German Social Policy 5
Edited by Lutz Leisering

Franz-Xaver Kaufmann

Variations of the Welfare State

Great Britain, Sweden, France and Germany Between Capitalism and Socialism

Springer

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The 5-volume series "German Social Policy" presents a unique multidisciplinary approach to the history of German social policy and is written by the doyens of their respective disciplines. The volumes expound the contribution of the German tradition to the rise of social policy in the Western world in the 19th and 20th centuries. Germany pioneered modern social policy in the 19th century when Bismarck introduced social insurance. After the Second World War, Germany's Social Market Economy became a model of social integration. The volumes cover the history of ideas (volume 1), the legal and political history before and after 1945 (volumes 2 and 3), the German Democratic Republic (1949-1990) and the impact of German reunification (1990) (volume 4). Volume 5 embeds the German case in a major comparative study of European welfare states, complemented by a study of the USA and the Soviet Union. The volumes also yield insights into general theoretical issues of social policy beyond the empirical case of Germany. Each volume has an introduction by the editor who summarizes the contribution made by the volumes and looks into the future of German social policy.

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Franz-Xaver Kaufmann

Variations of the Welfare State

Great Britain, Sweden, France and Germany Between Capitalism and Socialism

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Preface to the Book Series "German Social Policy"

The welfare state originated as a project of nation states, with roots in the nineteenth century. This book is part of a book series about the German tradition of social policy, which is one of the three paradigmatical European traditions of social policy besides the British and the Swedish traditions. The book series covers modern social policy in Germany from its beginnings under the early modern state to its breakthrough in the nineteenth century to the present day, ranging from poor relief to Bismarckian social insurance to the post World War II "social market economy" and the current crisis. The series provides even more: it also locates Germany in the wider context of a comparative study of European welfare traditions, complemented by a study of the USA and the Soviet Union proposed to be non-welfare states (volume 5). Furthermore, volume 4 contrasts a democratic welfare state with a communist "welfare state", namely the Federal Republic of Germany with the German Democratic Republic which resided side by side 1949–1990, followed by an analysis of the transition to the new unified Germany in 1990.

Beyond the empirical case of Germany, the work yields insights into general issues of social policy which have been addressed in German discourses in-depth and at an early stage. This includes the distinction "state versus society" which is essential for a theoretical understanding of the welfare state; the meaning of "the social" and the "social question"; the identification of what a "welfare state" is compared to non-welfare states; and social policy issues arising during the transition from communism to democratic capitalism.

The unique quality of the book series derives from its authors. The grand old men of German scholarship on social policy, coming from diverse disciplines, have rendered their legacy to the scientific community and to politics: *Franz-Xaver Kaufmann* (sociology) writes on the history of the idea of "social policy" in German politics since the nineteenth century (volume 1); *Michael Stolleis* (legal history) presents an overview of social policy in Germany from the middle ages to 1945, with an emphasis on the years after 1871 (volume 2); *Hans F. Zacher* (constitutional law) investigates the history of the German post-war welfare state and its normative

foundations (volume 3); *Manfred G. Schmidt* (political science) analyses communist East Germany, the German Democratic Republic (GDR, 1949–1990), followed by *Gerhard A. Ritter's* study of German unification (1989–1994) (volume 4); and *Franz-Xaver Kaufmann* provides an international comparison of welfare states (and some non-welfare states) (volume 5). All authors take a distinctly historical approach to their subject, elaborating the formative forces of social policy in Germany.

