

Attitudinal cleavages and the welfare state
A comparison between the United Kingdom and Germany

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Introduction

The welfare state represents one of the major integrative arrangements of modern democracies. It has an important impact on the redistribution of wealth and the structure of inequality. In some respects, the welfare state helped to heal social divisions or at least to mitigate social inequalities; not only in terms of material inequalities, but also in ideological and political terms. Although essential for the idea of the welfare state the society-wide support for such redistributive efforts cannot be taken for granted. Older collectivist thinkers of welfare were less concerned with these kind of problems. Marshall (1965, p. 97), for example, saw a “growing measure of agreement on fundamentals” with regard to the provision of services and the willingness of the citizens to contribute. Many of those on the Left but also New Liberals had a great faith in human public-spiritedness and the mobilisation of altruistic motivations. In the Beveridge plan one can find an expression of the self-esteem of that time: “The capacity and desire of the British people to contribute for security are among the most certain and impressive social facts” (Cmnd 6404, 1942, p. 119).

Since the comfortable mixture of economic growth and welfare state expansion has come to an end the welfare state has been subjected to a crisis discussion. Its integrative capacity and its ability to compromise different class interests have been doubted. It was assumed that pro-welfare-state orientations thrive under conditions of a prospering welfare state, whereas they “tend to decompose under zero-sum conditions” (Offe 1987, p. 530). Many commentators saw the end of the ‘welfare consensus’ and the rise of individualist and anti-collectivist ideologies which would turn against social protection and state intervention. It was assumed that the higher status groups will express their anti-welfare sentiments within the political arena, whereas the welfare beneficiaries of the lower status sections of the society might be the defenders of the welfare state. In this regard, it was widely assumed that people will support social institutions if they derive benefits from them. The “beneficial involvement” of social groups was seen as the crucial factor for the public standing of the welfare institutions. Special attention was given to the middle

classes: “The idea here is that if the middle classes benefit from programmes, then they will not use their not inconsiderable political skills to obtain more resources for those programmes or to defend them in periods of decline” (Goodin/LeGrand 1987, p. 210).

This paper sets out a comparative frame which charts the attitudinal stances towards the welfare state in Great Britain and Germany with a special focus on group differences. Following the argument made before, the institutional architecture is viewed as a decisive component which conditions the self-interest motives of the population. But moreover, it carries ideological and ideational notions which influence likewise the orientations of the general public. The institutionalised values and norms must appeal to the sense of justice and adequacy of a large number of citizens. The social security institutions depend on a ‘normative soundness’ which gives reason to participate and to contribute beyond pure self-interest, because of the “burden of discomfort which is a necessary part of any policy” (Ringen 1987, p. 50).

Liberal and conservative welfare regimes

The use of welfare state typologies has become a common analytical tool for comparative purposes. For the comparison of the United Kingdom and Germany one might draw on Titmuss (1974) “models of social policy” and Esping-Andersens (1990) “worlds of welfare capitalism”. Within Titmuss’ frame, the UK represents the “residual welfare model” with a limited function of state welfare, whereas Germany can be characterised as an “industrial achievement model” where the policy is constructed in close relationship with the employment status. Esping-Andersen’s welfare regimes cluster the different models in a similar vein. By taking up and fleshing out the Marschallian (1963) proposition that social citizenship constitutes the core idea of the welfare state Esping-Anderson looks at the way in which social rights and entitlements are granted. Central for the distinction of different models is the level of *de-commodification*¹ of labour within state welfare, i.e. how independent from the market position of individuals does the social safety net provides social security and benefits.

The German conservative welfare model is distinguished by group politics, communitarian economics and mutualist social policies (Goodin et al. 1999, p. 51). Born out of authoritarian and paternalist strategies of modernisation, the German welfare state is organised around the unifying theme of social cohesion and social integration. Since its inauguration at the end of the 19th century, the welfare state remained firmly based on corporate social insurance organisations, contributory schemes and a compulsory character of the insurances. Their institutional design preserves social and economic differentials. The ‘industrial achievement model’ is in Titmuss (1974, p. 31) words one

¹ For reasons of measurement Esping-Andersen (1990) introduces a de-commodification score capturing old-age pensions, sickness benefits and unemployment insurance, their replacement rates and requirement qualifications.

where “social needs should be met on the basis of merit, work performance and productivity.” Hence, social protection is not confined to those who are presently in distress, as in the liberal ideal, but moreover it covers those groups which are considered to be the productive resources of the industrial society. The main pillar of the German welfare state are social insurances which are closely related to the labour market². Their organisational form links benefits to prior earnings in order to maintain the relative status of the beneficiary. The principle of equivalence is status preserving and puts emphasis on upholding status differences. The redistributive impact of the German welfare model is therefor limited. It promotes a concept of ‘individual equity’ on the bases of status maintenance and equivalence, supplemented by supporting programs for particular groups such as housing benefit and means-tested social assistance (see Clasen 1997). The social bias of the conservative model can be found in the privileged treatment of families and its organisation around a bread-winner ideal³ (Sainsbury 1996).

