies in striking a balance: the economy should grow, but protecting the environment and achieving social balance are also important. Read volume 2 to find out how a social economy works.

The next volumes in the series will deal with the following topics: Europe, integration and immigration, state and civil society, globalisation, peace and security, and the history of Social Democracy.
HOW IS THIS BOOK STRUCTURED?

This book deals with different questions. For example: what does ‘just’ actually mean? How does the German welfare state work? What are its advantages and disadvantages? And what could be organised differently and better from the perspective of Social Democracy?

Chapter 2 focuses on theory. While thinking about the welfare state, we will explain why democracy and the welfare state go hand in hand. We will also demonstrate what can be said to counter prejudices against the welfare state.

Chapter 3 deals with the issue of justice. We want all people to be able to participate in society with dignity and freedom. For this, opportunities and goods must be distributed fairly. How can this be organised fairly? And what aspects are most important in distributing fairly?
In **Chapter 4**, we draw a comparison: the welfare state is like a house. What this house looks like in a particular country depends on various things. What building materials are used? Which blueprint does a country opt for? And which architect signed the draft plan?

**Chapter 5** looks at three major developments in the world that influence our welfare state. The world is becoming more and more united, our economy is changing, our society too. What does this mean for the welfare state? Is it **time for change**?

**Chapter 6** focuses on the **social policies of different parties** in Germany. What does the ideal welfare state in Germany look like for the CDU, FDP, SPD, Alliance 90/The Greens, The Left and the AfD? Can the parties work together to realise their ideals?

**Want to know more? Why not watch this film?**

*The welfare state and Social Democracy*


**Want to head straight to the film on your mobile?**

Scan this QR code using a suitable app, such as **QR Barcode Scanner** or **Scanlife**.
Chapter 2 focuses on theory. While thinking about the welfare state, we will explain why democracy and the welfare state go hand in hand. We will also demonstrate what can be said to counter prejudices against the welfare state.

“The Federal Republic of Germany is a democratic and social federal state.”
This is stated in Article 20 of our constitution. The constitution is used as the basis for our laws. But what exactly does a democratic and social federal state mean?

Germany is a democracy.
*We make our decisions together.*

Germany is a constitutional state.
*The rules apply to all people equally.*

Germany is a welfare state.
*We help each other and distribute wealth fairly.*

**The welfare state**
A welfare state is a state that takes care of people’s social problems. Anyone who is unwell receives medical help. Anyone who is old receives a pension. Anyone who is unemployed or can no longer work is supported.
A welfare state has a good education system. In a welfare state, everyone should have the same opportunities, no matter how old they are, what colour their skin is, whether they are a man or a woman.

Most people agree on the meaning of democracy and the rule of law. But there’s not much agreement about the welfare state. Who should receive what support? What is fair? People have very different opinions on these matters.

In the second half of this chapter, we will learn about different forms of justice. But let’s start by looking at democracy. Why are democracy and the welfare state so closely connected?
DEMOCRACY

Democracy means that all citizens have the same right to freedom and co-determination.

In politics, too. All people have the same dignity and deserve the same respect.

We take this meaning of democracy for granted nowadays. But it wasn’t always like this. In Germany, women have only been allowed to vote for about 100 years. And in Switzerland, it took a lot longer for everyone to enjoy the same political rights: there, women have only been allowed to vote since the 1970s.

What are the requirements for democracy?
A life lived in dignity and respect, with self-respect and self-determination.

And what do we need to lead a free, self-determined life?
First and foremost are the basics for living: enough to eat and a roof over our heads. Nobody can live without food or shelter.
A good welfare state doesn’t only provide food and shelter. It also provides education, health and information.

This is how the welfare state creates the basis for democracy. Everyone must truly be able to participate. That is why every democracy should also be a welfare state.

Those who have no work, little money and little education often participate less in associations or parties. Research clearly shows that in countries with a strong welfare state, many more people are politically active. And it also works in reverse: countries with more democracy often have a better welfare state.

This link has always been clear for Social Democracy. Over 150 years ago, workers were already campaigning for greater democracy and better social policies.
The welfare state also plays a central role in the SPD’s latest principle guidelines.

**The welfare state in the SPD’s principle guidelines:**

“The social welfare state freed millions of people from the shackles of their origin, protected them from hardships of the market and opened opportunities for a life in self-determination. It is a decisive foundation for economic dynamism creating our wealth. [...]"

*To renew the promise of security and rise in our time we are developing the social welfare state to become a **preventive welfare state**.*

**Preventive welfare state**

A preventive welfare state tries to ensure that people do not get into difficulties in the first place. For example, people attend preventive check-ups so that diseases can be treated early. There is good training and further education so that fewer people become unemployed. A preventive welfare state also helps when provisions have not worked. There are several preventive welfare states in Scandinavia. In Germany, the SPD advocates for the welfare state to provide more.

*More information about a preventive welfare state can be found in Chapter 4, page 63.*
Certain prejudices are often raised time and again in conversations about the welfare state. Here is a brief list of oft-heard criticisms and practical counter-arguments.

*Some claim:*

“The welfare state slows down economic growth.”

It is true, however, that some of the richest countries in the world also have the most generous welfare states. This includes Norway, Sweden and Germany.

In times of crisis, a strong welfare state ensures that everyone still has some money to spend. This is important so that the economy does not come to a standstill. The economist John Keynes highlighted this back in the 1930s. It is also known as *coordinated capitalism*.

More information about capitalism is available in *Concise and Clear 2 – Social Economy*. 
Others believe:  
“The welfare state is far too expensive.”

Anyone who claims such a thing should be able to answer two questions.

Where does the money for the welfare state come from?  
The answer? It comes from us all. We finance the welfare state together, through taxes and contributions. The principle behind it states that those who have more can also give more.

And who gets the money from the welfare state?  
And here, too, the answer is all of us. The welfare state needs money to pay nurses’ wages, to cover elderly people’s pensions, to pay for school books and new roads, and much more besides.

So those who claim that the welfare state is too expensive are really saying that nurses earn too much money, pensions are too high, we should spend less on education.
And some complain:
“Those who earn more have to pay too much.”

Indeed, the principle behind the welfare state is that those who have a lot must give more than those who have little. We distribute burdens and contributions based on people’s ability to pay.

“The strongest shoulders bear the biggest burdens,” said the Social Democrat Franz Müntefering.

Is that unfair? No!
After all, the welfare state also offers benefits for people who pay high social security contributions:

1. The welfare state offers security for all.
Even for people who have it good. And should they encounter any problems themselves, they are also covered. That gives them the freedom to risk a little, such as setting up a new company.

