

Social Insurance as a Model for the Future - German and International Perspectives

The Bismarckian social insurance countries have met severe criticism in recent decades when compared to the universal (or social democratic) and the residual (or liberal) welfare regimes. Some claim that social insurance contributions are a drawback in an internationalised economy. Others claim that the equivalence principle of social insurance and its focus on wage earners violate aspects of social justice and redistribution. Furthermore, social insurance does not cover 'new social risks' because it is still centred on the wage earner model. Social insurance countries suffer from fiscal problems because mass unemployment and low economic growth erode their tax base.

Therefore, the project examines the social insurance model from a comparative perspective: To what extent do social insurance systems weather these challenges? Disregarding the discourse of crisis, what are the strengths of the system and what are the deficits? In short: What is the trajectory of social insurance?

Our research focuses on the performance and the reform options of the social insurance model. To this end, we will compare the social insurance systems of Belgium, Germany, the Netherlands, France and Austria with consideration of the following questions:

In a first step, we will look at the welfare systems in four policy fields, i.e. health, old-age, unemployment and care from the beginning of the 1990s up to the present day. The changes observed will be mapped along four dimensions: (1) access to benefits, (2) the mode of provision and coverage, (3) financing and (4) finally the way in which the relationships between the important actors are organised. This will provide the basis for investigating the way in which reform trends have changed the central characteristics of the social insurance model. What does the structure of the social insurance model look like today? How much have the basic principles changed in individual countries when compared to the ideal typical social insurance model? Are social insurance systems better adapted to the new challenges as a consequence?

Second, we are going to develop a set of indicators in order to measure the performance of modern social security systems according to three predefined normative standards: (1) a fair and sustainable mode of financing, (2) material well-being and social cohesion, and (3) individual social autonomy. This and the following step represent the core of the investigation. The concept of performance, which forms the basis of this project, goes well beyond established standards of economic efficiency. We will investigate the capacity of social insurance systems to guarantee an adequate level of provision for citizens in spite of increased labour-market flexibility. This can be seen as part of a strategy that combines security and flexibility ('flexicurity'). Given the differences in male and female career paths, this approach would lead to increased fairness in gender relationships.

Third, we will identify future reform options for the German model. The comparison with reforms in other social insurance countries opens new perspectives for the development of a German social insurance system that is based on the notion of solidarity. Furthermore, the problem of portability should be a minor issue since these countries have social systems that are in many respects similar to the German system.