
Reframing Social Policy: From Conservatism to Liberal Communitarianism

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1. Introduction

“Ideas are the very stuff of politics. People fight about ideas, fight for them, and fight against them. Political conflict is never simply over material conditions and choices, but over what is legitimate. The passion in politics comes from conflicting senses of fairness, justice, rightness, and goodness. ... Political fights are conducted with money, with rules, with votes, and with favors, to be sure, but they are conducted above all with words and ideas” (Stone 2002: 34).

Despite the central importance of ideas in democratic politics, and the significant role of ideas and political discourse in classical sociological writings, they have played only a minor role within the discipline of political science in general, and especially in (comparative) welfare state research until the 1990s (for overviews see Campbell 2002 and Béland 2005). In regards to welfare state reform analyses institutionalist and structural approaches dominate the literature. According to institutionalist approaches significant social policy reforms in Germany are said to be highly unlikely due to various veto players, the large welfare state clientele, and the specific party competition between two welfare state parties (cf. Pierson 2001). Structural analyses measure the extent of reforms in relation to the effective solution of identified ‘problems’ and often conclude that reforms have not gone far

enough or were ill-designed (cf. Streeck/Trampusch 2005). Despite their merits, these approaches are insufficient to answer the question, why change occurs in the first place and what meaning it has. In this paper I will not theorize about the opportunities or obstacles and the adequacy or inadequacy of reforms, but demonstrate in how far the normative and ideational foundations of social policy in Germany have changed significantly since the ‘golden’ era of welfare state capitalism. For this purpose I will first outline the relevance of social constructivism to social policy analysis; second, I will characterize the ideal normative foundation of the conservative welfare state in the ‘golden’ post-World War II era, before scrutinizing the new ideational framework increasingly guiding the reforms since the 1980s. This section mainly builds on a content analysis of party programs and parliamentary debates. Finally, I argue that the ideational basis for the German welfare state is no longer Conservatism, but Liberal Communitarianism.

2. Social Constructivism and Social Policy Analysis

According to the public policy literature ideas are primarily of relevance in the process of agenda setting. They are said to determine the problem definition and policy options (Kingdon 1995). Problems are not a natural given or “mirrors of objective conditions”, as many welfare state analysts (implicitly) argue, but are “projections of collective sentiments” (Hilgartner/Bosk 1988: 53; cf. Blumer 1971); or in the words of Majone (1989: 23 f.), “[o]bjective conditions are seldom so compelling and so unambiguous that they set the policy agenda or dictate the appropriate conceptualization.” Therefore, although ‘objective’ challenges may contribute to the instability of an institutional equilibrium, they are not directly causal for policy change. This approach to policy analysis is rooted in the sociology of knowledge, initially developed by Karl

Mannheim (1964), whereby 'reality' is socially constructed. The philosopher Ian Hacking (1999) demonstrated that the perception of what constitutes 'reality' depends on conceptualizations of 'facts' and of the processes used to measure them. If we talk about 'facts' or 'problems' challenging the welfare state and if we want to know whether they have any influence on the development of future policies, we must first determine whether these 'facts' or 'problems' are 'real' in the political world. Hence, this approach further builds on the so-called Thomas Theorem: "If men define situations as real, they are real in their consequences" (Thomas 1951: 51). In other words, independently of 'objective' challenges, if political actors do not perceive these challenges as 'real', they do not have 'real' consequences for policymaking.

Political scientists Goldstein and Keohane (1993: 8-11) analytically differentiate between 'world views', 'principled beliefs', and 'causal beliefs.' They suggest that world views "are embedded in the symbolism of a culture"; examples include the spectrum of religions, but also modern scientific rationality. Principled beliefs consist of "normative ideas that specify criteria for distinguishing right from wrong and just from unjust", while causal beliefs are "beliefs about cause-effect relationships which derive authority from the shared consensus of recognized elites ... Such causal beliefs provide guides for individuals on how to achieve their objectives." Blyth (2001) developed the categories of 'ideas as blueprints' and 'ideas as weapons', which allow agents to challenge existing institutions by defining not only the causes of a perceived problem, but also the solutions for dealing with them. Finally, 'ideas as cognitive locks' set the boundaries for policy-making.

These various conceptualizations of the role of ideas are deeply intertwined and largely constitute the concept of 'interpretative patterns' to be used in this essay. Interpretative patterns "combine various themes, set preferences among them, link the positions (pro or

con) with the various themes, and set the various themes in relation to abstract values, which at the same time connect the themes on a generalized level” (Gerhards 1995: 224; transl. msk). Interpretative patterns emerge out of, or are the result of, power struggles within the political discourse. In this respect, party competition constitutes an important factor in Germany (Seeleib-Kaiser 2001; Bleses/Seeleib-Kaiser 2004). To summarize, the role of ideas reaches well beyond the agenda-setting phase in the policy cycle, as they are embedded in the institutional policy design as well as giving meaning to specific policies and their alternatives; (cf. Béland 2005; Bleses/Seeleib-Kaiser 2004; Nullmeier/Rüb 1993).

