The Upswing of the Right in Europe
Lessons from the German case

Political Economy Forum 20th Jan. 2017

Largely based on SPA Conference July 2016
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1. Introduction

2. Rising insecurity and anxiety in liberalised welfare capitalism
   2.1 The transformation of German welfare capitalism
   2.2 Anxiety and its role in welfare state transformation
   2.3 ‘De-securing’ policies and social fears

3. One of two examples
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   [3.2 The case of pension reforms]

4. Conclusions
Introduction (1)

Upswing of the Right in many European countries - not only as an effect of xenophobic response to the refugee crisis!

Common feature of the Right: presenting themselves as “party of social peace” (AfD) and advocates of “ordinary people”, promising expanding social policy (for the “native” population), although inconsistent.

They play to (& fuel) widespread anxieties which are not only related to immigration but deeper rooted in society, for various reasons…
Introduction

Growing anxiety & uncertainty…

…has deeper reasons related to major political changes, i.e. welfare state transformation!

➔ Case study on Germany, while literature shows that this is not an exceptional case

please refer to our paper:

Introduction (2)

- Smoothly functioning Germany?
- *German Angst* on stage: the ‘refugee issue’
- Behind the curtain: transformation of the ‘conservative’ welfare state model & a new social fabric

**Overarching research question:**

How do emotions of anxiety play out in the transition to liberalized welfare capitalism, and with which prospects?

*(in Germany and maybe elsewhere…)*
2. Rising insecurity and anxiety in liberalised welfare capitalism

- **Welfare Capitalism** = a settlement in which (welfare) policies instill (more or less) ‘decommodification’ & social security in profit-oriented economic activities

- **Liberalisation** = greater influence of ‘free’ market forces in various societal sectors = in international perspective: an Anglo-Saxon approach to the regulation of society

- **Germany** = previously a coordinated model of welfare capitalism embedded in a ‘conservative’ institutional framework (protecting the achieved social status of workers), now becoming something else…. 

2.1 The transformation of German welfare capitalism

- de-securing welfare policies towards a more Anglo-Saxon model, featuring a paradigm shift towards
  - less extensive collective risk-protection and an individualization of income risks
  - reduced protection of a given social status and extended market dependency

- … along with quite stable and still high expectations towards social security and de-commodification / protection against market risks!
What happens? Seemingly nothing (until recently)…

• *France is far away*…. no fundamental resistance against liberalized capitalism and ‘post-conservative’ welfare policy, despite dissatisfaction with growing wealth dispersion and social inequality

• *Germany loves consensus*…. major political parties defend the new settlement and still enjoy support from majority voters (although there are new parties, one on the left and, more recently, one on the far-right…)

• *the ‘neoliberal narrative’ has worked quite well*…. the process of ‘de-securing’ has become accepted in practical terms by large sections of the population

→ Do emotions play a role here?
2.2. **What do we know about anxiety and its role in welfare state transformation?**

- State-of-the art of research on anxiety & fear...

- ... sometimes anxiety is unsettling:
  - with the prospect of an undesirable but unavoidable event
  - if someone feels to lose control and experiences helplessness, with no coping mechanism available
  - particularly so in an unclearly structured environment with ambiguous stimuli, with no final solution on the horizon
Anxiety, current social change, and welfare policies

- Welfare policies (have) helped to contain anxiety…. yet they may also trigger such emotion
- Anxiety may come into play with…. 
  - New relational foundations of the social fabric (status; comparison/justice; social belonging…) and/or
  - ‘Politics of Fear‘ (Furedi) rolled out by societal elites
- Recent research shows:
  - Middle classes afraid of status-loss / downward mobility
  - Precarious workers concerned by life course disruption, poor income, disability to build a future
  - Worries about social security in later life
Anxiety, current social change, and welfare policies

Research wanted: the mobilization of anxiety in liberalized (post-conservative) welfare capitalism

Hypothesis: Anxiety can function as a “transmission belt” or catalyst to facilitate de-securing policies! … yet this does not work infinitely…
3. One of two examples (briefly...) 