2. Research shows that greater equality brings greater happiness for everyone. Rich people feel more comfortable when there is not too much inequality in a country. This make sense – even millionaires have less fun when they see only poor people on the streets.
3. **The state must protect and provide.** All citizens in a country form the state together. The state protects everyone who lives there: it guarantees the rights of all people and gives them fair opportunities.

For example, every person has the right to freedom and property. The state protects these rights. This is why we have the police, for example.

But the state must also provide for its citizens. It must protect their social rights, by providing good education, social welfare and health care, for example. This is what we need the welfare state for.

Since everyone pays for the welfare state, we all invest in our democracy, too. After all, more people participate in societies with a strong welfare state.

As part of the welfare state, we use taxes and contributions to redistribute opportunities and resources.
A strong welfare state is very important to Social Democracy. Only with a good welfare state can you really have a good democracy. Only then is life secure for all. Only then can a strong sense of togetherness be created. Only then can everyone really participate and have a say.

The welfare state must be built wisely, to achieve as much as possible. This works best with a preventive welfare state.

More information about a preventive welfare state can be found in Chapter 2, page 18 and in Chapter 4, page 63.
Chapter 3 deals with the issue of justice. We want all people to be able to participate in society with dignity and freedom. For this, we must distribute opportunities and goods. How can this be organised fairly? And what aspects are most important in distributing fairly?

What does it state in the SPD’s principle guidelines?
“Justice is grounded on equal dignity of every person. It is a synonym for equal freedom and equal opportunities, independent of background and gender.”

Social justice is one of the major goals of Social Democracy. To achieve this goal, we must distribute goods and opportunities as fairly as possible among our society.

Justice does not mean that everyone always gets the same. It also does not mean that everyone gets what they want.

Justice simply means redistributing. Those who have too little to live in freedom and dignity get something in addition. Those who have more than enough can give some of it away.

This redistribution can be divided into four different aspects: equality, performance, need and opportunities.
Equality means distributing goods and opportunities fairly between everyone. If we redistribute according to the principle of equality, it means that everybody gets the same.

In our society, equality is the starting point. As an example, all people are equal in the eyes of the law. And men and women have the same rights.

**For example: equal votes**

Today, equal voting rights are a matter of course. This means that all votes have the same value. In the past, the votes of the rich counted more than those of the poor. That was called *three-class suffrage*.

Equal voting rights also mean that every man and every woman over the age of 18 can vote. That wasn’t the case previously. Women have been allowed to vote in Germany since 1919. The SPD pushed this through under the leadership of Friedrich Ebert.

Shouldn’t equality apply always and everywhere? Every citizen is then equally supported by the state. The same help, the same support – regardless of whether they need it or not. In practice, absolute equality simply doesn’t work.
Using illness as an example

Some people get ill or live with a disability. They are helped and supported by the state. Others are healthy their whole life. They don’t receive money from the state. They are therefore not treated equally.

Using unemployment benefits as an example

Those who become unemployed receive part of their last salary from the state. Not all people earn the same. The state does not pay everyone the same amount of unemployment benefits either.

Do we think that’s fair?

What does it state in the SPD’s principle guidelines?

“People are different. However, natural inequalities and social differences in somebody’s origin must not become social destiny.

Therefore justice requires equal distribution of income, property and power since major inequality in distribution jeopardizes equal opportunities in life. Therefore Social Democracy is necessary.

Equal opportunities in life do not mean uniformity but space for the development of personal predilections and capabilities.”
Social Democracy therefore says:

We know from practice that not all people are equal. We don’t all have the same starting point when it comes to talent, education and background. In short:

Children from poor families have very different opportunities than children from a rich background.

The state should help people with fewer possibilities.

After all, everyone should have the same opportunities.
Karl Marx, one of the great economic thinkers, wrote about justice 200 years ago: “From each according to his ability, to each according to his needs.”

He believed that if everyone gives what they can and get what they need, then everyone will be fine. In other words, distribution by need.

This is an important principle for the welfare state. Anyone who is unwell should receive the treatment they need, of course.

If we want to distribute by need, some questions arise.

**How should we determine what people really need?**

There is a difference between the poverty line and what we need to live a dignified life.

This difference is important. Supporters of Social Democracy are committed to ensuring that all people can live in dignity in society. They should be allowed to participate.
For example: telephone, television and internet

Sixty years ago, having a telephone connection was an absolute luxury. Only the rich could afford a television and, of course, the internet did not yet exist.

Nowadays, telephones and the internet are among our basic needs. Those who are not connected cannot have a say or participate, do not get information and have fewer opportunities.

These days, telephones, television and the internet are among our basic needs. The welfare state is adapting to these changes.

Is the welfare state equally responsible for all people who need something?

Some people lose their job through no fault of their own. Some are partly responsible for the difficult position they find themselves in.

Should the welfare state provide equally for all?

Such questions are difficult to answer. Nevertheless, distribution by need is an important principle for supporters of Social Democracy. Everyone getting what they need is one of the basic principles of solidarity.

In some areas of the welfare state, this idea already works well today.
For example, in social welfare.

All people in Germany who are unemployed for a long time receive a basic income. It’s not a lot of money, but it provides a simple, decent standard of living.

For example, in healthcare.

Everyone who becomes unwell in Germany gets the medical help they need. We are all insured for this.

What does Social Democracy want?

Social Democracy wants distribution by need to play a greater role in our social policy. It may be difficult to implement distribution by need in all instances. But the aim remains the same – all people should be able to live and participate in our society. Not in poverty. Not just on the edge. But in dignity.
Equal pay for equal work!
Many people say: “That’s fair”.
But it also means that those who can do more and perform better earn more money.

Those who have worked more receive a bigger pension.
And many people believe this to be fair, too.
But it also means that those who pay more in get more money later.

This is known as performance equity.
Many sectors of our welfare state function based on this principle.

For example, in unemployment insurance:
Those who earn a lot, pay high contributions.
If someone becomes unemployed, they receive unemployment benefits.
The amount depends on the contributions they made.

Or in pensions:
Those who have paid more into their pension fund will get a higher pension.
Or in our education system:
This is not about income, but about grades.
The better you do at school, the sooner you are allowed to study, for example.

Performance is therefore an important principle for the welfare state. But this principle also poses a few problems and questions.