3. Normative Foundations of the Conservative German Welfare State

The German post-WW II welfare state can be characterized as a conservative welfare state, as it was built on principles of social integration and stability, not on redistribution between classes, or the alleviation of poverty. This approach was largely rooted in the teachings of the Catholic Church with the principle of subsidiary at its core. Based on this philosophy, the smallest viable entities of society are responsible for their members. Closely connected with this principle was the principle of maintaining status differences. Accordingly, it seems legitimate to differentiate, for example, between white-collar and blue-collar workers and to emphasize the strong role of families or other communal groups. The role of the state is to protect these entities, and if necessary, to provide the support for them to carry out their responsibilities (cf. Nell-Breuning 1957; Spicker 1991; Waschkuhn 1995). This role stands in stark contrast to the role played by the state in both ‘liberal’ as well as ‘social-democratic’ welfare regimes. In social-democratic welfare regimes, it is the state’s responsibility to provide universal social benefits as well as to deliver social services to its

citizens. In liberal welfare regimes, state intervention is residual and primarily focused on providing means-tested benefits to the ‘deserving poor’ (Esping-Andersen 1990; 1999).

A wage earner-centred social policy, applying de facto largely only to *male* breadwinners, coupled with a sphere of unpaid welfare work, provided mainly by women, characterized the design of the post-World War II German welfare state. Such a wage earner-centred social policy is rooted in the general acceptance of specific normative preconditions. First, the worker must be accepted as an insurable individual; in other words, he is no longer seen as part of an anonymous proletariat. Secondly, the risks to be insured must, in principle, not be perceived as being attributed to any fault of the individual, despite the fact that the risks affect workers individually. Following on from these two preconditions is the *conditio sine qua non*, whereby an individual cannot freely choose between income from work and social income. Moreover, persons of working age must effectively demonstrate that they are willing to work in order to receive social benefits. The level of social income to which the individual is entitled is based on his prior wage earnings, thereby extending wage differentials into the realm of social insurance benefits (Vobruba 1990). Thus, the foremost aims of the German social insurance schemes were inter-temporal redistribution within the life course (not inter-personal redistribution), and the entitlement of derived benefits to family members. The *leitmotiv* of post-war social policy expansion was to secure the ‘achieved living standard’ (*Lebensstandardsicherung*) of the male breadwinner and his family during old age, disability, sickness, and unemployment. A precondition for this system to work was full employment on the basis of standard employment relationships (Mückenberger 1985).

The pension reform of 1957 is a prime example for this normative logic. The central aim of the 1957 pension law was – in the words of Josef Schüttler, the

CDU politician and responsible committee correspondent to the German Parliament – “to achieve a clear distinction between insurance and social assistance. . . . [The old-age insurance] was to be transformed from a minimal allowance of the past into a benefit for the future which could maintain the living standard” (Stenogr. Prot. 2/184: 10181; transl. msk). The pension reform raised the old-age benefits and indexed them to future increases in gross wages. After further benefit increases, the net-income replacement ratio reached 70 per cent for a standard pensioner (*Eckrentner*) by the mid-1970s (Schmähl 1999: 405). This level of wage replacement symbolizes the core aim of the old-age and disability insurance scheme – namely, to guarantee that the insured person maintains the same standard of living during his retirement as he enjoyed during his years of employment. Consequently, pensioners could rely primarily on their old-age insurance benefits, whereas before a substantial segment of senior citizens was dependent on means-tested social assistance (Leisering/Leibfried 1999).

Examining the institutional arrangements for insuring against the risk of unemployment a similar design is unveiled: the unemployment insurance system was normatively bound to insure the worker’s standard of living should he lose his job. Once again, the unemployment benefit was intended to replace wage income and was supposed to be clearly separate from social assistance benefits. By the mid-1970s, the replacement income for those individuals receiving the regular unemployment insurance benefit reached 68 per cent of prior net earnings. This level was to ensure a relatively stable income for workers during spells of unemployment. ‘Suitable work’ was defined in such a way that an unemployed worker did not have to accept a job which either paid less or was in a different occupational field to his previous job (Sengenberger 1984: 334; Clasen 1994: 101). Politicians involved in the design of the reformed unemployment program argued that the high benefits would not disincline

workers to search for a new job. Moreover, they maintained that the majority of workers had proven their strong work ethic in the past and unemployment was mainly caused by economic circumstances (cf. Stenogr. Prot. 5/95: 4335 ff.).