Although not an archetypical example of the liberal cluster the British welfare system is clearly marked by a liberal legacy and owes most of its institutional assets to Beveridges comprehensive plan for social insurance and allied services. It is characterised by residualist social policies on a modest level aiming at subsistence rather than redistribution or status maintenance. Because there is a substantive acceptance of the supremacy of the market logic, the liberal notion of social policy centres around market relations, choice and free exchange. Liberals value a type of ‘productive social welfare’ safeguarding the market performance and giving priority to high disposable incomes and low taxation rates. In a liberal welfare regime benefits will typically be targeted to those genuinely in need of them. Income support and social services will be given only to groups with a demonstrable lack of income resources. Social security takes the form of “limited substitution” (Clarke/Langan 1993b, p.25) with as less interference with the market mechanisms as possible. A comparably great amount of the system is financed out of general taxation (social assistance and health), whereas insurance contributions have less importance than, for example, in the German system. Some principles of the British welfare state justify the claim that Britains welfare state has a “more egalitarian ethos” (Ginsburg 1992, p. 139) than the conservative system. In contrast to the Bismarckian tradition, “which relates proportionally each wage-earner’s rights to the contribution that he or she has paid or that the employer made on her behalf” (Chassard/Quentin 1992, p. 94), the Beveridgean concept gave a central role to uniform entitlements for the prevention of poverty in case of old age, unemployment and poverty.

² Offe (1991) examines the employment-centered nature of the German security system. According to him, the system establishes a premium for all those who “lead an ordinary and orderly work life by ‘earning’ a full (and preferably uninterrupted) record” (p. 126) That is what he called the ‘hidden curriculum’ of the social security system.

³ In a number of programmatic elements of the German welfare system dependants can acquire entitlements through the breadwinners contribution.

Institutional design and social integration

This systematisation of welfare regimes is very telling for the political and moral economy of the welfare state. It does not only address the institutional features which generate rational support for the welfare state, it also includes the normative and ideational connotations of the institutions. From this perspective, one can derive some insights of how the welfare regimes ensure their popular acceptance, and how the interests of different groups are integrated and tied together. Offe (1991, p. 129) has argued that the German social security system is morally undemanding⁴ in its stated objective of security, because “no one needs to believe in lofty principles of solidarity, justice, or equality to become – and remain – a rational supporter of the system (...) Its modest goal is the guarantee of income – and of relative income status! – for employees and their dependants. As a consequence, rational self interest on the part of the ‘internal constituency’ of the insured is sufficient as a base for consent.” The set of principles which is incorporated into the German system, especially the role of insurances which establish property-like relationships between the fund contributions and the benefit-entitlements, has promoted a self-immunisation of the system. Those who finance the social insurance are likely to profit from it. The system and the principles which it inhibits give little indication for a ‘misdirection’ of resources to non-contributors. As long as redistribution remains horizontal, that means within ‘insurance communities’ with a common exposure to a certain risk, ‘rational opposition’ is unlikely to emerge. Cost saving measures have echoed the insurance rationale by targeting the cuts towards the redistributive ‘insurance alien’ rather than to the ‘genuine’ beneficiaries (see Clasen 1997, p. 78).

Nonetheless, the German welfare state was not only able to generate consent on the bases of status differentials, it also achieved a kind of “differentiated integration” of the society (Leisering 1996). This ‘differentiated integration’ refrains from egalitarian principles and gives even higher status groups attractive benefits packages on the bases of their contributory records. In contrast to the British system, it was said that the middle classes and people in relatively secure full-time employment in Germany form a principally supportive section of the population, especially in the case of pensions. They have, as Clasen (1997, p. 80) writes, their “stake in the system” and they are less encouraged to take up private provision. Therefore, skilled workers, white-collar employees and civil servants have appeared as strong defenders of the core welfare institutions (see Alber 1986, p. 123ff.). With regard to the liberal model, it was argued that the “middle class legitimacy” is the distinctive feature of the German ‘social security state’ (Leibfried 1989).

⁴ It is interesting to note that this morally undemanding institutional architecture has always been criticised by the Left. According to their view, the robust institutional structure built on the individual utility maximiser rather than the altruistic and compassionate individual has failed to live up to the promise of social justice, universality and a non-discriminating concept of social rights. Not only that the system has been accused of being incapacitating in terms of effective social protection, it was also assumed that it undermines forms of solidarity. The rational sources of support, to which the system appeals, represented a productivist approach to welfare provision, and excludes a legitimate agenda for redistributive issues (see also Offe 1991).

Although equivalence and compensatory principles have a dominant position in the system, there are also apparent redistributive efforts. Clasen (1997, p. 80) has noted that the mix of principles which the social insurances incorporate makes income redistribution easier to legitimise; different values can be stressed and applied. The redistributive elements of the pension insurance is given by the fact that although the pension entitlements are based on individual records, the benefits are by no means a kind of restitution of foregone contributions (saving or investment model). Because they are financed on the basis of current contributions to the social insurance fund, huge amounts of transfers are directed from the employed labour force to the retired. To these solidarity motives it is commonly referred as 'generation solidarity' or 'generation contract'. That the level of pensions is coupled with the actual level of market incomes ensures an apportionment of the increasing national wealth in which the pensioners participate. The concept of fairness which is represented in the pension system is rather a general one of 'past productivity' – even though the entitlement rules are strict - than one of direct congruence between contributions and benefits⁵. Pensions form with around 40 per cent the largest of social expenditure.