What is performance?
Let’s imagine two people who are building a wall. One is very talented but also takes a long time. They may even dawdle, but then build a great wall without any effort. The other one has to work very hard and needs more time to build. But in the end, they also build a great wall. Both walls have been built just as quickly and just as well. Which of the two put in more?
To what extent is differentiating by performance fair?
Let's imagine a car, a black Mercedes slowly rolling by. A lady is sitting in the back. She is a manager and works 70 hours a week. She heads a department with eighty employees. Her driver is sitting at the wheel. He works 30 hours a week. He pays attention to the traffic, drives safely and quickly. The manager may certainly earn more than the driver. But how much more is fair? Twice as much? Twelve times as much? 100 times as much?

Unpaid performance
Not everyone has a paid job. Many people volunteer. They look after a family member who is unwell or organise a sports festival. Women in particular often work very hard without financial reward. Is it fair that their performance isn’t rewarded with money?

Different conditions
Here’s another example: imagine two young craftsmen. One craftsman joins his father’s business. He works hard and soon takes over his father’s business and customers. The other craftsman needs to build up his own business. He also works hard and achieves a great deal, but his business naturally grows much more slowly. When the first builds a house for his family, the other has just paid the loans he took out to buy the tools. Is that fair?

Distribution by performance is an important principle. But there are many problems. The last example in particular demonstrates that distribution by performance is only fair if there are also equal opportunities. This is the fourth principle that we’ll look at next.
What does Social Democracy want?
Distribution by performance is an important principle. It is important for pensions and unemployment insurance. Many people believe it to be fair.

Supporters of Social Democracy do not want distribution by performance to be decisive in all areas of society. Not all people are equal or can achieve comparable amounts.

Social policy should therefore focus more on need and equal opportunities than on performance alone.

Social Democracy wants to change some parts of social policy, such as in education and health policy.

If we distribute by performance, we need equal opportunities for all.
We’ve now looked at three kinds of distribution:
Equal distribution, i.e. equality, distribution by need
and distribution by performance.
These three were about distributing goods and income.

The last kind of distribution is about something else entirely:
the distribution of opportunities.
The goal is for everyone in our society to have the
same opportunities from the start. *Equal opportunities* is a
fundamental principle of Social Democracy.

Before we assess distribution by opportunity,
let us first ask some questions.
Is it at all possible to influence people’s starting points? All people are different, after all.

They have different talents. Some have a gift for languages, others are good at music. And some don’t have a clear ‘super power’ at all.

They have different parental homes. Some come from a rich parental home. Other children hardly have enough to make it through the day.
They have acquired different amounts of knowledge from home. Some gain a great deal of education and culture at home. Others only know the television.

They are brought up differently. Some grow up with the idea that ‘all doors are open for me!’ Others learn that ‘you’re just a girl. You can’t do anything anyway’.

Children and young people’s starting points are very different in Germany. And yet these children should be able to enjoy the same opportunities and possibilities.
How can we create opportunities for all?
The state can influence opportunities and possibilities.
Those who have less to start with are supported.
Those who have enough to start with can manage themselves.

For example: homework
Just imagine two children: Anton and Lisa.
They’re in the same class and are currently learning about subtraction. They’ve been given some homework on the subject. But neither of them have quite understood how it works.

Anton is lucky. His father has time. He can help him after school. He explains subtraction again. Anton understands now. He can complete his homework.
Lisa is not as lucky. Her parents have to work long hours since money is tight. When her parents get home, they are very tired. They’re not able to explain subtraction to Lisa again. Lisa does her homework late at night, all alone. She still hasn’t quite understood it.

This is often the case for these two children. Anton is supported by his father. He is getting better and better at school. Lisa understands less and less. She has significantly fewer opportunities.

How could we help Lisa? An all-day school, for example, would help. Lisa stays at school after class. The teachers there can then help her with her homework. If she’s not understood something, it is explained again. All-day school therefore provides more equal opportunities.
What does Social Democracy want?
Supporters of Social Democracy say “the welfare state has a duty to compensate for inequality of opportunity.”

For example, in educational policy.
This area is the most important for distributing opportunities.

Some parents can help their children themselves or can pay for support. Poorer parents may have to work longer hours and can’t afford to pay for support. There should therefore be free additional lessons for all those who need it. The earlier the state provides additional support the better.

What does it state in the SPD’s principle guidelines?
“Equal opportunities in life do not mean uniformity but space for the development of personal predilections and capabilities.

People are different. However, natural inequalities and social differences in somebody’s origin must not become social destiny. Paths through life must not be fixed from the beginning.”
WHAT DOES SOCIAL DEMOCRACY WANT?

Justice is one of the fundamental values of Social Democracy. Supporters of Social Democracy want all people to be able to live in freedom. They also want us to distribute fairly and to stand by each other.

- If everyone is to participate and be allowed to participate in society, we must distribute opportunities and goods as fairly as possible.

- For a distribution to be seen as fair, Social Democrats always pay attention to four aspects: equality, need, performance and opportunities.

- These four aspects do not carry the same weight across all areas of politics. Performance is more important in some areas, whereas need is more important in others.

- Equal opportunities are always more important than the other three aspects. For as many people as possible to participate in society, the welfare state should therefore be committed to equal opportunities in the first place.

Equal opportunities are the most important thing for Social Democracy.
In Chapter 4, we draw a comparison: the welfare state is like a house. What a welfare state looks like in a particular country depends on various things.

What building materials are used?
Which blueprint does a country opt for?
And which architect signed the draft plan?

Anyone walking through a street in a new development will immediately see that no single house looks exactly like the neighbouring house. Some houses are made of brick, others of wood. Plastered, with clinker bricks or with half-timbering. The building material makes a big difference.
However, houses do not only differ in terms of the building material. Most houses are based on very different blueprints. One house has a front garden and three children’s rooms. The next one has a large living room and a balcony.

An architect designs what a house looks like. Every architect has their own style. One works with clear, modern lines. While the other likes to keep it ornate and a bit old-fashioned.

Just like houses differ, so too do the social policies in different countries of the world. In this chapter, we’ll look at how we can name these differences clearly. To do so, we will compare the welfare state to a house.
The building materials and tools of social policy are the instruments that a state works with. Here are the four most important.

**Money**
The most important means of social policy is quite simple: money. The state transfers money to people’s accounts because they are in a certain situation. They have the right to a monetary benefit.

Anyone who doesn’t have a job receives unemployment benefits from the state. Anyone who is old receives a pension. Anyone with children of a certain age receives child benefits.

**Services**
The state can do more than simply transfer money. It can also make sure that people get practical help. Doctors, educators, teachers and many others offer their services as part of the welfare state.

Anyone who is unwell is diagnosed and treated by doctors and nurses. Children get a place at a childcare centre and are looked after there. Children and young people are taught by teachers in schools.
Things
Alongside money and services, the state can also offer practical things. This is called a **benefit in kind**.

