

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

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# 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:

S. Betzelt & I. Bode: **German Angst in a liberalized world of welfare capitalism. The hidden problem with post-conservative welfare policies**, In *Social Policy Review* 29, Policy Press (forthcoming June 2017)

# 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) help(ed) 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-commodification 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:

	1980	1990	2000	2010	2015:
<b>OUTCOME VARIABLES</b>					
Poverty rate (40 % of median)	2.6	3	4	4.6	
Poverty rate (60 % of median)	10.6	11.8	12.7	16.4	<b>15,4</b>
Inequality (Gini)	0.244	0.258	0.266	0.286	<b>0.297</b>
Female employment rate	49.6	52.2	58.1	66.1	
Unemployment rate	3.8	7.2	10.7	8.6	<b>5.8 East: 8</b>
Long-term unemployment rate	39.3	46.3	51.5	45.4	<b>36.4</b>
Low-wage employment (percentage of total)	N/A	13.9	15.9	20.5	<b>22</b>

Source: Seeleib-Kaiser 2016: 227

# The outcomes of labour market reforms / trends:

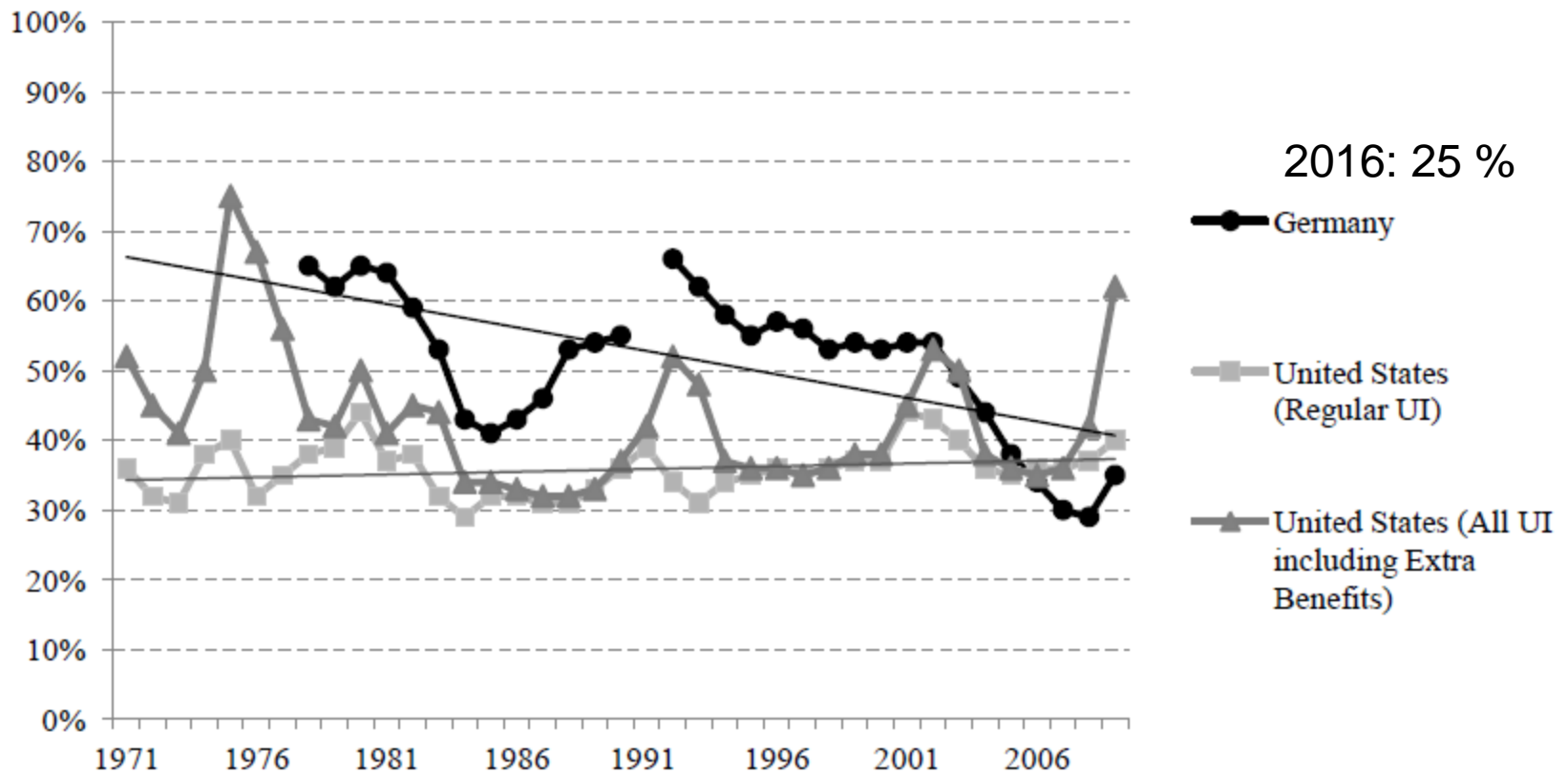


Figure 2. Percentage of unemployed receiving unemployment insurance (UI) benefits

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....)