The book series is a translated, revised and up-dated version of the first of the 11 large volumes of the "History of Social Policy in Germany Since 1945".[1] While two contributions of the first volume have been left out, a study of German unification by Ritter (based on his award-winning study of the subject) has been added to the English version. The 11 volumes of the German work add up to the most ambitious and comprehensive study of the history of German social policy ever published. The work not just displays the state of the art but includes original studies which draw on historical sources that have not been accessible before. Especially for this work the government lifted confidentiality from many documents. Volume 1, which underlies this book series, provides a general framework for the more specific Vols. 2–11 that cover 17 fields of West and East German social policy chronologically. The work was initiated by Chancellor Kohl in 1994. The idea was to take stock of the German social policy tradition at a historical moment: the Iron Curtain over East Europe had fallen, the Treaty of Maastricht had created the "European Union" (1992/1993) and German politics had eventually realized that the "golden years" of the post war welfare state had come to a close. At the same time, the new challenges of globalization and demographic change had become apparent. In the early 1990s, German politics was only just beginning to face up to these challenges while the authors of Vol. 1 of the German work were already sensible of the inherent tensions and uncertainties of the advanced post war welfare state.

Translating, revising and extending the original German "History of Social Policy in Germany Since 1945" was not an easy task. It required a joint and protracted endeavour of a number of persons and a considerable sum of money. I am indebted to Richard Hauser for bringing up the idea of a translation (and joining, with Werner Abelshauser, my application for funding with the Volkswagen Foundation); to Franz-Xaver Kaufmann for continuously supporting the project in many ways and with verve; to Thomas Dunlap, David Antal and Ben Veghte who translated the demanding texts with admirable skill and care; to Günter H. Ast, formerly Federal Ministry of Labour and Social Affairs, who acted as operative editor of the texts with unceasing commitment and patience; to Werner A. Müller, Katharina Wetzel-Vandai, Irene Barrios-Kezic and Kay Stoll from Springer publishers who supported the project with diligence; and, last but not least, to the authors for their support and patience.

[1]Geschichte der Sozialpolitik in Deutschland seit 1945. Edited by the Federal Ministry of Labour and Social Affairs (*Bundesministerium für Arbeit und Soziales*) and the Federal Archive (*Bundesarchiv*). 11 volumes, Nomos publishers, Baden-Baden. 2001–2008. The book series is based on a translation of the first volume, *Grundlagen der Sozialpolitik*. (See footnote on p. 222).

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Lutz Leisering

[2]Leisering L (2003) Nation state and welfare state. An intellectual and political history. Journal of European Social Policy 13:175–185.

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Nation State and Social Policy: An Ideational and Political History

Introduction to the Book Series "German Social Policy"

Lutz Leisering

Advances in social policy were often related to processes of nation-building, like the introduction of social insurance by Chancellor Bismarck during the years 1883–1889 which contributed to the social integration of the new German Empire. The Empire had been created through the unification of the numerous German states in 1871. Critical periods in a country's history that went along with a renewal of the national spirit also propelled social reform, like the New Deal during the Great Depression in the 1930s and the creation of the British "welfare state" in the immediate aftermath of World War II. Today, the golden age of the welfare state, the decades after WW II, has passed. Domestic problems combine with the impact of globalisation. Some authors assume that globalisation makes nation states increasingly irrelevant. What, then, is a history of a national welfare state as presented in this book series good for in the contemporary debate?

Western welfare states have proved to be resilient amidst domestic and global crises. While welfare states are undergoing far-reaching change there is no sign that welfare statism is disappearing. To the contrary, the "social" and social policy have been spreading to the global South since the 1990s to become a key issue of global politics – "socialization of global politics" (Deacon 1997). Looking into the intellectual and political history of one of the great traditions of social policy, indeed the pioneer of modern social policy, Germany, may then shed light on key issues of social policy that continue to underlie political debates and conflicts. Stolleis (in volume 2 of the work) argues that the past is still present in current policies and institutions, like layers that have piled up in the course of history, including pre-Bismarckian social policies.

The analysis of the last 130 years of German social policy (plus earlier periods) as presented in this work uncovers key issues of social policy which are relevant beyond the German case: the disjunction "state versus society" to which social policy is seen as a response in the German intellectual tradition; the meaning of "the social", the "social question" and "social policy"; the meaning of "welfare state" as compared to non-welfare states; and social policy in different societal settings like monarchy, national socialism, communism, democracy and affluent society – and during periods of transition.