But despite this integrative capacity the social security design is open to destabilisation coming from a lack of compliance. For example, it has been emphasised that the social security system appears to be vulnerable to labour market imbalances; in first instance, because the labour market determines the size of contributions and the size of the beneficiaries, and in secondly, because the social security system determines the market strategies of the labour market participants (see Offe 1991, p. 130/131). This vulnerability extends to the socio-political effects of an imbalanced labour market with sharp divisions between the active insiders and the inactive outsiders. The system operates in a way that instead of communalising the social risk of unemployment, people tend to perceive the biased and groups-specific effects of redistribution. The risk community appears to be divided into two fractions: the groups in regular employment which cover the costs of the insurance funds, and the others outside the market who receive transfer income. In a similar vein, Esping-Andersen (1990, p. 227) has highlighted the danger of an 'insider-outsider' phenomenon within the German system: "To support housewives, male earners must rely on high net take-home pay; to support the welfare-state clientele, the employed will have to pay heavy taxes. And this is where the greatest potential for a conflict axis appears. (...) When a shrinking active labour force is compelled to shoulder the costs of a swelling human surplus, there is a likelihood of rising tax-resentment, especially since the transfers are so clearly from the productive to the non-productive segment of the society."

In addition, the German unification has posed enormous problems for the integrative capacities of the German welfare state. Not only that the East Germans had to be integrated into the social policy schemes, they had to do so through heavy transfers from the West to

⁵ Re-definitions of 'active' times, i.e. accountable times, are possible under the guiding principle of "reward for achievement" as in the case of education, the bringing up of children or the inclusion of the East-German pensioners into the system. These times are interpreted as on a par with employment no matter the actual contributions, and therefore adhered to the moral impetus of the achieving society.

the East. The welfare state was used as a vehicle to shoulder the high political and social costs caused by a rapid and fundamental social change. For this task the old West German welfare state was neither designed nor sufficiently prepared, and it managed only through moving closer to its limits. Although the unification has seriously exacerbated and deepened many of the problems which were already inherent in the system, the government did not commission a re-examination of the institutional asset. Rather, it was avoiding a general debate about the existing welfare model and its societal prerequisites; none of the organisational principles of East German social services have been taken over⁶. This strategy created a two-tier welfare state "in which most easterners' access to welfare compares unfavourably with that of their western counterparts" (Mangen 1994, p. 42), but also with the East on the drip of the West. In the face of serious budget deficits a Solidarity Pact was introduced in 1993 as an attempt to restore the accommodation between the main parties and the social partners "through seeking an agreement ostensibly espousing the principles of solidarity and social justice" (Mangen 1994, p. 50). With this pact, the scale of the East German transformation and the long-term responsibility was finally acknowledged, even if not solved⁷.

In contrast, the liberal-leaning welfare system of Britain is distinguished by a more significant role of means-tested benefits, modest universal transfers and social insurance benefits. It gains its political appeal from a confined role of the state to protect from fundamental life risks and to ensure a national minimum. Many of the benefits have a uniform or flat-rate character. Although social policy is meant to direct resources towards the people living in poor and deprived conditions, redistribution is not a policy goal in itself. The acceptance of such measures are generated by an 'equality of opportunity' vision and the societal obligation to enable people to care for themselves. Therefore, assistance should be given only to those with insufficient resources who are unable to meet their needs at the market. Essential is the underlying theme of 'deserving' and 'undeserving' poor that draws a distinction between those who can principally enter the market relations and those who cannot such as the old, disabled and the ill. In order to encourage the market performance of those who are considered as able, the level of social provision is placed underneath the attainable level of market earnings.

Glennerster (1995, p.221) has argued that the British system never won the support of the middle classes because of its minimalist and flat-rate nature. Obviously, the importance of poverty alleviation for liberal social engineering has left an institutional legacy that focuses predominantly on the lower sections of the society rather than on comprehensive status maintenance which might attract even higher status groups. Because of the comparatively residual role of the National Insurance and its low income replacement

⁶ The East German tradition of a socialist and paternalistic social policy possessed some 'citizenship'-type welfare rights. It provided universal, but modest flat rate benefits, universal health services and child services (Kindergartens).

⁷ In the absence of a successful economical animation of the new Länder and effective growth led-solutions, the fiscal policy has introduced a tighter and more targeted approach towards social spending, especially in the areas of active employment policy and further education

ratio, many households⁸ rely on social assistance and are subjected to a means-test in order to proof eligibility. That is why the welfare state is largely identified with a social minimum designed to protect from poverty and social hardship. Svallfors (1993, p. 114) has shown that the “fate of the poor is more tightly wedded to other issues in the eyes of the Britons” than in Germany for example.

These claiming principles and the benefit structures are crucial factors in shaping the political surroundings of the social security programs. Since the reduction of the income related supplement of the pensions and the transfer of many employees into the private pension sector, the stake of the people in the state pension system has diminished. The basic pension is not designed to satisfy the upper and the middle classes. For them, occupational and private pensions have a great significance for the income maintenance in old age. Politically, this shift creates a divided constituency; one part with a strong and often entire reliance on a low level state pension, another part with additional private provision.

