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# Social Security and Philosophy

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## Social Security and Philosophy

Eberhard Eichenhofer<sup>1</sup>

**Abstract:** *Social security - the reaction of society to combat social disorder - is not only an important institution of all advanced societies, it became also a key topic of many academic disciplines: history, economics, sociology, law, political sciences, and especially of philosophy with its three main subjects, namely logic, theory of science, ethics. To analyse contemporary social security the three philosophical subjects are relevant, as one can nowadays easily ask himself/herself: can social security still be justified under the auspices of a liberal society, does social security restrict or constitute individual freedom. The article investigates possible philosophical consistency of answers to the following questions: Which role should the state play in society? Can social security be justified as a means to safeguard equality or social justice? What is the interrelation of social security and social rights? What does it mean to social security when national borders lose their relevance for framing the political and social order in future? Findings suggests that social policy will still remain a matter of state policy – however, no longer a romantic means to accomplish a peculiar ideology of nationhood, but as a means to foster liberty in an internationally open society, by utilising the means and the power of an internationally oriented and internationally minded national social policy.*

**Key words:** *social security, social policy, social rights, philosophy, liberties, globalisation, open society, international social security*

### **Socialna varnost in filozofija**

**Povzetek:** *Socialno varstvo – reakcija družbe, da pomiri družbeni nered – ni le važna inštitucija vseh naprednih družb, ampak postaja tudi ključna tema mnogih akademskih disciplin: zgodovine, ekonomike, sociologije, prava, političnih ved in še zlasti filozofije, v njenih treh glavnih področjih, logiki, teoriji znanosti in etiki. Ta tri filozofska področja so pomembna za razčlenbo sodobnega socialnega varstva, saj se dnevno sprašujemo, ali še lahko opravičujemo socialno varstvo z načeli liberalne družbe, ali socialno varstvo omejuje ali vzpostavlja individualno svobodo. Članek proučuje morebitno konsistentnost filozofskih odgovorov na naslednja vprašanja. Kakšno vlogo naj država igra v družbi? Naj socialno varstvo opravičujemo kot sredstvo za zagotavljanje enakosti ali kot sredstvo socialne pravičnosti? Kakšne so povezave med socialnim varstvom in socialnimi pravicami? Kakšne posledice za socialno varstvo ima dejstvo, da nacionalne meje očitno izgubljajo svoj pomen za oblikovanje političnega in družbenega reda? Odgovori nakazujejo, da bo socialno varstvo sicer še vedno ostalo zadeva državne politike – a ne več kot romantično sredstvo za doseganje ciljev čudaške nacionalne ideologije, ampak bolj kot sredstvo za pospeševanje svoboščin v mednarodno odprti družbi, z uporabo poti in moči mednarodno usmerjene in mednarodno osmišljene nacionalne socialne politike.*

**Ključne besede:** *socialno varstvo, socialna politika, socialne pravice, filozofija, svoboščine, globalizacija, odprta družba, mednarodno socialno varstvo*

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## **1. Introduction**

### **1.1 Social Security – a multidisciplinary topic**

Social security is not only an important institution of all advanced societies, but, hence, it became also a key topic of many academic disciplines. As a key element to modernise or even constitute societies, social security is an important topic for historians, describing and analysing its coming into existence and further development. Due to its extraordinary cost-intensive transfers social security has a central economic importance; so it became a key object of economic research. As a part of solidarity social security fosters social cohesion; in this and many other respects it is object of sociological inquiries. It is enacted in statutes and determined to create legal entitlements and to establish a legal relationship between a beneficiary and a social administration. Social security has a both legal basis and character. In the light of its redistributive targets, social security is the outcome of social conflicts articulated in the political arena - therefore, it is also a topic for political scientists.