*Anyone who is unwell is given medication.*
*Children at school often receive free school books.*

Taxes and contributions
Taxes are also among the state’s instruments. Everyone pays **taxes and contributions**. The state and social security funds use these to finance the benefits mentioned above. But taxes have another effect: depending on the level of taxes, the state can **redistribute the money**.

Taxes
Of all the money earned or spent in Germany, a portion goes directly to the state. There are different taxes: Taxes on income, as part of the payroll, for example. Or taxes on consumption, such as when buying food or petrol.

Contributions
Some benefits provided by the welfare state are paid for through contributions. This includes health insurance. Those who earn a lot, pay high contributions.

People with lower incomes pay fewer taxes. People with higher incomes pay a bit more. Social Democracy says: “The strongest shoulders bear the biggest burdens.”
What building materials are used for the welfare state in different countries?

Here are the most important instruments of the welfare state.

**Taxes**
Where does the money that the welfare state distributes come from? Predominantly from taxes. Every person who owns, earns or spends money in Germany pays a portion of it to the state.

**Unemployment benefits**
Unemployment insurance is paid as a cash benefit in most countries. Everyone who is employed pays part of their salary into the insurance scheme every month. Anyone who doesn’t have a job can claim the insurance. People without work receive a sum of money from the state to replace their former salary. Those who have or find work and earn their own money no longer need the insurance benefit.

In some countries, unemployment assistance goes one step further. The state not only offers money, but services too. As an example, people get training and further education from the state. Those who undertake further training have better work opportunities. Further training for the unemployed is also available in Germany.
Pensions
Pensions are always a cash benefit. In old age, everyone receives a pension. In Germany, anyone who has worked receives their pension via the pension insurance scheme. Those who have not worked receive a basic income from social welfare.

The state funds pensions through contributions and taxes paid for by people who are currently working. All workers and trainees participate automatically: they pay part of their salary into the pension fund. Employers pay the other half.

There are also private pension schemes alongside the basic pension in some countries. You can save for an extra pension through your employer or bank. Those who earn more can afford more in old age. This creates large differences: some pensioners are poor, others rich. This is also partly the case in Germany, too.

Education
In many countries, school and education are part of the welfare state. While no money flows here, it is a service provided by the state.

The number of services varies from country to country. In some countries there is public childcare, whereas that’s not the case in others. Many states have different types of schools and training. In some countries, the school system is flexible. This means that it is easy to change schools or training, or even continue learning. In some countries, the school system is rigid. This means that you can only decide once.
When it comes to health, the welfare state doesn’t offer any money, but instead provides services and benefits in kind.

Some countries have a public health system. This means that everyone pays their health insurance to the state. All doctors and nurses work in state-run surgeries and hospitals.

Other countries have a mixed system – there is both public and private health insurance, and medical aid is also partly privatised. This system has both advantages and disadvantages.
There are therefore different building materials for each ‘house type’ within the welfare state: cash benefits, services and benefits in kind. All three are used in most countries.

But what mix of building materials does each country use? This is largely dependent on who designed the blueprints. Which architects are there and what do their ideal houses look like?

In this section, we describe three different welfare states:

• the liberal welfare state
• the conservative welfare state
• the Social Democratic welfare state

We compare the three blueprints on two points – life protection and the difference between social classes.

**Life protection**

Every person needs sufficient means to live: enough money for a roof over their head and something to eat. Most people can earn these means themselves – through work. But what about people who cannot work because they are sick or old?

What about people who cannot find any (suitable) work? Do people have a right to help and support?
In some countries, there are few rights to life protection from the state. People have to take any kind of job to earn their livelihood themselves.

In other countries, there are many rights to life protection from the state. People who are sick or old receive their livelihood from community funds. Even if the economy does not grow and many become unemployed, there is support from the state.

Social classes
In every country, there are people with a lot of money and people with little money. They can be divided into different groups.

These groups are called social classes: lower class, middle class and upper class. People in these classes have little income, average income and high income respectively.

How do the three types of welfare state deal with these groups? Are the differences between the classes getting bigger or smaller?
In a liberal welfare state, people who need help only get the bare minimum. People have few rights to support.

The welfare state is called liberal because it was often shaped by economic liberal parties. The welfare state is paid for through taxes. The state’s benefits are low. Some benefits are provided by private firms. Those who need help are monitored often and closely.

**Life protection**
In a liberal welfare state, paid work is crucial for survival. People only have few rights to life protection from the state.

**Social classes**
In a liberal welfare state, the amount of support does not depend on income. Everyone gets the same, and in most cases that is very little. People with higher incomes can take out private insurance to protect against life risks such as illness or unemployment. They pay high premiums to do so.

The poor only have a right to low levels of state support. As a result, the differences between social classes become wider in a liberal welfare state.
Safety net
If we compared the liberal welfare state to a safety net, we could say that this safety net has very large holes. People can fall through it quickly.

If the liberal welfare state were a house, it would have no windows and no heating.

Where is there a liberal welfare state? For example in the United States, the United Kingdom and Australia.

For more about the liberal school of thought, see Concise and Clear 1 – An Introduction to Social Democracy.
In a conservative welfare state, people who need help receive benefits from various sources. People have a right to support, but these rights are not the same for everyone. The welfare state is paid for through contributions, which depend on income earned.

In a conservative welfare state, not all people are treated equally. People with certain professions benefit from social policy, whereas others are disadvantaged. This is due to how the welfare state is organised.

In Germany, for example, large parts of the welfare state are organised through the social security system. Many professions have their own professional association. Civil servants, lawyers, doctors and other professional groups automatically pay their contributions to their association. If they need help, they receive excellent support from their association. Other professions have worse conditions – or no professional association at all. They receive little support from the welfare state.

**Life protection**
Life protection is not the same for everyone in the conservative welfare state. While people have a legal right to life protection – not everyone gets the same help.
Social classes
A conservative welfare state makes the differences between classes bigger. This is due to how insurance benefits are distributed.

• Support for many life risks often depends on a person’s previous income: those who earned a lot receive more than those who earned little.

• The rules in a conservative welfare state follow a traditional family model. Tax benefits are available if the man works and the woman stays home to look after the children. Such benefits do not exist for single parents or people who work part-time.

If we compared the conservative welfare state to a safety net, we could say that this safety net has large holes. People can still fall through quite quickly here, too.

As a house, the conservative welfare state would have some very large rooms, also many very, very small ones. Residents would be treated very unequally.
In which countries is the welfare state mainly conservative? For example in Germany and France.