The National Health Service represents one of the most impressive institutional achievements of the British welfare state due to its universalist nature. It offers equal rights of access to care and medical treatment and is financed out of general taxation. Thus, it establishes an unconditional citizenship right for the entire population which is based on an agreement that health care should not be treated like a market commodity. This principle has demonstrated a profound social and political sustainability throughout the last decades.

For Britain it was suggested that the welfare state architecture might forward class cleavages between different social groups because of the residual character of the welfare policies (Esping-Andersen 1990, Taylor-Gooby 1991). The stratificatory effect of the system is twofold with “a blend of relatively equality of poverty among state welfare recipients, market differentiated welfare among the majorities, and a class-political dualism between the two.” (Esping-Andersen 1990, p. 27). Because Britain lacks the strong link between earnings status and benefit entitlements, the social insurance contributions are perceived as another tax rather than as genuine insurance. That is the reason why the ideology of ‘welfare burden’ took more easily root in Britain than in Germany (Wilson 1993, p. 148). And that explains why privatisation programs, the anti-dependency-rhetoric and the attacks against excessive and wasteful state welfare could attracted the middle classes. The low standards of social protection and the widened opportunities for exit from direct state provision endangered the loyalty to the mass services (see Taylor-Gooby 1987, p. 27) One of the diagnosed possible effects is the fragmentation of the welfare state into two sectors; a heartland of services such as pensions and health, and a more rigid sector including housing, unemployment, social work, and means-tested cash benefits with a widespread “scepticism about value for money, and a preparedness to stigmatise recipients.” (Parry 1986, p. 235)

⁸ More than one fifth of the population relied on means-tested benefits in 1994 (Evans 1998, p. 303)

The logic of popular support: attitudinal patterns investigated

Equipped with this insight into the programmatic structures of the welfare models and their possible implications for welfare state support some empirical evidence will be scrutinised. Database for the is the International Social Survey Program⁹ (ISSP 1996) with the module 'Role of Government'. For a better readability of the paper the survey data are presented in the appendix (descriptive statistics and logistic regression models). They will be used as references throughout the subsequent paragraph.

Overall it was found that there are remarkable differences in the level and the structure of support for welfare issues. The citizenry of the United Kingdom appears to be in favour of a more active role of the state. Due to the significantly lower level of welfare state provision in Britain, and as reaction towards retrenchment policies during the 80s, this result reflects an ongoing commitment of the vast majority of the population to the core areas of welfare state activity. It has to be noted, that Britain has experienced a rigorous attack on the welfare state during the Thatcher years. During this era benefits levels were lowered, entitlement rules tightened and privatisation promoted. As a consequence, the number of people depending of last-resort benefits has increased, and so has the level of inequality. On this ground, people might be inclined to give preference to a stronger engagement of the welfare state rather than to a further contraction of its role.

More than 70 percent support the statement that the state should spend more on social services even if this means higher taxes¹⁰. This finding contrasts a statement that could be heard from Frank Field shortly before his appointment as Minister of Welfare Reform in 1997: "The British electorate wants high Continental benefit levels and low American taxes. There is no way this dream can be met." Rather, confronted with an either-or-choice, the majority votes for social welfare. There is also some indication that the opinion has moved in favour of expenditure since the Conservatives came into power (Parry 1986, p. 232). The group specificity on this issue indicates that there are no substantial divisions between different income groups. Against the public polemic and even against common intuition about the detachment of the well-off from the spirit of the welfare state the British population appears to be rather unified on this general issue. The wider public gives credit to the social services and disapproves further retrenchment of the existing schemes. Accordingly, cuts in spending found a much lesser support amongst the British than amongst the German citizenry.

Of course, the British are less inclined to support a welfare state that explicitly aims at the redistribution of wealth. In line with the liberal legacy there is a significant section of the society that disagrees on this issue. Moreover, redistribution is one of the most

⁹ For time comparisons the surveys from 1985 and 1990 will be used. The data have been supplied by the Zentralarchiv für empirische Sozialforschung (ZA) Köln. Because of the different political and social traditions West-Germany and East-Germany will be treated as separate cases.

¹⁰ The income tax rate has been reduced significantly during the conservative era, while indirect consumption taxes have been increased. The income tax rates, which were running from 30 per cent to 83 per cent were changed to 25 to 40 per cent (Whalley 1990).

contested policy principles of the British welfare state. The predominant ideological underpinning of the welfare policies is committed to the supremacy of the commodity logic and sees inequality as a function of free market relations. Paradigmatically, it is assumed that the market allows the creation of wealth and disposable income that would 'trickle down' to the lower sections of the society. From this perspective, the "ethic of equalisation" (Szirmai 1986, p. 103) hinders market productivity. Nonetheless, on this issue the British society is highly divided along vertical status differences. Between the highest income quartile and the lowest income quartile we find a significant attitudinal gap that indicates clear class differences on a society wide theme.