To summarize: Social policy experts in the ‘golden era’ of post-World War II capitalism were of the opinion that an improved social insurance system would eventually cover the standard social risks of workers to the point whereby social assistance in terms of providing a minimum subsistence would ultimately become residual (Giese 1986).

As indicated above, the architecture of the German welfare state in the ‘golden’ post-World War II era was not only based on insuring against the standard risks of wage earners, but was also anchored in preserving the functionality of an ideal standard family. Constitutionally, the state is obliged to protect the family as an institution. Through the institution of the family, the housewife and dependent children are entitled to social insurance benefits derived from the male breadwinner’s employment relationship (cf. Herlth et al. 1994).

For a long time, the normative view held that it was the ‘natural’ role of mothers to care for their children. Although the dominant Christian Democratic Party (CDU) was the primary promoter of the ‘natural’ role of mothers, the gendered division of labor was also explicitly and widely accepted by the Social Democratic Party (SPD) (Moeller 1993). Both parties agreed on the general policy goal, whereby families should be supported in such a way that a mother should not have to work out of economic necessity (cf. SPD 1952/54: 618; CSU 1957: 618). The dominant view among Christian Democrats – based on the principle of subsidiarity – was that the state should not interfere in the *internal* affairs of the family. A key responsibility of the family was to bring up children, while the state was responsible for protecting the family as an institution. With regard to children, the state’s primary function

was to provide formal education. Many considered state childcare facilities to be harmful to the personal development of children, especially pre-school children (Moeller 1993).

To summarize: The normative design of the German welfare state did not challenge social stratification, moreover, it extended status differentials into the realm of the public social benefit system and prescribed a key role to the institution of the family, thereby aiming at a high degree of social integration and stability. Indeed the promotion of social integration and stability constituted the central principled belief setting the boundaries of social policy development up until the mid-1970s.

4. Changing Interpretative Patterns¹

Since the 'golden' welfare state era came to an end, the interpretative patterns guiding welfare state development have changed considerably. Although these patterns began to unravel since the mid-1970s, they were questioned fundamentally since the late 1990s. Starting in the mid-1970s the Christian Democrats charged that the governing Social-Liberal coalition had overextended the welfare state and that this development had to be stopped, because in their view government intervention was crippling business investments (and international competitiveness). The Christian Democrats therefore deemed it both logical and necessary to call for certain social benefits to be cut (cf. Steno. Prot. 7/199: 13646) and market principles to be strengthened. Contrary to the overall approach towards social policy retrenchment, they called for an expansion of family policy (CDU 1978: 147; CDU/CSU 1983: 73), based on the concept of the 'new social question', developed by the Secretary General of the CDU, Heiner Geißler. In his view, the historical conflict between capital and labor had been largely solved, but

¹ This section draws heavily on previous collaborative work with Peter Bleses (cf. Bleses/Seeleib-Kaiser 2004).

those groups who were not organized within society, especially mothers and families, had been neglected and discriminated against. Hence, social policy should be focused more clearly on helping the 'truly' needy.²

The interpretative patterns to reduce overall cost in an era of globalization while at the same time focus more resources on families have emerged as dominating the political discourse over the following decades. More recently the demographic development, i.e. an ageing and declining population, has moved to the fore as a core challenge for the welfare state. It is interesting to note that the process of German unification by-and-large was not perceived to constitute a social problem for the German welfare state within the political discourse, despite the fact that billions of Euros are transferred annually from the 'West Germany' to subsidize insurance benefits in 'East Germany'; without these transfers the 'West-German' old-age insurance would generate annual budget surpluses of around 10 billion Euros until 2015. Furthermore, the failure to integrate a large proportion of ethnic minorities/immigrants into German society, as it is e.g. reflected in educational attainment and labor market statistics, was not heavily debated in the welfare state reform discourse as constituting a social problem that needs to be addressed by politics.³

Although the identification of globalization as a problem for the German welfare state had almost vanished from the political agenda, once the conservative coalition of Christian Democrats and Liberals came to power in 1982, globalization once again powerfully resurfaced starting in 1993. It was argued that the increasing social insurance contributions undermine the competitiveness of German companies in an era of globalization; accordingly the increase in social insurance contributions needed to be reversed through a retrenchment of benefits. This interpretative

² For a detailed elaboration of the concept see Geißler (1976) and Dettling et al. (1977).

³ These issues are further elaborated in Seeleib-Kaiser (2007).

pattern soon dominated the governing coalition's justifications for the proposed social policy changes during the rest of the 1990s. The Social Democrats initially rejected the argument that in order for Germany to stay competitive internationally, social insurance contributions had to be reduced. However, during the second half of the 1990s, they and the Green Party finally accepted the idea. However, it must be stressed that the two main welfare state parties of Christian Democrats and Social Democrats still upheld the general consensus that social policy not only creates costs, but also contributes to competitiveness. What was at stake, was not the overall incompatibility of a comprehensive social policy approach in an era of globalization, but the specific financing structure and concomitantly the level of publicly provided social (insurance) benefits. In other words, the overall interpretative pattern merged 'new' causal ideas with 'old' principled ideas (cf. Seeleib-Kaiser 2001).

