What is social policy?

- political institutions, processes and policies to protect people in case of poverty / need or against risks overstraining individuals and their relatives (security, income, health, age, housing, education, etc.)
- in a broader understanding to control and reduce social inequality (not natural, illegitimate)
- „... the study of the social relations necessary for human wellbeing and the systems by which wellbeing is promoted.“ (Dean, Social Policy, 2006: 1)
What does 'Welfare' mean?

- Welfare refers to 'well-being' and also to the range of services which are provided to protect people in a number of conditions.
- Welfare is associated with needs, but it goes beyond what people need.
- To achieve well being, people must have choices, and the scope to choose personal goals and ambitions (Spicker et al. 2007).
- Enjoyment/Pleasure, freedom /responsibility and thinking (Aristotle), Capabilities (Sen) to be a part of human society (Inclusion) (Dean ibd.).

Welfare State

- State with exclusive power/violence and policy to create a social and legal order, based on social security, equality and justice.
- Institutions, regulations and processes to assure, correct and supplement markets, e.g. work, income and living conditions.
- Ideal model, where the state accepts responsibility for the provision of comprehensive and universal welfare for its citizens (Spicker et al. 2007).
- The degree of Citizens social rights in the sense of property rights,
  - meaning the degree of 'De-Commodification' (welfare besides markets and families)
  - and social stratification (re-distribution) (Esping-Andersen 1990).
Modern Miracle / trinity of state, market and family

- Development from informal to formal exchange, civil society and organised solidarity with state regulation
- Modern anonymous and functional differentiated conditions require and enabling welfare-state
- Background:
  - Decline of Feudalism <-> Growing Mobility, Freedom, Anonymity and longer chains of Interdependencies (Cities, International commerce…) (s. Elias)
  - Growing Independence and Interdependencies with functional differentiated Economy and Society (division of labour) (e.g. Household – Firm, Weber)
  - Concentration of Power, Absolutism and State-Building
- there’s no ‘free’ market without state and civic culture (trust, norms, values) (non contractual basics of contract, Durkheim)
Welfare State Theory: Functionalism

- Welfare State as social institution to create and solve social problems in relation to social order (social integration) (see slides before)

- Independent Variables:
  - social and economic requirements / needs
    - demography, urbanisation, industrialisation, capitalism, enlightenment, rationalisation, modernisation, social problems ...
  - enforce and enable welfare states

- Different Accents:
  - Economic/technical, cultural/social or policy/politics

Conflict-theory and political interests

- Welfare State (dependent Variable) as De-Commodification, Stratification (see def. of Esping-Andersen)

- Social and political interests, conflicts, movements determine / enforce welfare states

- independent variables: Strength and structure of Worker movement / organisations, trade unions, socialist-parties (also Christian democrats and centre) and governments

- Modifications
  - Political market-competition (Median-voter-model in ‘rational choice’ and economic theories)
  - Logic of inclusion / momentum (see also Institutionalism below)
Institutionalism

- Welfare State as Institution / social order / regulation as autonomous and powerful (‘polity’-dimension) beside social functions or conflicts
- Self-interest / -logic (momentum) of institutions / bureaucracies, government-/ voting-system
  - majority/proportional, 2-party/multi-party-systems, corporatism...
  - Institutional competition and policy-learning, isomorphism
  - Path-dependency and ‘policy-feedback’ (problem-solution-more problems) --> vicious circle
Welfare State Research: Measurement

- **Traditional:**
  - Social Expenditures <-> neglect of services, reduction/no differentiation, problems of values, comparability ...

- **Better:**
  - Social Rights, 'De-Commodification' (s. Esping-Andersen)
  - Universality <-> Restriction, Pre-conditions, Contributions, means-adjustment/testing, Exit/Duration, volume of benefits
  - Pension, Sickness, Unemployment -> Index (weighted per-capita of people in need)
  - In praxis primarily: replacement ratio (of wages)

- **Stratification / Social Inequality, Poorness**
- **What is with families, informal solidarity, love... (?!)**
- **welfare / quality of life (Index) <-> UN**

---

Types of Welfare States / - capitalism (Esping-Andersen)

- **Social democratic (e.g. Sweden):**
  - High Degree of 'De-Commodification' and low stratification (unequality), universalistic social welfare for all citizens, high benefits ('folkhemmet'/ people’s home), social services mainly by state org., positive welfare culture, tax-financed, social exp. 30-40%/GDP

- **Liberal (e.g. USA):**
  - low de-commodification, high inequality as incentive, 'minimal state', market-orientation, free civic culture (donations/foundations), pluralism; social security for poor (less-eligibility/workfare; tax financing, less spending/provision of services but regulation, 10-20% / GDP

- **Conservative (e.g. Germany):**
  - middle de-commodification/stratification; principle of subsidiarity, familialism, paternalism (patron/client) to assure authority; status-/worker-orientation, social insurance, corporatism, self-organisation