In contrast to redistribution the survey data shows an impressive support for the state responsibility for health. The general public demands strongly an increase of the health budget. Some have viewed the NHS as an institutional asset to which the public mind is deeply attached, while others have argued that the strong support the health system enjoys derives simply from the fact that it is perceived as a 'good buy' (e.g. Glennerster 1995, p. 226). But the pay-off of a cheap health-care system are waiting lists, rationing policies and outdated equipment, and the higher income groups might take up private health care to meet their needs. Nonetheless, the public agreement on a free, tax-financed and universal service is unchallenged. Interestingly, this commitment to the NHS and the demand for more resources has a strong consensual bases with only marginal differences between social groups. The higher social strata groups, for which private alternatives are available, engage themselves for a better national system of health. Even the Conservative government was withdrawing privatisation plans in the face of the overwhelming support for the health service, and at the end of a long political process Thatcher demonstrated her own commitment with the famous statement: "The NHS is safe with us."

A strong majority of people likewise supports the state responsibility for people in old age (71 per cent) and is in favour of more spending for old age pensions (78 per cent). In the background of this response is the 'residualisation of the national insurance' in the course of the 80s by which the earning-related pension supplements were thinned out. The pensions promised and paid for were cut. Thus, the replacement ratio¹¹ of the state pensions to the incomes of those in work has sharply declined. People were encouraged to take up private schemes or occupational pensions in order to supplement the basic pension. The structure of attitudes indicates a rather modest degree of differentiation. Although low status groups or groups at risk such as the unemployed are more strongly in favour of governmental responsibility and demand a better budget for the pension scheme, the same tendency can be found amongst people with high incomes and the employees. This finding does not reconfirm the many fears of a widening gap in social attitudes towards the state pension which could be caused by the dual structure of the current pension provision. Even groups for which the basic pension provides only a minor part of their pension portfolio call for a stronger engagement of the welfare state.

¹¹ In comparison, Britain spends significantly less on pensions than Germany and the income of pensioners households in respect to the average household is lower than in other western welfare states.

Compared to the impressive support for the health and the pension system, the engagement for the unemployed is rather decent. The support for the modest and flat-rate unemployment benefits falls far behind; it even has been weakened since the mid-80s. It is known that the risk dispersion conditions the perception whether people see themselves as prospective beneficiaries or not. In the case of pension and health, we have a relatively even risk-distribution, whereas unemployment is a rather biased risk. Thus, the transfer of resources between social groups is an obvious component of this benefit type. Hence, there exist a strong stratificatory element; groups at risk like the unemployed or low income groups are very much in favour of an increased spending while other groups show a lesser concern¹². In addition to the self-interest structure, unemployment benefits were always exposed to public scruples because it was thought that they undermine the self-help capacities and the virtues of individual responsibility. In contrast to pensions and health, the beneficiaries are conceived as 'marketable', and it is thought that too generous benefits would weaken the incentives to take up work.

In sum, Britain appears as a society very much in favour of a greater state engagement for the heartland services of the welfare state. High priority is given to benefits with a relatively symmetric risk structure which do not feed any suspicion, and to measures with a mainly horizontal or inter-temporal redistribution of resources. For this policy types we find an overwhelming support throughout the society. About issues beyond this agenda, exists a much more discriminating structure of political consent, which is "based on a cruder self-interest diffused throughout the electorate and without any great pretension to transfer between groups" (see Parry 1986, p. 233). Politically, the stances of public opinion, to which the political leaders were sensitised, protected the elderly and the health system, relative to other sections¹³.

The West-German data indicate a lesser public support for governmental responsibility in welfare provision (for comparisons also with Sweden and Italy see Taylor-Gooby 1998). In the areas of health and old age pensions approximately half of the population definitively wants governmental responsibility. There is only modest support for a 'more' in terms of expenditure and the bulk of people prefer that the governmental spending should stay the same as it is. Health is perceived as the area most in need of additional financial resources, as second comes the pension system.

However, it is interesting to note that the pensioners as actual beneficiaries are not the most engaged supporters of a growing funding. These are the unemployed who might be disadvantaged by a graduated and employment-record based entitlement model. Nearly half of the retired population prefers a stable expenditure level and does not follow the path

¹² This lesser concern as the predominant attitude exists despite the fact that unemployment is virtually the only sector for which no private welfare market exists.

¹³ It was easier to realise cutbacks in the level and scope of unemployment benefit, than it was for the of provision of health and pensions. Under the Conservative aegis the real value of unemployment benefit dropped, but the value of the basic pension stayed much the same (Mulé 1999, p. 30). Similarly, against all odds of privatisation and due to its public support the NHS remained largely intact. The government, so it seems, implemented reforms where resistance was weakest and anti-welfare prejudices strongest.

of ever-rising entitlement demands. The pension system seems to be satisfactory for many of them. Although the pension system does generate substantive inequalities amongst the elderly and gives a privileged status to people with a long employment biography, male employees and civil servants, it is able to suffice in its maintenance objective for a considerable proportion of the retired. It has been shown that the relative status obtained by the recipient during his working life could be maintained and that the income situation does not significantly worsen in old age (Mathwig/Mollenkopf 1996, p. 129). Because of the great part of the constituency which is formed by the pensioners the major parties have shown a protective attitude towards the pension system. When changes were made, they were of gradual and incremental nature with only minor impact on the current pensions. Thus, the West German pensioners represent a relatively satisfied group of the welfare clientele.