Although the struggle among Social Democrats about the future programmatic direction of social policy is ongoing, the majority of the SPD has departed from long-held programmatic positions. In the late 1990s, the interpretative pattern with regard to social policy, which called for social insurance contributions to be cut, was complemented (and to some extent substituted) by a new (at least for Social Democrats) interpretative pattern, stressing the benefits of market mechanisms and personal responsibility (cf. SPD 1998; 2002). In the spring of 2003, in a widely-received parliamentary speech outlining the future policy direction and entitled 'Agenda 2010', Chancellor Gerhard Schröder declared:

"We will accomplish tremendous budgetary savings by restructuring the social security system and reducing bureaucracy. Yet, it will be inevitable to cut benefits ... The people in the factories and offices expect us to reduce the tax and social insurance burden. ... With our policies for a renewal of the social security system we will reduce the additional wage costs by reducing the

social insurance contributions.” (*Sten. Prot. 15/32: 2489; transl. msk*)

Adopting this approach towards social policy meant that the Social Democrats moved towards the social policy positions articulated by Christian Democrats since the mid-1970s – namely, the need to reduce government intervention and promote more personal responsibility. In its 1998 election platform, the CDU/CSU (CDU 1998: 4; transl. msk) proclaimed:

“The costs levied on work are too high in Germany. We will continue to comprehensively reform our social security system towards enhancing personal responsibility and private arrangements as well as strengthening efficiency. At the same time no one should be overburdened. We want to reduce the [combined] social insurance contributions to below 40 per cent by 2002.”

The interpretative pattern calling for a reduction in social insurance contributions as well as of the overall level of government intervention, while promoting more personal responsibility constitutes the overall normative frame. But it does not give sufficient information for interpretative patterns used in specific social policy areas. The following section analyses the specific interpretative patterns that have emerged over the years in the policy areas of labor market, pension, and family policies.

Over the past three decades, the specific political discourse in regards to changes within the field of labor market policies was dominated by three sets of arguments:

- the need to control budgetary expenditures, which over the years was increasingly interwoven with the need to reduce social insurance contributions;
- the need to combat benefit abuse; and
- the restoration of a functioning labor market with a concomitant decrease in the responsibility of the state for a full-employment economy on the basis of standard employment relationships (cf. Lantzsch 2003).

In addition to the need to reduce expenditure, the Christian Democrats sought to justify cuts by drawing on allegations that the system was being abused by people drawing unemployment benefits and by participants of active labor market programs.⁴ Fighting abuse could easily be intertwined normatively by the CDU with the demand to target social policy on the ‘truly needy’, since people abusing programs are obviously not really in need of social benefits or services. In its 1983 election platform the CDU/CSU (1983) accused the SPD of having ruined state finances and undermined the foundations of social policy. Accordingly, the CDU/CSU declared that certain restrictions in social policy would be necessary to secure jobs and preserve the financial foundations of the social safety net for the future. Reducing the state deficit and promoting price stability would be crucial factors of the CDU/CSU’s overall strategy. Their credo was: *achievement must pay*. They saw the ‘free’ development of the labor market – based on the motto “more market mechanisms on the labor market” (Bleses/Rose 1998: 122; transl. msk) – as the solution to economic and labor market problems.

After the SPD was forced into opposition in 1982, they called for an expansion of public (work and employment) programs to combat the increasing unemployment and to protect the social security system.

⁴ For analysis of the political debate on benefit abuse see Oschmiansky (2003), who identified specific cycles that correlated with levels of unemployment and the overall economic situation, as well as electoral cycles.

The issue of social justice was central to the SPD's 1983 election platform. The party proclaimed the policies of the 'new' Christian-Liberal coalition government as being 'unfair' (*unsozial*). Furthermore, the SPD demanded an end to the policy of budget cuts and the enactment of a deficit-financed employment program. Indeed, they continued to promote this 'traditional' approach throughout the 1980s (SPD 1982; 1986; 1988).