- **(Residual or rudimental (South))**
Determinants of welfare-state-development

- Social Problems (poorness, unemployment, age, sickness...)
- Social and political disorder / conflicts
- Culture (z.B. rationalisation, values)
- Economic Development
- Demographic change
- parties, trade unions, interest associations
- Corporatism / structures of interest-organisation
- Institutions, Elites, bureaucracies
- path dependency, institutional dynamic, selfishness of institutions
- veto-points / joint-decision making system

Hypotheses & Evidence of welfare state research

- the strength of left parties and ratio of elderly population are positive correlated with de-commodification and social democratic regimes
- strength of conservative and catholic parties and authoritarian / statist structures are positive correlated with conservative regime and negative correlated with de-commodification
- Concerted Action of corporative-state-relations and corporatism are positive related to de-commodification
- federalism / veto-players constraining central welfare state interventionism and de-commodification
- weakness of left parties combined with economic strength encourage liberal welfare-state/capitalism regimes
Evidence: Social Exp. are the higher...

- the higher they have been in previous periods
- the more left-parties and Christian Democrats/middle-parties in government
- the higher economic development
- the higher unemployment and population ageing
- the higher the ratio of civil servants
- the more parties participating in government
- the fewer/weaker veto-players are (e.g. federalism)
- the older democracy (Schmidt, 2003, 1998 with OECD-data)

Public Health Expenditures are the higher ...

- the higher the GDP-per-capita in a state
- the higher the ratio of seniors per population
- the higher the number of physicians per capita
- the higher the ratio of state expenditures to GDP and public health services
- the older democracy
- if less cost containment like National Health Service

Some Welfare State Research-Critics

- Unclear or implicit theory (ideal- or real-types?)
- Neglect of political decision making and unintended effects
- Neglect of religion and state-church-relations
- Transfer- and state-bias / disregard of regional differentiation, social services and informal services
- Macro-Bias (z.B. sectoral and regional differences)
- disregard of associations
- disregard of inter- und intra-state-/cultural-heterogenity

Problems to compare Social Expenditures ...

Quelle: Alber 2003
Social Spending and economic development (1890-1989)

Growth of Social Spending / GDP and GDP in GE

Quelle: BMAS, Sozialrecht 2006: 953
Ageing and Expenditures on LTC (2000)

Quelle: OECD 2005

Social Spending and avoiding poverty

Source: OECD project on income distribution and poverty; OECD (2004). Social Expenditure Database.
poverty rate of population in the EU25 (2001)

Source: EU-Comm. Social Situation 2004, Eurostat

Ungleichheit der Einkommen (2001)

Anm.: Verhältnis des Gesamteinkommens von 20 % der Bevölkerung mit dem höchsten Einkommen (oberstes Quintil) zum Gesamteinkommen der 20 % der Bevölkerung m.d. niedrigsten E. (unterstes Quintil).
Quelle: Eurostat
Social Expenditures as Percentage of GDP

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<tr>
<th></th>
<th>2000</th>
<th>2003</th>
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Quelle: Obinger/Starke PVS Sonderheft 2007: 478

Günter Roth
GDP per capita in PPP (2005) (EU15=100)


PPP=Purchasing Power Parity
Source: Eurostat


Source: EU-Comm. Social Situation 2004, Eurostat

AT Austria  BE Belgium  BG Bulgaria  CY Cyprus  CS Czech Republic  DE Germany  DK Denmark  EE Estonia  EL Greece  ES Spain  FI Finland  FR France  HU Hungary  IE Ireland  IT Italy  LU Luxembourg  LV Latvia  LT Lithuania  MT Malta  NL Netherlands  PL Poland  PT Portugal  RO Romania  SE Sweden  SI Slovenia  SK Slovakia  TR Turkey  UK United Kingdom

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<th>Unemployment</th>
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<td>3.5</td>
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Quelle: EU-Kommission, www.sozialpolitik-aktuell.de
Total Expenditure on Health % of GDP

10.6
9.7
9.3
8.4
8.2
8.1
7.7
7.3
6.7

Germany
Greece
France
Denmark
Netherlands
Italy
Austria
United Kingdom
Finland

Source: OECD Health Data 2004

Public Expenditure on Health as % of GDP

8
7.2
6.8
5.9
5.9
5.6
5.3
4.6

Germany
France
Denmark
Italy
United Kingdom
Austria
Netherlands
Finland
Greece

Source: OECD Health Data 2004
Out-of-pocket payments as a percentage of total expenditure on health, 1990-1998*

Percentage of total health expenditure (taxation against social insurance) in EU

Note: *Except B: 1996; E, D, I, L, P: 1997; Source: OECD Health Data 2001
LTC-Expenditures

United Kingdom
Finland
Germany
Austria
France
Italy

LTC-Provision in OECD


Ratio of Elderly (65+) in % (1990 u. 1995)

Life-Expectancy by Birth (2002) (Female)

Quelle: Eurostat

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Life-Expectancy by Birth (2002) (Male)

Source: Eurostat

'Demographic Burden' (young and old / working-popul.) (1999)
ratio of children in day-care

Source: OECD 2001

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References

- OECD (2005): Long-Term Care for Older People, Paris.