Of only secondary importance is the engagement for the unemployed. Here, nearly one fifth doubts the necessity of state responsibility at all. In terms of expenditure more than the half plea for a status quo and 18 per cent for a reduction of unemployment expenditure; 29 per cent for an increase. The unemployed themselves deviate significantly from this overall picture. A majority of them regards the current benefit level as too low and demands more spending. For the others, the current unemployment benefit level gives little reason for further concern and even cutback proposals will find their political supporters. It has been shown that that the willingness to accept cuts is greatest in the area of unemployment benefits and lowest in the case of pensions with regard to the whole spectrum of benefits (Roller 1999, p. 27). This retreat is related to the high contributory burden to which the employees and workers are exposed and which is the subject of continuous criticisms and complains (see Föste/Janßen 1997, p. 225ff.). Hence, this empirical finding might support the theses of an inherent 'insider-outsider' conflict of the German system which copes only deficiently with the imbalances of the labour market.

It has to be noted that in contrast to Britain, which has experienced harsh retrenchment measures throughout the 80s, the German welfare state has demonstrated an institutional robustness due to constraints of the constitutional and institutional architecture. A New Right was neither feasible, nor did the Conservative government envisage a radical break with the welfare commitment. Although cost containment was a principal objective of the Kohl government, the maintenance of corporative and consensus-oriented regulation was not at disposal. Moreover, the Conservative government carefully avoided bold and radical reforms which could endanger the electoral success; changes have occurred only on a modest scale. The welfare state enjoyed popular esteem throughout these years, although the demands for an expansive course of the welfare state have weakened since 1990 (see Kaase/Newton 1998, p 50). Nonetheless, the people in the mid-90s were less satisfied with the system of social security than in the years before, not at least because of its insecure prospects (Bulmahn/Mau 1996).

Moreover, the West-German attitudes seem to be impregnated by a growing awareness that a further expansion of the welfare state is neither likely, nor affordable. A majority of nearly 70 per cent prefers cuts in taxes even if this means less spending for social services. They come to realise that the future might bring about 'less' state welfare because of the

budget constraints and they are not willing to contribute with further tax increases. Especially the upper and the middle classes put greater emphasis on a higher disposable income rather than on costly welfare programs. The public discussions about high costs of labour due to the insurance contributions might contribute to this attitudinal positioning. Nonetheless, the fact that there is still a tendency to support higher expenditures for single welfare state schemes suggests that this result does not represent general retreat from the welfare state. Moreover, as Mishra (1984, p. 85) has pointed out, the contradiction in popular attitudes of “‘having your cake and eating it too’ comes out clearly in the polls where individuals support tax reductions and at the same time demand higher government spending on major social services”.

Redistribution ranks not very high on the agenda of the West German public. There is still a majority which complies with this governmental task, but only one quarter agrees that the government should definitively reduce income differences and nearly 40 per cent take a stance against. Obviously, the lower social classes and the groups outside the labour market demand redistributive measures, whereas the higher status groups are more likely to disagree. Nonetheless, this attitudinal differences have lesser significance than in Britain. On the issue of redistribution the East-West differences are most apparent; the East-Germans possess a highly ‘egalitarian ethos’ and expect from the state to correct market inequalities. The dominant allocation principle and its outcomes are less legitimised than in the Western part of the country. This empirical result can be explained by the port-communist heritage and socialisation effects, but also as caused by the ‘impositions’ of the present time. The East Germans were facing rapid and deep social changes which brought about a much higher degree of inequality and insecurity to which they are not yet habituated.

In this situation, many East-Germans expect from the state to intervene and to cushion the impact of the social transformation. An overwhelming majority is in favour of higher spending even in the face of rising taxes. The state, so it seems, is called into action. This ‘etatist orientation’ (see Liebig/Wegener 1995) is apparent in the social policy fields of pensions, health and unemployment. In the first two areas hardly anybody denies the state responsibility; in the unemployment sector only 8 percent would relieve the government from this task. A similar and strong tendency for ‘more state’ is apparent in the spending issue. Vast majorities are in favour of higher expenditure and express thereby their dissatisfaction with the current level.

The unemployment benefit does not fall far behind as it is the case in Britain or West Germany. On the contrary, 56 per cent of the East-Germany demand a higher degree of governmental engagement for the unemployed. Roller (1999) reports, that cuts in unemployment benefits are with social assistance and old age pensions the most unwanted from all. This result is hardly surprising in the face of serious labour market problems; the breakdown of the East-German economy destroyed 3,4 million jobs and created a crowd of more than 1.1 million unemployed. Nearly half of the East-German partner households have experienced unemployment from 1991 till 1994 (Berger/Schulz 1996). If we take into account that unemployment was till then an unknown social phenomena, the attitudinal

stance of the East-Germans can be taken as repercussion of a different socialisation, the degree of being affected by unemployment and the course of the transformation process.