Last but not least, social security is committed to social values: it intends to establish principles embedded in social ethics or political thought. In this respect social security has also a philosophical strand – due to the fact that it was and still is ever since deeply inspired by utopian ideas or key values. In order to achieve a comprehensive view on social security, it is not only necessary but fruitful to look at it also from the perspective of philosophy.

### **1.2 Philosophical dimensions of social security**

Philosophy embraces various subjects; among those there are above all logic, theory of science and ethics. Philosophy tries to find out answers to three basic questions, articulated by every one: What can I say? What can I know? What shall I do? Logic deals with the formal correctness of arguing; conditions for discoveries are examined by the theory of science. Finally, ethics deals with the accuracy and appropriateness of actions under the perspective of values. To analyse social security the three subjects are relevant. Social security rules should be logically consistent. Social reality matters for social security. Therefore it is crucial to determine the circumstances under which social reality can be discovered and impacts of social security measures can be assessed. Ethics, however, have the most narrow interrelation with social security. Because ethics must not be restricted to individual actions: at the same time it refers to the actions of society at large. Social security is the reaction of society to combat social disorder – to secure decent standards, chances and circumstances for individual life, oriented at value standards: Fairness, justice, decency, proportionality, equity – these are not only standards of ethics, but set at the same time also standards of and for social security.

### **1.3 Central Philosophical Questions of Social Security**

Philosophy helps to point out under which circumstances social security can assume legitimacy, i.e. to be accepted on the basis of values broadly shared in a given society. Can – and if: how can – it be justified under the auspices of a liberal society? The answer requires a clarification of the basic assumptions social security is built upon. Does social security restrict or constitute individual freedom? As a key element of state intervention social security demands an answer to the question: which role should the state play in society (II)? Can social security be justified as a means to safeguard equality or social justice (III)? What is the interrelation of social security and social rights (IV)? As social security stands for a proactive role of the nation state in a given society, under the conditions of globalisation a new question emerges: What does it mean to social security when national borders lose their relevance for framing the political and social order in the nearer or further future (V)?

## **2. Welfare state and national state**

### **2.1 The liberal legacy**

The French Revolution brought about the national state. Freedom, equality and fraternity were not meant as universal principles which should be guaranteed for everyone belonging to the human species; the ideals of freedom, equality and fraternity were meant as the leading principles of social life to be pursued within the national state. Hence, the human rights (*droits de l'homme*) were to be established as citizens' rights (*droits des citoyens*). These liberties were to be established as individual rights by and within the national state. The concepts of individual rights and national state were deeply interrelated, because the state – understood as an organic entity - was supposed to uphold and defend the rights of the individual.

In this respect the classical concept of a liberal state contained also a protective component - the commitment for protecting and defending them was enshrined in the guarantee of equal rights and freedoms.

In an early stage of the development, already, it became evident, that freedom and equality are not enough to safeguard a life in human dignity. So in the Constitution of 1793 fundamental social rights had been established<sup>2</sup> "Public assistance is a holy commitment. Society has to ensure the means of subsistence for all unfortunate citizens, either by offering opportunities for work or by subsidies transferred to the not able-bodied" (Art 21 of the French Constitution of 1793).

In 1796 Friedrich Schiller wrote a poem, which illuminates this context:

*Würde des Menschen  
Nichts mehr davon  
Zu essen gebt ihm, zu wohnen  
Habt ihr die Blöße bedeckt  
Gibt sich die Würde von selbst.*

*The Dignity of Man  
Naught more thereof, I beg you.  
To nourish give him, to shelter,  
Have ye the naked bedeck'd,  
Dignity comes on its own.*

For safeguarding a life in human dignity it is not enough to guarantee freedom and equality. As long as the basic needs – food, clothes, shelter – are not met and in the last resort met by the state, freedom and equality are not secured because both rights need a substantial underpinning. In Thomas Paine's book *The Right of Man* (1791) the state was portrayed as the institution to foster the pursuit of happiness for everyone and to contribute to the increase of moral standards.<sup>3</sup> Good government meant in Paine's theory to combat the lack of education and to overcome destitution and poverty. In Johann Gottlieb Fichte<sup>4</sup> and Georg Wilhelm Friedrich Hegel<sup>5</sup> thinking, the state is not only expected to safeguard freedom and equality, but at the same time to assist those who are unable to take actively part in the market society. So in the classical liberal theory the state had a clear mandate for intervention and public assistance, if both are needed to protect freedom of the individual and equality.