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1 The Distinction "State Versus Society"

The history of social policy has been riddled with debates about individualism versus collectivism, about state versus market and related dichotomies. In current controversies about "globalisation", free marketeers quarrel with advocates of social and ecological regulation of global markets. While these are world-wide issues, Germany, more than any other country, has developed an intense political discourse on "the state" and on the distinction between "state" and "society" that goes back to the early nineteenth century and is worth looking at.

Franz-Xaver Kaufmann's *Thinking About Social Policy* (volume 1 of the book series) traces the political history of the concept of social policy. "Social policy" as a political and scholarly concept originated in Germany in the second half of the nineteenth century, to become more prominent only after World War II. In Britain, France and other countries it gained ascendance only in the 1970s. Kaufmann argues that "social policy" has emerged as a response to problems of societal integration which, from the point of view of Hegelian philosophy, arose from a disjunction between "state" and "society".

Kaufmann's point – which sets the theme for the whole book series – is that the history of social policy is the history of the changing relationship between state and society and of the ensuing problems of social integration. The German Philosopher Hegel (1770–1831), after first allusions by Montesquieu, diagnosed the disintegration of the ancient and early modern idea of a unitary, politically integrated society – the Lockean "political society" – into two heterogeneous spheres, "state" versus "society" or "public" versus "private". "It was here [in Hegel's philosophy – L.L.] that the political and the social appeared for the first time as two separate spheres dominated by *different* legal principles, and the *relationships* between them subsequently became the fundamental issue of 'social policy'" (Kaufmann, volume 1, p. 29). The problem, as the Hegelians saw it, was that "society", mainly the economy, was a source of uncontrollable dynamics and social problems.

The diagnosis of separate spheres was further developed in the twentieth century by the sociologists Talcott Parsons and Niklas Luhmann under the name "structural" or "functional" "differentiation" of society (Luhmann 1982). In their view, too, functional differentiation generated a problem, namely the necessity of enabling persons to participate in functional systems. Drawing on T.H. Marshall they referred to this requirement as the problem of "inclusion".

While Marx (1818–1883), who was a Hegelian, proposed communism as a solution, that is, a fusion of the Societal and the Political, his contemporary Lorenz von Stein (1815–1890), also a Hegelian, proposed a compromise solution (which today could be termed "social-liberal") which he called "social-policy". Social-policy was to link the Societal and the Political (through "social administration") while preserving a basic autonomy of the Societal (in modern terms: to intervene in the economy, family etc. in a non-totalitarian way). Lorenz von Stein, a lawyer and economist, was the intellectual father of the welfare state, precisely 100 years before Beveridge (von Stein 1842) and two years before Marx published

his first concept of communism (not yet termed as such; see Marx 1978, first published in 1844) based on the same diagnosis of class conflict in industrial society as von Stein's. The distinction between "state" and "society" and the analysis of their precarious relationship has shaped the German tradition of thinking about the state and social policy ever since (Luhmann 1987).

Germany was a latecomer to industrialization and to nation-building but the pioneer of state welfare. Bismarck's social insurance was a means of integrating the new nation state and securing support by the laboring classes. German liberalism was weak and the "Manchester theory" had eventually fallen in disrepute after the economic crisis of 1873, as Stolleis points out in his *Origins of the German Welfare State – Social Policy in Germany to 1945* (volume 2 of the book series, p. 52). During those years the term social policy started its career in politics. Social policy set out as a comprehensive "workers policy" (*Arbeiterpolitik*) in a society divided by class. During the nineteenth and twentieth centuries the concept of "social policy" changed its meaning several times, mirroring new challenges of societal integration and new ideas of "the social".