For more about the conservative school of thought, see *Concise and Clear 1 – An Introduction to Social Democracy.*
The Social Democratic welfare state is funded using taxes, just like the liberal welfare state. But this is where the similarities end. After all, there are big differences in terms of benefits:

- In a Social Democratic welfare state, benefits from the state are usually higher than in liberal countries.

- In a Social Democratic welfare state, benefits from the state are usually distributed far more equally than in conservative countries. People receive the same support, regardless of how much they earned.

- In a Social Democratic welfare state, there is not only support for life risks. The state also provides services for all, such as childcare and care.

This has implications for all residents:

In a Social Democratic welfare state, women are better placed to combine their children and career. They work more often and for longer than in other welfare states.

In a Social Democratic welfare state, many people work for the state relatively speaking. Not only police officers but also teachers, carers and nurses are in the public service, for example. This is known as the civil service.
Life protection

In a Social Democratic welfare state, people have a comprehensive right to life protection. The state doesn’t only support people when they need help. It also seeks to improve people’s opportunities in society.

Social classes

The differences between social groups tend to become smaller in a Social Democratic welfare state. Everyone receives the same support and the same benefits. The system is designed so that everyone gets the same opportunities.

If we compared the Social Democratic welfare state to a safety net, we could say that this safety net has small holes. Most people are caught. Sometimes, the safety net even acts as a trampoline!

As a house, this welfare state is a solid house with an excellent roof and lovely rooms for everyone.
In which countries is the welfare state primarily a Social Democratic one?
For example, in Scandinavia:
Sweden, Denmark, Norway and Finland.

For more about the Social Democratic school of thought, see *Concise and Clear 1 – An Introduction to Social Democracy*. 
In no country is a welfare state organised around a single idea. In other words, 100 percent liberal, conservative or Social Democratic.

But most countries can be easily classified according to one of these three types.

How a welfare state is organised has clear consequences for all citizens.
<table>
<thead>
<tr>
<th>Liberal welfare state</th>
<th>few rights to support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life protection</td>
<td>differences grow</td>
</tr>
<tr>
<td>Social classes</td>
<td>medium opportunities</td>
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<tr>
<td>Women and career</td>
<td>few jobs in the public sector</td>
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<tr>
<td>The state as an employer</td>
<td>low taxes</td>
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<tr>
<td>Taxes</td>
<td>low contributions</td>
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<tr>
<td>Contributions</td>
<td>high rate</td>
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<tr>
<td>Poverty rate</td>
<td>a lot of poverty</td>
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<tr>
<td>Conservative welfare state</td>
<td>Social Democratic welfare state</td>
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<tr>
<td>----------------------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>some rights to support</td>
<td>many rights to support</td>
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<tr>
<td>differences</td>
<td>differences</td>
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<tr>
<td>grow</td>
<td>decrease</td>
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<td>poor opportunities</td>
<td>good opportunities</td>
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<tr>
<td>some jobs in the public sector</td>
<td>many jobs in the public sector</td>
</tr>
<tr>
<td>medium taxes</td>
<td>high taxes</td>
</tr>
<tr>
<td>high contributions</td>
<td>low contributions</td>
</tr>
<tr>
<td>medium rate</td>
<td>low rate</td>
</tr>
<tr>
<td>some poverty</td>
<td>little poverty</td>
</tr>
</tbody>
</table>
At a glance:

- In liberal welfare states, taxes are low, but there are few rights to support. The differences between rich and poor increase.

- In conservative welfare states, contributions are high, but there are some rights to support. However, the chances of women being able to combine their family and career are poor.

- In Social Democratic welfare states, taxes are high. But there are many rights to support as a result. The differences between rich and poor decrease.

Incidentally, despite higher taxes, Social Democratic welfare states are economically successful. The services provided by the state ensure that fewer people lose their jobs. This influences the poverty rate.

**Poverty rate**

How many people struggle compared to others in their country?
What can and should a welfare state do?
All architects agree on one objective:

**AFTERCARE**

The welfare state is supposed to help people who are in need. Anyone who is unwell receives help and support. Anyone who doesn’t have a job receives a livelihood. Opinions differ as to how much this basic support ought to be.

Helping people in distress is what we call aftercare. All three systems are aftercare welfare states.

Not all architects agree on the other objective.

**PREVENTION**

The Social Democratic welfare state wants to support people so that they have the best opportunities in life. The state provides good schools and training. The state provides a good healthcare system. The state actively tries to manage the labour market.

Offering people good opportunities is what we call prevention. The Social Democratic welfare state is therefore also a preventive welfare state.
This offers advantages to the inhabitants of Social Democratic welfare states:

- Good health leads to less sickness and less absenteeism from work. This means fewer costs are incurred for treatments and care.

- Good education leads to better chances of finding good work. This includes receiving a higher wage. People with a good education can improve their social class more easily.

- Good education also ensures better opportunities when the economy is struggling. People have less trouble finding a new job. They are unemployed for less time and need less social welfare support.
Chapter 5 looks at three major developments in the world that influence our welfare state. The world is becoming more and more united, our economy is changing, our society too. Is it time for change?

How long has the welfare state existed?
In Germany, the foundations were laid over 125 years ago. In the 1890s, Chancellor Bismarck established the first social insurance schemes under pressure from the labour movement. Since then, provisions and aftercare for residents have slowly but surely improved.

But the welfare state does not only receive support. It is also heavily criticised, too. Some critics fall back on the prejudices covered in Chapter 2.

For example: “The welfare state is too big.”
Or: “The welfare state is bad for economic growth.”

It’s important to state again:

The German welfare state is not particularly strong.
If you compare our benefits with those of other countries, Germany is in the middle rather than at the top. We also pay significantly lower taxes for our welfare state than residents in other countries.
There is no link between the welfare state and our economy’s success.
There are countries with a large welfare state and a very strong economy. There are countries with a large welfare state and a weaker economy. There are also countries with a very small welfare state and a strong or weak economy.

The rich do not pay too much tax.
In Germany, a small group (24 percent) pays a large proportion of the taxes collected (80 percent). This is linked to their income and assets. These people pay more taxes because they earn more money than the rest: namely more than 40,000 euros per year.

The last point is important. In Germany, there are big differences between the rich and the poor. The richest 10 percent hold more than 60 percent of the total wealth. The bottom 70 percent collectively hold less than 10 percent. If you have little, you can’t pay much tax.

Criticisms such as “the welfare state is too expensive” or “the welfare state is unfair” can therefore be easily refuted.
So should the welfare state just stay as it is now?
No, of course not! The welfare state isn’t a fixed system.
It is there to support people as best as possible.
If the world changes, we need to adapt our welfare state, too.