It goes without saying, that the East-Germans represent a 'substratum' of the German society. Proportionally, the majority of the East Germans ascribe themselves to the lower and the working class, whereas the West Germany has a clear middle class bias. This inequality structure accounts for rather different attitudinal stances, whether in comparison with the West German counterpart or if we look at the differentiation of attitudes. Nonetheless, there is some group specificity and differentiation of the attitudinal stances and the East Germans appear to be less homogeneous than in the first years after the unification. It has been said (e.g. Liebig/Verwiebe 1999, p. 20), that the 'winner' of the transformation might be the carrier of an emphatic 'market ideology' because of their successful entrance into the western model. According to the data a social differentiation of attitudes exists, but remains in a confined corridor. The high income groups of the East-German society deviate only marginal from the average of the population. Only in the case of unemployment the attitudinal dispersal exceeds the West German situation, although the highest quartile still demands proportionally more state engagement than the lowest quartile in West Germany.

Not only on the level of objective measures such as income and employment, but also in terms of mentalities and social orientations Germany is still a divided country. Nonetheless, since the German unification the social differences have lessened and some of the very strong etatist and egalitarian attitudes of the East Germans have weakened. It would appear that the attitudinal gap is closely related to the differences in objective living conditions and life chances. The standing of the welfare state is strongly affected by such an attitudinal landscape. On the one hand, the unconditional absorption of the East German population has seriously threatened the viability of many well entrenched welfare principles and thereby created a legitimacy problem for the western social security contributors¹⁴, but on the other hand there was a strong reliance on social transfers in the time of social upheaval in the East. This need for welfare state intervention is clearly expressed in the attitudes. With a social spending that peaked around 70 per cent of the East German GDP it seems evident that a socially acceptable transformation would not have been possible without the welfare state engagement. Nonetheless, the two tier welfare state continues, with large – and identifiable - sectors of the population dependent on the welfare state while others in employment bear most of the financial burden. Since the unification this feature has been extended by the highly political dimension of East and West.

¹⁴ Mangen (1994, p. 56) states: "Large sectors of the population have felt understandably aggrieved that they are paying more than their fair share of unification costs."

Conclusion

The picture provided shows a public that is generally in favour of the welfare state and its institutions. The British social attitudes have resisted the ideological confrontation of the anti-welfare ideology of the New Right. The beliefs about the proper role of the state remained relatively robust even in the face of powerful attacks of the anti-collectivists. Despite some fears that the public support might rapidly diminish once privatisation, lower public standards and provision alternatives have been pushed through, the public has remained committed to the heartland services. That they demand higher spending is, not at least, a reaction towards retrenchment. Nonetheless, the redistributive and socially biased measures are less entrenched within the liberal legacy. With regard to these issues, the public support can not be taken for granted and seems to be vulnerable due to general worries about the operation of the system in terms of free-riding, disincentives and resource diversion.

The German model suffers from a substantial East-West divide in terms of welfare dependency and welfare support. While the East Germans overwhelmingly demand and approve welfare state intervention, is the West German public more reluctant to call for further expansion. A 'status quo mentality' has become the dominant attitude of a saturated and content majority, but there is also some signs for a readiness to accept cuts in benefits. These are signs of a modest and sector-specific "demand flexibility" (Roller 1999, p. 37) due to a growing realism about what the welfare state can afford. Notwithstanding, the high support for the welfare state in the East makes substantial cuts politically costly and limits the scope of welfare state reform. Politicians in their efforts to restructure the welfare state have demonstrated a high degree of awareness of what the public is ready to accept. If the drift towards the detachment of the beneficiaries from the middle masses of contributors continues, some types of benefits, especially minority benefits, might be prioritised when it comes to cost-containment measures. In this situation the self-interest of the majorities might override their moral commitment.

A "culture of contentment" with its emphasis on self-regard and a government which carefully avoids to threaten or to intrude the demands of a content majority, so the economist Galbraith (1992), might not facilitate the best of all reforms. The protective attitudes will hardly allow to promote urgently needed changes of the current system. Instead, incremental changes might be the dominant feature of welfare state development and simply re-enforce the existing regulatory mode. Examples for this are the productivist re-ordering of social policy with contractual elements, welfare consumerism and an individualisation of social entitlements. Against this, citizenship concepts with an emphasis on inclusion, universality and accessibility can gain attractiveness and win political support. The case of the British health system and the society-wide commitment towards it is an apt example of it. Others, such as a guaranteed minimum income on a citizenship bases have appealed to political fractions across party-borders. The question is, whether the political actors are able to establish a transformative discourse about social policy issues which serves to reframe the norms and interest-orientations of the electorate and help to open up new arrays of societal integration.

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Appendix

Table 1:

General attitudes towards welfare policies

	Britain N=989	Germany (West) N=2361	Germany (East) N=1109
Percent saying the government should definitively be responsible for providing*			
...providing health care for the sick	82	50	66
...providing a decent standard for living for the old	71	47	64
...providing a decent standard of living for the unemployed	28	17	38
...reduce income differences between the rich and the poor	35	24	48
Percent saying the government should spend more or much more on**			
...health	91	53	71
...unemployment benefits	35	29	56
...old age pensions	78	44	60
Percent agreeing and strongly agreeing that the government should redistribute wealth***			
	54	49	76
Governments choice/ percentage agreeing			
Reduce taxes even if this means spending Less on social services	29		40
Or			
Spending more on social services even if this Means higher taxes	71		60
Cuts in government spending			
percentage strongly in favour and in favour****	45	85	82

*Categories: definitively, probably, probably not, definitively not

**Categories: much more, more, same as now, less, much less

***Categories: strongly agree, agree, neither nor, disagree, disagree strongly

****Categories: Strongly in favour, in favour, neither nor, against, strongly against.

Data: ISSP 1996.