For a brief period during the unification process of the early 1990s, the need to control costs did not seem to play a role in regards to labor market policies. In effect the CSU Finance Minister, Theo Waigel, declared:

"I stand by every German mark that we have spent for German unity since 1989. ... I am especially not ashamed because I have done everything necessary and possible for German unity. ... To be able to give 17 million people their freedom is worth the price that we are currently paying in Germany." (*Sten. Prot. 12/161: 13734; transl. msk*)

However, only shortly afterwards cost containment and subsequent cuts in unemployment insurance programs were once again forcefully and explicitly linked to the 'necessity' of reducing social insurance contribution rates in an increasingly globalized economy (Seeleib-Kaiser 2001). The Social Democrats continued to vehemently oppose cuts in unemployment and social assistance benefits and reasoned that such an approach would lead to decreasing domestic demand.⁵ Whereas the ruling conservative coalition was arguing:

"We must exit the vicious circle of increasing social insurance contributions and increasing unemployment. ... With this labor market policy reform we will save 17 billion German marks annually in the budget of the

⁵ Cf. the parliamentary speech by the SPD Governor of the Saarland Oskar Lafontaine in October 1993 (*Sten. Prot. 12/182: 15663*) as well as the speech by the SPD MP and spokesperson for finance, Ingrid Matthäus-Meier (*Sten. Prot. 12/171: 14697*).

Federal Employment Service. ... This will lead to new jobs.”⁶

After coming to power in 1998, the SPD slowly, and not without contradictory statements and internal conflicts, moved towards a more market-oriented approach in labor market policies. A first and crucial step was their explicit rejection of deficit-financed employment programs in the 1998 election manifesto (SPD 1998: 21). Furthermore, they stressed the need to integrate the social assistance and unemployment assistance programs (SPD 2002: 25).

During the first years in office, the concrete labor market policy approach within the SPD and the Green Party was still heavily contested (cf. Heinelt 2003). At times, SPD Chairman and Chancellor Gerhard Schröder acted as a policy entrepreneur stressing the principle of self-responsibility of the unemployed. This culminated in a headline by the tabloid *Bild* in April 2001, which quoted the Chancellor as saying: “There is no entitlement to laziness in our society. This means: every unemployed person who rejects a suitable job offer should face benefit reductions” (cited by Buhr 2003: 157; transl. msk). After years of debate, the so-called modernizers within the SPD finally succeeded with their view that it was necessary to increase pressure on the unemployed, while at the same time introduce more market mechanisms with regard to active labor market policies. Most of these proposals became part of the Hartz Commission Report (2002).

Not only did the Red-Green coalition in principle accept market solutions, but concomitantly put an end to the principle of guaranteeing the ‘achieved standard of living’ for the (long-term) unemployed. However, withdrawing from the guarantee of the achieved living standard was not core to the interpretative pattern; moreover, benefit abuse by unemployment benefit recipients was once again part of the overall arsenal of

⁶ FDP-MP Babel (Sten. Prot. 13/155: 14012; transl. msk); for similar arguments see CDU/CSU MP Schemken (Sten. Prot. 12/113: 9610).

arguments used to justify labor market changes. Wolfgang Clement, the Economic and Labor Minister, justified the clauses redefining the suitability of work – for example, those clauses defining temporary work, in principle, as suitable, and clauses requiring the unemployed to prove that a job offer was unsuitable – by pronouncing them as measures designed to combat benefit abuse (cf. Sten. Prot. 15/8: 393). The opposition applauded the efforts of the Red-Green labor market policy to enforce greater individual responsibility on the part of the claimants.⁷

Within the debate, the aim to protect the achieved living standard of unemployed workers and the logic to differentiate between earnings-related and social assistance benefits were not any more at the core of the interpretative pattern guiding labor market policies. Moreover, the need to control costs, reduce social insurance contributions, provide market incentives, enforce greater individual responsibility, and to limit abuse of the system became central elements in framing the policy changes implemented during Christian Democratic and Social Democratic tenure in government. By the late 1990s and early 2000s, the Social Democrats had to a large extent accepted many of the arguments previously brought forward by the Christian Democrats. It does not seem very likely to see a return to the ‘old’ conservative interpretative pattern.

In principle the overall interpretative pattern in regards to the pension system stayed more or less stable until the late 1980s (cf. Marschallek 2004). The reforms until then were largely legislated in a bi-partisan manner and focused on minor benefit reductions for future beneficiaries as well as the introduction of child-care credits for parents caring for small children. The latter were justified as measures supporting families (especially mothers) and hence in line with the overall policy to improve family policies. In 1986, Norbert Blüm, the CDU-Minister for Labor and Social Affairs,

⁷ Cf. FDP-MP Dirk Niebel (Sten. Prot. 15/8: 410).

declared that the introduction of the child-rearing credits brought to an end a 100-year-old social injustice within the pension system:

“I am proud that child-rearing credits are being introduced into the pension law today. ... Wasn’t it a kind of blindness that children, who are the precondition for the fact that pensions can still be paid the day after tomorrow, were not recognized in the pension system before? The children of today are the contribution-paying workers of tomorrow. Progress only occurs incrementally. We still have not solved all the problems, but we have made a major step today.”
(*Sten. Prot. 10/147: 10942; transl. msk*)

The SPD in principle supported this approach, but called for some improvements in terms of generosity. Furthermore, the SPD demanded the introduction of a minimum pension benefit within the old-age insurance scheme.⁸