... a few words on our methodology

*Labour market reforms (LMR)*

How recent LMR in Germany intersect with anxiety

- 'de-securing' labour market regulation (contracts...)
- re-commodication of unemployment protection
  - a perspective of losing the once attained status of wage-related insurance entitlements & professional profile
  - minimum flat-rate benefits with strict means-testing and high conditionality (duty to accept any job; strong control of one’s private life, including household composition etc.)
- ... in an environment of precarious work for many (employers eager to make work and wages flexible)
The outcomes of labour market reforms / trends:

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<tr>
<th>OUTCOME VARIABLES</th>
<th>1980</th>
<th>1990</th>
<th>2000</th>
<th>2010</th>
<th>2015:</th>
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<tr>
<td>Poverty rate (40% of median)</td>
<td>2.6</td>
<td>3</td>
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<tr>
<td>Poverty rate (60% of median)</td>
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<td>Inequality (Gini)</td>
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<td>Female employment rate</td>
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<td>52.2</td>
<td>58.1</td>
<td>66.1</td>
<td>5.8</td>
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<tr>
<td>Unemployment rate</td>
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<td>7.2</td>
<td>10.7</td>
<td>8.6</td>
<td>East: 8</td>
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<tr>
<td>Long-term unemployment rate</td>
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<td>46.3</td>
<td>51.5</td>
<td>45.4</td>
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<tr>
<td>Low-wage employment (percentage of total)</td>
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<td>13.9</td>
<td>15.9</td>
<td>20.5</td>
<td>22</td>
</tr>
</tbody>
</table>

Source: Seeleib-Kaiser 2016: 227
The outcomes of labour market reforms / trends:

Figure 2. Percentage of unemployed receiving unemployment insurance (UI) benefits

Source: Seeleib-Kaiser et al. (2012)
The mobilisation of anxiety (related to LMR)

• politics of fear in the **discourse** of the ruling elite
  - ‘no right to lazyness’, otherwise (global) ‘unbound market forces’ will ‘sweep away’ the rest of the welfare state
  - any citizen will have to live with tough love in the future…..

• **coping with fears in a jobseeker‘s life….**
  - avoiding stigmatising benefits (in this or that way…) e.g. maybe using loans for making ends meet
  - bowing to sanctions (lawsuits if possible..)
  - keeping stressful jobs to avoid even worse conditions

→ anxiety as a **catalyst** for making welfare capitalism work alongside greater commodification …
  … *despite* persistent high expectations towards (status-sensitive) social security

→ latest reform exacerbates this tension
4. Conclusions

(1) With the advent of liberalized welfare capitalism, the political mobilisation of fears has been *functional for system integration* so far as these fears have facilitated the ‘de-securing’ of welfare provision without raising any substantial political resistance.
However...

(2) Given that citizens feel losing control and are facing undesired but unavoidable prospects along with ambivalent stimuli that do not necessarily show a way out, reactions can become erratic, from outrageous violence on the extreme right (e.g. against refugees) to more mainstream frustration with politics as such, with a loss of legitimacy of the welfare state on the whole.
So, in the long run maybe

(3) mobilised anxiety could turn out to be *fatal for social integration*, with growing social polarization; the prospect of exclusion; violent conflicts with scapegoats and between groups; or an extensive sense of competitive pressures

= liberalized welfare capitalism may lose economic momentum, with *anxiety being a time bomb*, rather than a catalyst for de-securing welfare policies
3.2 Pension Reforms (PR)

How recent PR in Germany intersect with anxiety

• a less reliable fundament for building pensions….:
  low pay, disrupted careers, 'new' social risks
• de-securing old age provision by reforms dismantling
  its collective organisation (for regular workers….)
  - strong retrenchment in the social insurance pillar
  - creation of a regulated, subsidized private pillar exposed to
    'suspicious players' & the vicissitude of the financial market
• dire prospects of privat(iz)e(d) schemes
→ impression that nothing is safe any more
  (in the light of the dominant discourse of the past →)
The mobilisation of anxiety (related to PR)

• politics of fear in the **discourse** of the ruling elite
  - 'demographic change' impedes collective security...
  - anyone not willing to become an investor will miss the game

• **coping with fears in a saver's life**....
  - widespread experience of being lost in the pension market
  - various reactions: resignation; expedient optimism;
    a combination of internalized pressure to take action on the market and a diffuse sense of losing control

→ **once again**: anxiety as a 'catalyst' despite persisting expectations towards (status-sensitive) social security

→ **new reform plans promise to reduce** this tension
  (but many suggestions bring more of the same....)