Table 2

Social differentiation of welfare state attitudes

	Britain	Germany (West)	Germany (East)
Percent saying the government should spend more or much more on*			
...health			
Economic status			
Unemployed	100	67	80
Retired	90	58	79
Employed	90	50	67
Income			
High Income	85	54	67
Middle Income	93	56	72
Low Income	96	61	72
...unemployment benefits			
Economic status			
Unemployed	68	62	76
Retired	38	32	62
Employed	27	25	50
Income			
High Income	24	18	44
Middle Income	29	30	55
Low Income	55	39	77
...old age pensions			
Economic status			
Unemployed	87	60	70
Retired	87	52	76
Employed	75	40	51
Income			
High Income	70	31	56
Middle Income	78	47	63
Low Income	86	56	62

*Categories: much more, more, same as now, less, much less

Income as household-income per head, low income = lowest quartile, middle income = two middle quartiles, high income as highest quartile (UK N=886, West Germany N=2361, East Germany N=872)

Economic status UK Unemployed N=40, Retired N=216, Employed N=506

West-Germany Unemployed N=95, Retired N=447, Employed N=1308

East-Germany Unemployed N=139, Retired N=294, Employed N=594

Data: ISSP 1996.

Table 3

Social differentiation of welfare state attitudes

	Britain	Germany (West)	Germany (East)
Percent agreeing and strongly agreeing that the government should redistribute wealth*			
Economic status	64	67	87
Unemployed	53	55	84
Retired	50	47	70
Employed			
Income	36	39	70
High Income	53	51	79
Middle Income	79	58	79
Low Income			
Governments choice			
Spending more on social services even if this Means higher taxes/percentage agreeing			
Economic status			
Unemployed	24	55	35
Retired	25	73	30
Employed	32	69	44
Income			
High Income	28	67	46
Middle Income	28	67	37
Low Income	27	67	35
Cuts in government spending percentage strongly in favour and in favour**			
Economic status			
Unemployed	46	83	83
Retired	57	88	84
Employed	42	86	82
Income			
High Income	39	90	87
Middle Income	43	86	80
Low Income	54	80	83

*Categories: strongly agree, agree, neither nor, disagree, disagree strongly.

**Categories: Strongly in favour, in favour, neither nor, against, strongly against.

Income as household-income per head, low income = lowest quartile, middle income = two middle quartiles, high income as highest quartile (UK N=886, West Germany N=2361, East Germany N=872)

Economic status UK Unemployed N=40, Retired N=216, Employed N=506

West-Germany Unemployed N=95, Retired N=447, Employed N=1308

East-Germany Unemployed N=139, Retired N=294, Employed N=594

Data: ISSP 1996.

Logistic regression models of attitudinal determinants

The economic status has been recoded into separate dummy-variables:

Employed (Full-time and part-time) code 1, all other values 0

Unemployed code 1, all other values 0

Retired code 1, all other values 0

Income is the household income per head in quartiles (1 lowest, 4 highest quartile).

The dependent variable has been dichotomised:

Health, Retirement and Unemployment: mode and much more 1, else 0

Redistribution: strongly agree and agree 1, else 0

More social services 1, else 0

Cuts in spending: strongly in favour and in favour 1, else 0.

United Kingdom

	Health	Retirement	Unemployment	Redistribution	More social services	Cuts in Spending
Unemployed	5.993	-419	0.263*	0.124	0.205	0.183
Employed	0.213	-324	-0.569**	0.093	-0.538**	0.163
Retired	0.200	0.359	-0.504*	-0.108	-0.034	0.617**
Income-quartiles	-0.210	-157	-0.321**	-0.364**	0.131	-0.174*
Constant	2.534**	1.718**	0.412*	0.884**	0.171	-0.064
Correct predictions %	90	76	68	58	57	59

West Germany

	Health	Retirement	Unemployment	Redistribution	More social services	Cuts in Spending
Unemployed	0.185	0.281	1.044**	0.523*	0.484	0.266
Employed	-0.125	-0.059	-0.059	0.161	0.104	0.319
Retired	0.216	0.453**	0.290	0.354*	-0.237	0.524*
Income-quartiles	-0.178**	-0.317	-0.297**	-0.220	0.046	0.207**
Constant	0.601**	0.458**	-0.282	0.218	-1.217**	0.950**
Correct predictions %	55	59	72	56	74	85

East Germany

	Health	Retirement	Unemployment	Redistribution	More social services	Cuts in Spending
Unemployed	0.669	1.020*	1.044**	0.500	0.325	0.568
Employed	0.119	0.276	0.213	0.300	0.230	0.446
Retired	0.805*	1.418**	0.792**	1.002**	0.261	0.510
Income-quartiles	-0.112	-0.126	-0.417**	-150*	-0.087	0.065
Constant	0.763*	0.73	0.867**	0.905**	-0.284	0.876**
Correct predictions %	70	61	62	73	56	81

*significant at the 95% level, **significant at the 99 % level

Data: ISSP 1996.