There are three developments that have a significant impact on our welfare state:

• The world is getting ‘smaller’

• The economy is changing

• Society is changing
Globalisation
The whole world is connected. In the past, most countries only had trade contacts with their neighbouring countries. Nowadays, there are global connections in trade, culture, environment and of course communication. This has major consequences for our economy – nationally and internationally. It also has consequences for our welfare state.

What is the problem?
Our economy is international. Much more than in the past, companies are now deciding for themselves in which country they have their products manufactured. Most companies want to produce their goods as cheaply as possible. They want to find and explore the cheapest location for their factories:
In which country are labour costs low?
In which country does a company pay little in taxes and duties?

In countries with a strong welfare state, workers are paid well and taxes are often high. The money raised through taxes is used to jointly support people who are old, sick or unemployed.
Companies often say: “We don’t want to pay high taxes and help pay for people who don’t work for us.” They would rather manufacture in countries where wages and taxes are low.

Every country would like to have many companies. They provide jobs and prosperity. Many think that we are in a race with other countries. Who has the lowest labour costs and the lowest taxes? Such a race has consequences for the welfare state in all countries – if taxes fall, the state can no longer help people who are sick, old or unemployed.

But low taxes and wages are not always better for companies. When taxes are low, the state also has less money for services for all. As an example, there is less money available for roads. If the roads are bad, goods reach the companies later or not at all. There is less money available for fast internet connections. This is bad for trade. And the consequences are much greater: in countries with low taxes, there are fewer teachers, police officers and rubbish collectors.

If taxes are lowered, the state cannot help everyone.
Higher taxes are therefore a good thing for companies. Countries with higher taxes have better educated workers, better roads and faster internet connections. Society is safer and citizens enjoy a higher standard of living.

What has been done thus far?
Nevertheless, in many countries with a strong welfare state, the rules for support have become stricter in recent years. For example, people get less money than before when they become unemployed. They are also supported for less time. Nevertheless, most welfare states are not spending less money. Despite stricter rules, more and more people need help.

Can we further adapt the welfare state?
Supporters of Social Democracy advocate for more freedom, justice and solidarity. Not just in Germany, but worldwide. They therefore say: “We will not solve the problems associated with globalisation by dismantling our own welfare state. But instead by expanding the welfare states in other countries!”

Is it possible to build an international welfare state?
More human rights, more protection in case of unemployment, bigger pensions and better health insurance worldwide, in rich as well as in poor countries? Unfortunately, the answer is: no, we can’t (yet).
• Countries with a welfare state are organised very differently. (See Chapter 3)
• Countries without a welfare state often do not have a democratic government. (See Chapter 2)
• And there is no international organisation that can legally enforce a welfare state.

There are already some good ideas: for example, a basic level of protection that every country in the world can achieve. There are also already guidelines for occupational health and safety that many countries have agreed on. But they would need to be better enforced.

A global welfare state is still a long way off. But there are more opportunities in Europe.

The 28 Member States of the European Union (EU) have a common economic policy. They can decide together which rules apply to companies across Europe. Unfortunately, the member states do not yet have a common social policy. However, the EU can determine what support every resident in a country has at least one right to.

This is what Social Democracy wants to achieve:
A social EU, with rules and laws for a common social policy.
What does it state in the SPD’s principle guidelines?

“The European Union must become our political response to globalisation. The European Social Union must be juxtaposed to the Economic and Monetary Union on equal footing.

We do not want to make social systems uniform but agree on a Social Stability Pact with other member states.”

Would you like to know more about Social Democracy and Europe?
See Social Democracy – Concise and Clear 4 – Europe
What is the problem?
Our economy has changed a great deal in the last 70 years. In the past, more people worked in agriculture or for companies. Nowadays, more people offer services. The differences in income and salary are also greater than before. Both changes have consequences for the welfare state.

1950: Industry as the basis of the welfare state
The Federal Republic of Germany was founded in 1949. That was also the starting point for many benefits provided as part of the welfare state. The economy was divided into three sectors that were roughly equal in strength.

25 percent of people worked in agriculture.

42 percent of people worked in industry.

33 percent of people worked in the services sector.
Sectors of the economy

**Sector 1: Agriculture**
Farmers, fishermen, foresters.

250 years ago, almost everyone worked on the land. In contrast, there are very few nowadays. Agriculture is highly industrialised.

**Sector 2: Industry**
Production of goods and commodities in factories.

Just 50 years ago, most people worked in industry. These days, industry in Germany provides fewer jobs.

**Sector 3: Services**
Teachers, hairdressers, programmers, etc.

Most people in Germany are service providers. They do not produce goods, but offer their labour services instead. For example: they can teach children to read, cut hair or write software.
Most people used to work in industry. Factories produced ever more and better products. Technical innovations lead to greater **productivity**. A single worker therefore produced increasingly more for the company in the same time. They received higher and higher wages. In addition, the things that were being produced became cheaper. More people could buy them. The economy grew every year. Many people worked for the same company all their lives.

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**Productivity**

How a company performs.

This is precisely what the welfare state was built on: more technology, more production, more jobs, more income, more demand. More taxes, more benefits, more support for people who needed help.

But in the meantime, industry has long ceased to be the most important economic sector. Now let’s look at the figures for 2010.
2010: Most work in the services sector

- 2 percent of people worked in agriculture.
- 25 percent of people worked in industry.
- 73 percent of people worked in the services sector.

The service sector functions quite differently from industry. Service providers cannot increase their productivity so easily. A teacher cannot teach children to read twice as fast. As a result, there is less economic growth than before.

Prices no longer fall. Wages no longer increase. At least not as a matter of course any more.

People don’t work for the same company all their lives any more. Today, many workers have fixed-term contracts. They change jobs regularly. Many people work part-time or they are self-employed. They build up less pension and have fewer tax advantages than before. And due to the insecure labour market, they need help from the state more often.

Problems and solutions

It is clear what consequences the changing economy can have on people’s lives:
Bigger differences between the rich and poor
People who provide simple services are paid less and less. For example, hairdressers. People who offer complex services can always charge more money. For example, senior managers.

Fewer jobs for menial labour
The industrial sector is getting smaller and smaller. The service sector is still growing somewhat. But not all jobs in this sector can be filled by people who previously worked in industry.

More education and training is needed
Anyone who wants to work in the service sector must have a good education. For most jobs, you have to complete regular training. For this we need suitable training options. And the opportunity to gain new knowledge all our lives.