By the late 1990s the issue of publicly guaranteeing the achieved living standard for pensioners had moved to centre stage of the pension debates, although the CDU Minister for Labor and Social Affairs stressed that the Pension Reform 1999, which reduced the monthly benefit for a standard pensioner from 70 per cent to 64 per cent of the previous income, did not constitute a pension cut. Blüm explained:

“The level and the duration of the benefit receipt determine the overall pension benefit. If the duration increases, the overall benefit expands. If one has to distribute 10,000 German marks over ten years, one will end up with a different annual amount than if one had to distribute the same total amount over 12 years. The overall pension benefit will not be cut; it will only be distributed over more years.” (*Sten. Prot. 13/198: 17874; transl. msk*)

⁸ Cf. Dreßler (*Sten. Prot. 11/174: 13111*).

The coalition argued these changes were necessary for two reasons. Firstly, it was about controlling and reducing the social insurance contributions in order to preserve jobs in Germany⁹ – in other words, the coalition used globalization as a causal argument. Secondly, members of the coalition emphasized that the need to reduce the monthly benefit was rooted in the principle of equity among the generations. They argued the younger generation could not be expected to shoulder the burden of demographic changes on their own by constantly paying higher social insurance contributions (cf. Sten. Prot. 13/198: 17880).

The SPD opposition fiercely criticized this reform. In their view, there was no necessity to once again reform the pension system. The SPD heavily attacked the governing Christian-Liberal coalition for introducing the ‘demographic factor’, which would eventually lead the state to withdraw its guarantee to maintain the achieved living standard.¹⁰ In their 1998 election platform the Social Democrats pledged that once they were elected they would immediately reverse the 1999 Pension Reform and reinstate the old benefit level. Although they stressed that they would continue to guarantee the achieved living standard, they also emphasized that the public old-age system should be complemented by fully-funded private and occupational schemes (SPD 1998: 28 f.). The CDU/CSU (1998: 21) also called for an increase in the incentives for broadening the reach of private and occupational pension schemes.

The governing Red-Green coalition justified the ensuing comprehensive pension reform of 2001, which led to a partial privatization, by using the argument of ‘equity among the generations’, i.e. by using demographic change as an argument, as well as the necessity to reduce the level of social insurance contributions. In the future, the living standard of senior citizens could only be preserved if, prior to retirement,

⁹ Cf. Babel (Sten. Prot. 13/198: 17856).
¹⁰ Cf. Dreßler (Sten. Prot. 13-198: 17685).

people also participated in (state-subsidized) private or occupational pension plans. Walter Riester, SPD Minister for Labor and Social Affairs, and architect of the structural pension reform, stated in parliament:

“As necessary and as painful as it was in the past to indicate that the statutory pension system alone can no longer guarantee the achieved living standard ..., we can declare today that those who participate [in private or occupational plans] will have a significantly higher overall old-age income.” (*Sten. Prot. 14/147: 14428; transl. msk*)

The Social Democrats justified the 2001 pension reform by arguing that it “promoted individual responsibility, stabilized social insurance contribution rates, avoided poverty, [and] increased the income security of women during old age”¹¹ The Christian Democrats did not ideologically oppose the general reform path, including the partial privatization. Their main criticism was that the newly-introduced minimum benefit would undermine the legitimacy of the contribution-based financing mechanism of the public scheme.

To summarize the dominant interpretative pattern was as follows: Based on the ‘need’ to limit social insurance contributions and the notion of burden sharing among the generations, reducing future benefit levels was perceived as justified. Workers could only hope for a combined benefit level that would preserve their achieved standard of living during retirement if they participated in voluntary private or occupational schemes. Thus, the need to limit social insurance contributions and to achieve equity among the generations justified the withdrawal from *publicly* guaranteeing to maintain the achieved living standard.

The debate on family policy differed greatly from the patterns dominating the discourse on wage earner-

¹¹ SPD-MP Lotz *Sten. Prot. 14/147: 14406*; cf. also parliamentary statement by the Green-MP Göring-Eckardt *Sten. Prot. 14/147: 14423*.

centered policies. In the 1970s the Christian Democrats successfully constructed a new interpretative pattern, whereby the mother (parents) should have the right to choose whether *to work* or *not to work* and fully commit herself to child rearing. This programmatic stance clearly deviated from the traditional role the Christian Democrats had ascribed to mothers and at the same time repudiated the Social Democrats' view that certain family benefits should be primarily focused on the 'working' mother. The Christian Democrats also called for family policies to be expanded – a call based on their traditionally strong commitment to the family as the core institution of society. Due to structural discrimination, so their argument ran, the institution of the family was in immediate need of more support. The wage earner-centered social policy of the past had, in the view of the CDU, fundamentally neglected the needs of the family (Bleses/Rose 1998: 293 f.). Once again we find principled ideas closely linked with causal ideas being used as a political weapon.