After World War II, social policy expanded in an unprecedented way, connected to two new formulas designed to denote the place of social policy in post-war society. The first formula, "Social Market Economy", aimed to integrate the economic and the social. The second formula, "social state", the German version of "welfare state", was contained in the post-war constitution of the new Federal Republic of Germany 1949, the *Grundgesetz* (1949). (The year before, 1948, had witnessed the creation of the British "welfare state".) The year 1949 marked a "double state building" (Christoph Klessmann) which reflected the link between social policy and nation building. While the German Constitution of 1919 had already included articles on social welfare regulations, the West German Constitution of 1949 was the first to establish the "social state" as constitutive principle of the German polity, not to be changed even by a majority in Parliament. In the same year, the German Democratic Republic (GDR) was founded in East Germany under the influence of the Soviet Union. The GDR opted for "socialism", presented as an alternative to the West German social state (see below). The meaning of "Social Market Economy" and "social state" was indeterminate and contested. Political controversies during the 1950s generated some clarification but the two formulas continued to indicate the openness of the idea of the "social" in the development of the Federal Republic of Germany.

2 "The Social"

Out of the three components of "democratic welfare capitalism" – "the hyphenated society" (Marshall 1981) – the component "welfare (state)" has remained more contested than the other two, democracy and market. This hints at problems of identifying "the social". ". . . the systemic character of social policy is not nearly as evident as that of the market economy. What 'the social' means in distinction to the

economic and the political . . . – to this day no clarity has emerged on this question" (Kaufmann, volume 1, p. 97f.). Nullmeier, in his political theory of the welfare state (2000, chapter VI, p. 2), points at the inferior legitimacy of social rights as compared to civil and political rights.

Like the distinction between state and society, the term "(the) social" is part of the German tradition. Hans F. Zacher, in his *Social Policy in the Federal Republic of Germany* (volume 3 of the book series): "The social is in a very special way part of Germany's national identity" (pp. 315). Germans call their welfare state a "social state". In France, the term "solidarity" has played a comparable role from the nineteenth century and still shapes present-day debates on social policy. The term "social" emanated in the 1830s in Germany, with influences from France, and soon fed into the term "social policy" and other nineteenth century semantics like the "social question". Unlike British and French usage, the word "social" assumed a strongly normative and critical connotation in the German language: the word was contrasted to "the individualistic" to denote something that was seen to be absent from civil society (*bürgerliche Gesellschaft*; Kaufmann, volume 1, p. 32). After World War II, the "social" became a common element of the political and scholarly language in Germany. In the British community of social policy researchers, the term "the social" figures less though increasingly. Remarkably, the term has recently even reached the global level, as indicated by novel semantics of global social policy like "social pensions", "social cash transfers", "corporate social responsibility" and "social sustainability".

". . . '*social*' has something to do with *equality* and *inequality*. '*Social*' *negates* a certain measure of *inequality* – or more precisely: certain constellations of inequality. . . . '*social*' is a mandate to distinguish unreasonable inequalities from reasonable or at least tolerable ones (or less important ones), and to eliminate, compensate for, or at least diminish the unreasonable ones" (Zacher, volume 3, p. 24). This implies that the meaning of the "social" may change, and that it varies across time and between social groups. In politics, the semantic field of the social encompasses ideas like social justice, individual social rights, protection and security. In the British debate, the social is often defined with reference to "need" but need is an equally fluid concept. Despite or rather just because of its vagueness, reference to the "social" may exert considerable political pressure on policy-makers. What appears to be a deficiency is in Zacher's view the very essence of the "social". He sees the openness and changeability of the "social" as an intrinsic feature of a welfare state in a free and democratic society, a feature that was lacking, e.g., in the German Democratic Republic.

The difficulty to pin down the meaning of social policy and the "social" indicates the compromise character and the historical changeability of social policy: "From the point of view of the great political doctrines of liberalism, socialism and conservatism, 'social policy' has evolved as a seemingly heterogeneous sequence of inconsistent compromises. By contrast, this analysis rests on the assumption that the history of social policy in Germany reflects an independent 'reformist' strand which developed against the backdrop of the three 'great ideologies' but has independent roots and points of view. The social-democratic, Christian-social,