What does Social Democracy want?
The welfare state is not yet geared to this new economy. Supporters of Social Democracy want all people to have equal opportunities in life. They want the welfare state to treat people equally.

Temporary contracts, part-time work, self-employment – such forms of work must not lead to state benefits being distributed unfairly.
5.3
THE WAY WE LIVE TOGETHER IS CHANGING

What is the problem?
Our society is changing fast. Firstly, the population is changing: Germany will soon have more old people than young people. Secondly, households are changing: in the past, people lived in larger families, today they tend to live as couples or alone. In addition, more people are now coming to us from other countries.

This poses both challenges and opportunities for the welfare state.

More and more older people are living in Germany.

There are two reasons for this:
People are living longer.
People are having fewer children.
What does this mean for the welfare state?
Our pension system is under pressure. Pensions for the elderly are paid by the people who are currently working. There used to be more workers than pensioners. Pension contributions were not that high. Nowadays, there are more pensioners than workers. Working people cannot cover these pensions if contributions remain the same.

What could we change?
There are four options:
• Contributions could be increased. If all working people give more of their income, there will be more money for pensions.
• Pensions could be lowered. If pensioners receive less money, working people do not have to give away more of their income.
• More people could work. If more people pay contributions, we can maintain the system. Here, we have two possibilities. Firstly, we must train the people who are new to us well. Then they can help. Secondly, we need to build better childcare centres. Then parents can go back to work more quickly.
• We could invest more in education and research. Then those who work can produce more during their working time. This will subsequently generate more profit for more pensions.

What does Social Democracy want?
Social Democracy champions the last two options above all.
People live more often in small households

100 years ago, people lived together differently than today. Back then, people married young and had children early. Most families had three or more children.

Nowadays, most people live alone or as couples. They get married later in life or even not at all. People have fewer children or none at all.

**What does this mean for the welfare state?**
The welfare state is not yet geared to these new household dynamics. Most benefits (pension, unemployment benefit, social assistance) are based on larger families. This can cause major problems for single adults who receive help modelled on an extended family model.

Two groups are particularly at risk of poverty:
- Single mothers
- Older women who live alone
Three challenges. What should happen?
Globalisation and the changes in our economy and society have key consequences for our welfare state.

If we do not change the welfare state, it cannot improve people's lives in the long run.

What does Social Democracy want?
Social Democracy wants to make the welfare state fit for the future so that it will continue to help society going forward.

Until now, the welfare state has mainly supported the 'classic family'. There are advantages for families in which the man works and the woman stays at home to raise the children. In future, the welfare state should help all types of family.

The welfare state should offer equal opportunities and possibilities to all people. Regardless of whether they are a man or woman. Regardless of whether they've worked for a company for a long time or a short time. Regardless of whether they live with or without a partner and/or children.
Chapter 6 focuses on the social policies of different parties in Germany. What does the ideal welfare state in Germany look like for the CDU, FDP, SPD, Alliance 90/The Greens, The Left and the AfD? Can the parties work together to realise their ideals?

How do we know which welfare state the various parties in Germany want? This is stated in their principle guidelines.

**Principle guidelines**

Every political party has its own set of principle guidelines. They state:
- Which values the party stands by.
- Which issues are most important to the party.
- How the party wants to change Germany.

The principle guidelines are more general than an election manifesto. The election manifesto is up-to-date. It contains concrete proposals for specific elections.

The SPD’s most recent principle guidelines were agreed in 2007. They are called *the Hamburg Programme*. 
The German welfare state is a **conservative welfare state**.

From Chapter 4, we know there are three different types of welfare state: liberal, conservative and Social Democratic.

In a **liberal welfare state**, people who need help only get the bare minimum. People have few rights to support. The welfare state is paid for through taxes. The state benefits are low. Some benefits are provided by private firms. Those who need help are monitored often and closely.

In a **conservative welfare state**, people who need help receive benefits from various sources. People have a right to support, but these rights are not the same for everyone. The welfare state is paid for through contributions, which depend on income earned.

In a conservative welfare state, not all people are treated equally. People with certain professions benefit from social policy, whereas others are disadvantaged. This is due to how the welfare state is organised.
The **Social Democratic welfare state** is funded using taxes, just like the liberal welfare state. But this is where the similarities end. There are big differences in terms of state benefits.

- In a Social Democratic welfare state, benefits from the state are usually higher than in liberal welfare states.

- In a Social Democratic welfare state, benefits are usually distributed far more equally than in conservative welfare states. People receive the same support, regardless of how much they earned.

- In a Social Democratic welfare state, there is not only support for life risks. There are also services for all, such as childcare and care.
We will compare the principle guidelines set out by the different parties. Then we'll answer a few questions.

What does the ideal welfare state look like for the six parties?
What model do these parties want to use to change the welfare state?

How exactly do the parties want to change the current welfare state?
In doing so, we will look at four policy areas:

- Employment and economy
- Health
- Education
- Taxes
The SPD’s party programme dates from 2007. They are called the *Hamburg Programme*.

For the SPD, the welfare state is the heart of our democratic society. The welfare state ensures that everyone can participate in society.

“We are developing the preventive welfare state combatting poverty, offering people equal opportunities for a life in self-determination, granting fair participation and providing reliable security for major risks in life.”

To guarantee this, the state must be able to intervene in the economy and in society. It can redistribute wealth and create opportunities for all.

**What does the SPD want to change about the welfare state?**

**Employment and economy:**

The SPD wants to introduce labour insurance (or *employment insurance*). This new insurance should include all people in social security, not only those with a permanent job.
Health:
A new citizens’ insurance is to replace health insurance. This is not two-class insurance, but a general insurance policy for all that does not depend on income.

Education:
Pupils go to school together for longer. Furthermore, all-day schools are very important for the SPD.

Taxes:
The SPD wants to preserve the social security system. But taxes are to become more important. Every citizen supports the welfare state according to income: the rich pay higher taxes than the poor. And all types of income contribute – people and companies with assets and capital also pay into the social security system.

Summary:
The SPD wants to make the conservative welfare state more socially democratic. More support from the state, more benefits for people in need, more opportunities and support in education and health.
The CDU’s principle guidelines date from 2007. They are called *Principles for Germany*.

The CDU uses the term *social market economy* instead of welfare state. The social market economy is a mixture of market economy and social protection. But for the conservatives, the economy is more important than the welfare state.

The CDU believes in personal responsibility. The party understands this to mean the following: the things citizens are able to manage better or just as well alone, as part of a family or with others, citizens should also do alone. The state should only take on the tasks that citizens or municipalities cannot manage themselves.