Finally, the Christian Democrats accepted that various 'new' forms of responsibility existed within the family and they dropped their traditional conceptualization that it was the primary responsibility of the mother to take care of the children. In their view, it should be up to the parents to decide how to reconcile work and family. By changing their programmatic stance the Christian Democrats positioned themselves politically as a party capable of modernization. Beginning in the second half of the 1980s, the Social Democrats and the Green Party slowly began to accept the interpretative patterns of the CDU, which were, to some extent, reinforced and promoted by the various rulings of the Federal Constitutional Court (Lhotta 2003).

While the Social Democrats initially opposed the introduction of the parental leave and the parental (leave) benefit, which they said constituted an unfair

leveling of benefits,¹² the Christian Democrats were able to position themselves as innovators. The CDU Minister of Family Affairs stated the following:

“For us, family work and child rearing is as important as wage labor and hence should be acknowledged by the state in a similar fashion. ... Those who do not accept this discriminate against a considerable proportion of women and have still not arrived in this century. ... Fathers can also receive the parental benefit. This is also new. Fathers carry the same responsibility for the upbringing of children as mothers. With this law, the federal government repudiates the concept of publicly decreeing the division of labor within the family.” (*Sten. Prot. 10/157: 11786; transl. msk*)

Only a few years later the SPD largely accepted the arguments put forward by the Christian Democrats for expanding family-oriented policies. The SPD’s only criticism was that parental leave and the parental (leave) benefit should be expanded faster than the government proposed.¹³

In the course of reforming the abortion law in the wake of the unification process both parties agreed, that childcare facilities ought to be expanded, reasoning that if every child between the ages of three and six were entitled to a place in a childcare facility the number of abortions would fall. Improved childcare facilities would also make it easier for parents to reconcile their work and family obligations.¹⁴ The reconciliation of family and work responsibilities became the focal point for the reforms in the realm of family policy in the coming years. The new option to reduce working hours and at the same time enjoy part-time parental leave, introduced by the Red-Green government, as well as the introduction of an entitlement to part-time employment were heralded as major steps towards enabling fathers to become more involved in child rearing. Finally, the

¹² Cf. *Sten. Prot. 10/157: 11805, 11794, 11814 f.*

¹³ Cf. *Sten. Prot. 11/143: 10674 f.; 11/150: 11265 f.*

¹⁴ Cf. the parliamentary debate on the reform of the abortion law *Sten. Prot. 12/99.*

Red-Green coalition charged that the former coalition government, especially the CDU, had pushed mothers out of the labor market due to the inflexibility of the existing parental leave provisions. The new SPD Minister for Family Affairs, Bergmann, stated in parliament: “This law will create freedom of choice with regard to the division of labor within the family; the old inflexible system of parental leave will belong to the past” (Sten. Prot. 14/115: 10943; transl. msk). In the 2002 election, both parties tried to out compete each other on proposals to improve family policies; whereas the Social Democrats favored an expansion of childcare facilities, the CDU proposed to significantly increase transfer payments to families (cf. Bleses/Seeleib-Kaiser 2004: 139).

At the turn of the century, it has become a hegemonic interpretative pattern among policymakers that families need more support from the state. Both parents should be able to reconcile paid work and family obligations. Increasingly demographic concerns entered the family policy debates. For instance, in 2004 the SPD Minister for Family Affairs Renate Schmidt argued that child-care services had to be improved as this would lead to an increase of the very low fertility rate in Germany (Sten. Prot. 15/135: 12283; cf. BT-Drucks. 16/9299). This argument was also core to the 2006 parliamentary debate on the reform proposal to introduce an earnings-related parental benefit.¹⁵

The political discourse on family-oriented benefits clearly demonstrates that initial differences between the parties can be overcome over time and can lead to the construction of new general interpretative patterns guiding social policy development. The Christian Democrats were successful in effectively pushing two interpretative patterns: firstly, families should have the right to determine their individual division of labor with regard to child rearing and secondly, scarce financial resources should be focused on the ‘truly needy’. The

¹⁵ Cf. BT-Drucks. 16/2454; Sten. Prot. 16/55: 5353 ff.

SPD (and the Green Party) proved quite successful in establishing the interpretative pattern, that it was necessary to improve the options for parents to better reconcile family and employment obligations.

The analysis has shown that political actors have increasingly perceived globalization; an over expanded welfare state; demographic developments; and the needs of families as social problems that require a change of public policies – insofar, the arguments brought forward within the political discourse can be understood as causal ideas. At the same time some of the previous principled ideas were challenged, e.g. to publicly guarantee the achieved standard of living during old age or the ‘natural’ role of mothers to care for children. As has been shown party competition was crucial to the redefinition of the overall interpretative patterns governing social policy.