The CDU believes in distribution by personal performance. Distribution by need or opportunities is less important.

**What does the CDU want to change about the welfare state?**

**Employment and economy:**
Employers should have fewer costs. They should pay less into social security for their employees.
Health:
The CDU would like to introduce a premium-based system. In the media, this proposal is sometimes called a *capitation fee*. The proposal is that everyone has to pay the same amount per capita for health insurance. Thus far, you have to pay more or less, depending on what you earn.

Education:
Pupils, trainees and students are to be assessed even more according to performance.

Taxes:
The CDU would rather lower income taxes than raise them. The welfare state is to be paid for out of other taxes.

Summary:
In its principle guidelines, the CDU wants to make the conservative welfare state more liberal. Less support from the state, fewer benefits for people in need, fewer opportunities and support in education and health.
The Greens’ party programme dates from 2002. It is called *The Future Is Green.*

The Greens want to change the economy and society. The environment should be more important. The welfare state retains a central role, but it is to be borne by citizens.

The Greens want more than classic redistribution. They want to establish a new justice, which they call *participatory justice.* This justice provides all citizens with equal access to education, work and participation in society.

The Greens believe in distribution by need and equal opportunities. They champion a Social Democratic welfare state, but also have small points from the liberal welfare state in their principle guidelines.

**What do the Greens want to change about the welfare state?**

**Employment and economy:**
All people should receive a basic income. Distribution is based on need.
Health:
The Greens want a general citizens’ insurance. Contributions are to be paid according to income.

Education:
More all-day schools, more further education, more responsibility for your own educational path.

Taxes:
The Greens want taxes to be based even more on income performance: the rich pay more than the poor. What’s more, all types of income should participate.

Summary:
The Greens want to make the conservative welfare state more socially democratic. More support from the state, more benefits for people in need, more opportunities and support in education and health.
The FDP’s party programme dates from 2012. It is called *Responsibility for Freedom*.

The party is strongly committed to protecting private property. They see it as a fundamental right of the first order. Basic social rights, such as the right to education or health care, do not play a significant role in the FDP’s principle guidelines.

For the FDP, everything revolves around the market economy. The welfare state is far less important. The FDP is a supporter of a liberal welfare state. The party speaks itself of an “activating, upwardly mobile welfare state”.

The FDP believes in distribution by performance. Distribution by need or equality of opportunity do not play a major role for the liberals.

What does the FDP want to change about the welfare state?

**Employment and economy:**

The FDP would like to introduce a basic income, which it calls a *citizen’s income*. In return, some social benefits such as unemployment insurance are to be abolished. It is not yet known how much this new citizen’s income would be worth. It is probably much less than the benefits provided by the current welfare state.
Health:
The FDP would like to see more competition between health insurers. The market impact should become stronger.

Education:
Pupils, trainees and students are to be assessed more according to performance. The more able are supported.

Taxes:
The FDP wants to greatly simplify the tax system. Taxes are to be much lower. This, of course, results in less money for social benefits and redistribution.

Summary:
The FDP wants to make the conservative welfare state much more liberal. Less support from the state, fewer benefits for people in need, fewer opportunities and support in education and health.
The first party programme for The Left originates from 2011.
It was adopted in Erfurt.

The party does not want a social market economy. It seeks a new economic order. However, The Left finds the welfare state very important and would like to expand it:

The Left wants to establish fundamental social rights in the constitution. It also wants to introduce pension insurance for everyone, regardless of whether and how long people have had a permanent job.

What does The Left want to change about the welfare state?

**Employment and economy:**
The Left wants to achieve a *basic income* for all. The elderly should receive a minimum pension. It should be high enough to ensure nobody is living in poverty.
Health:
All people should receive a standardised citizens’ insurance.

Education:
Pupils, trainees and students should no longer pay for education: all schools, training and courses of study will be free of charge.

Taxes:
Low-income earners and the middle class should pay less tax, while high-income earners, the wealthy and companies should pay much more. The welfare state should provide more public services, and the rich should pay for it.

Summary:
The Left wants to make the conservative welfare state much more socially democratic. More support from the state, more benefits for people in need, more opportunities and support in education and health. To achieve this, The Left wants to turn the whole political system upside down.
The party Alternative für Deutschland (meaning ‘Alternative for Germany’ and abbreviated to AfD) hasn’t been around for very long. This party says: “All parties in Germany share roughly the same policies.” The AfD says its policies are different. This is why they brand themselves an alternative. But what kind of alternative is it?

The AfD is a right-wing populist party.

Right-wing populist parties make few proposals on how to solve a problem. They mainly talk about who is to blame from their point of view. The blame usually lies with “those on high” or whoever the right-wing populists see as “different”.

To right-wing populists, “different” includes people with a dark skin colour or people who are not Christians. But also couples without children, women who love women and men who love men.

The AfD adopted its principle guidelines in 2016. There is nothing in the party programme about fundamental social rights. The AfD wants the welfare state to become much smaller. However, the AfD does not say exactly how this is to be done. But less money is to be spent on social issues. The state should focus on other issues first and foremost. People should care more for each other, for example as part of large families.
The idea that everyone can participate appears only once in the AfD’s guidelines. Referencing people with disabilities, the AfD says that they can already participate well enough in education. They say nothing about rights for workers and employees. They say nothing about trade unions. They say nothing about works councils.

What does the AfD want to change about the welfare state?

**Employment and economy:**
The AfD wants to introduce a basic income. However, the AfD does not say exactly how much this will be worth. But those who earn extra money should receive a lower basic income.

**Health:**
The AfD has no proposals for a better health system in its principle guidelines.

**Education:**
The AfD does not want pupils to study together for a long time. It wants pupils to be separated into different school types at an early age. New family dynamics – such as two mothers and two fathers with children – are not to be discussed at school.
Taxes:
The AfD wants to reduce many taxes, such as inheritance tax. The state would have much less money for social matters.

Summary:
The AFD wants the state to do much less in the area of social welfare. Less support and fewer benefits for people in need, fewer opportunities and support for those who are less able.
The results of our party comparison are astonishingly clear: all parties want to change the current welfare state. But in very different ways.

The CDU, FDP and AfD want to shrink the conservative welfare state. They want it to move towards a liberal welfare state. They champion low taxes and distribution by performance. The SPD, the Greens and The Left want to grow the welfare state. They want it to move towards a Social Democratic welfare state. They champion higher taxes and distribution by need.

In Germany, no party can implement its ideas exactly as stated in its party programme. Since no party has an absolute majority in the German Bundestag parliament, parties work together as part of a coalition. This usually leads to a compromise.
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