At this point in history, however, one can only speculate about, why the two welfare state parties have changed their interpretative patterns. Did the parties indeed perceive the identified social problems as ‘objective’ problems and the proposed policies as without any alternative? Did they want to achieve a strategic advantage in electoral politics by using a certain idea as a weapon, without being convinced of its normative value? Did the Social Democrats converge on certain interpretative patterns previously put forward by their main competitors, the Christian Democrats, as part of an office-seeking strategy? Were we witnesses of a contagion effect coupled with knowledge diffusion, whereby political actors perceived policies implemented in other countries as being more effective, contributing to a process of policy learning? There seems to be some evidence that all of these factors have played a role, however, only once the archives are fully accessible, will we be able to answer these questions with a high degree of certainty. Notwithstanding the uncertainty in regards to the specific reasons for the change in interpretative patterns, the ‘new’ interpretative patterns put forward in election manifestos and parliamentary

debates have shaped policy outputs (cf. Seeleib-Kaiser 2002; Bleses/Seeleib-Kaiser 2004).

5. Conclusion: From Conservatism to Liberal Communitarianism

Overall we can conclude that social policy in Germany is no longer primarily based on traditional conservative interpretative patterns that have guided the development until the 1970s, moreover, we see an increased emphasis on market mechanisms in employment as well as in pension policies, a stronger emphasis on focusing public resources on the ‘truly needy’ on the one hand and supporting private arrangements on the other. Although this is also very much in line with proposals put forward by communitarians along the lines of rights and responsibilities (Etzioni 1993),¹⁶ I would argue that they do not fundamentally differ from liberal approaches to welfare. According to Esping-Anderson (1990: 26f.) “means-tested assistance, modest universal transfers, or modest social-insurance plans predominate [in liberal welfare states] ... benefits are typically modest. In turn, the state encourages the market, either passively – by guaranteeing only a minimum – or actively – by subsidizing private welfare schemes.” Obviously, Germany has not over night become a liberal welfare state – social insurance still plays an important role especially for the short-term unemployed and current pensioners. Nevertheless, liberal ideas have become firmly incorporated in the respective interpretative patterns, triggering significant policy impacts. For instance workers with a history of atypical employment and the long-term unemployed have become increasingly reliant on means-tested

¹⁶ Especially, in regards to claiming unemployment benefits the concept of responsibilities has changed. In the past it was by-and-large sufficient to have contributed to the respective social insurance scheme to be entitled to quite generous earnings-related benefits, fulfilling this condition is more and more becoming insufficient, as the receipt of means-tested benefits can increasingly be made conditional on actively searching for employment or participating in ‘activation’ measures.

programs.¹⁷ *Future* pensioners with below average lifetime earnings most likely will have to rely on private schemes in order not to become dependent on social assistance (cf. Schmähl 2007).

However, family policy developments and justifications are not rooted in liberalism, but in communitarian approaches as spelled out amongst others by Amitai Etzioni (1993; 2001).¹⁸ It seems to be especially important to highlight that his normative arguments in favor of an expansion of public family policies¹⁹ largely parallel the arguments found in the party programs and parliamentary debates analyzed. Family in this new approach is conceptualized very differently from the conservative approach: Firstly, the family, understood as a core community, continues to have great significance in regards to providing services, but these services are now recognized in the unemployment and pension insurance schemes as being more or less equivalent to formal employment (at least for limited time periods). Furthermore, family members are entitled to time-off from employment to fulfill these tasks and are supported through statutory transfer benefits during periods of care. Secondly, the new conceptualization is normatively based on gender equality as the state does no longer prescribe a certain division of labor; moreover, it is up to the family members to decide the division of labor. To enable parents to make choices it is perceived necessary to improve the service infrastructure.

¹⁷ Since 2003, the majority among the unemployed only receive means-tested benefits (Seeleib-Kaiser/Fleckenstein 2007).

¹⁸ For a discussion of the concept of "family" among communitarians see Frazer (1999: 173-202).

¹⁹ Etzioni argues (2001: 23): "There should be no return to 'traditional' forms of family, in which women were treated as second class citizens. ... Fathers and mothers should have the same rights and responsibilities. Fathers obviously can look after children and women work outside of the household. A substantive step in the right direction will be made when laws that allow mothers of newborn children to take paid leave and have their jobs held for them for a given number of years are also applied to fathers. There is no one correct way to balance work and family; each person and couple must work this out. It is, however, in the interest of a good society to encourage and enable parents to spend more time with their children." Also see Gilbert (2002).

To sum up: If we take an integrated view of the welfare state encompassing the work-welfare as well as the care-welfare nexus the new interpretative pattern clearly deviates from 'conservative' *and* 'liberal' approaches to welfare and can more accurately be characterized as Liberal Communitarianism.

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