## 2.2 The exaggeration of the state's role by social romanticism

At the beginning of the 19th century romanticism gained a leading influence in both social and state theory. Not liberty and equality for the individual but collective entities like the people (Volk, folket, folk) became the main concern of political and social thoughts. In these approaches the values of the civilised world – to make a living in individual welfare and dignity – were regarded as ideals of secondary relevance. Not a civilised but a heroic life – ideally an early death after a picturesque life as a warrior – attracted the highest esteem. This thinking got also an intellectual formation in the writings of Johann Gottlieb Fichte<sup>6</sup>

In the romantic view of social life flourished also the social democratic reform theory, elaborated in the 1860ies by Ferdinand Lassalle<sup>7</sup>. The emerging working class ought to have a stake in economic and social life because of its deep involvement into the process of production. The stakeholders' aspirations were justified by the idea of equality. But the meaning of equality was different to the classical concept. Equality was no longer understood as an entitlement of an isolated human being, keen on achieving the individual plans on individual aspirations. The individual's role was to contribute to a collective aim – to make the fabric of society run or the human culture more mature. In any case collective, instead of individual values prevailed.

This social romanticism became the backbone of the modern welfare state, as it had been instituted at the beginning of the 20th century: "Mobilising the economy and society was the prime demand in wartime; the enhanced role of the state in First World War introduced forms of social and economic provisions that

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<sup>2</sup> Les secours publics sont une dette sacrée. La société doit la subsistance aux citoyens malheureux, soit en leur procurant du travail, soit en assurant les moyens d'exister à ceux qui sont hors d'état de travailler.

<sup>3</sup> Thomas Paine, *The Right of Man* (1791), Part II chap V.

<sup>4</sup> Fichte, *Der geschlossene Handelsstaat, Erstes Buch: Philosophie. Was in Ansehung des Handelsverkehrs im Vernunftstaat Rechtens sei.* 1. Kapitel: Grundsätze zur Beantwortung dieser Frage; *System der Rechtslehre* (1812), 3. Kapitel.

<sup>5</sup> Hegel, *Rechtsphilosophie*, §§ 238-256.

<sup>6</sup> Johann Gottlieb Fichte, *Reden an die deutsche Nation* (1808), 8. Rede.

<sup>7</sup> Ferdinand Lasalle, *Arbeiterprogramm*, 1862; Thilo Ramm, *Ferdinand Lasalle als Rechts- und Sozialphilosoph*, 1953.

were solidified and extended during the Second... The welfare state has always been a national state... One of the main factors imputing the development of welfare systems has been the desire of the part of the governing authorities to promote national solidarity... From early days to late on, welfare systems were constructed as part of a more general process of state building. Who says welfare state says nation state".<sup>8</sup>

In an extremist form both National Socialism and Communism elaborated a social and political order based on social romanticism, wherein the welfare state component played a crucial role in legitimising state power - at least in the political rhetoric! In both concepts the state was understood as an organic entity organised in isolation from the others. The society was structured in line with the social hierarchy established according to the prevalent ideological patterns. The welfare state provided for a stratified inclusion of the loyal groups of society; whereas the not loyal groups – defined as "enemies": the political opponents and the social, religious or ethnical minorities – were harshly excluded, i.e. annihilated as human beings.

### **2.3 Welfare state and national state**

Social policy is embedded in the ideal of a well organised community. The implementation of poor law coincided with the ban of beggary. Alms for the needy made sure that no deserving poor should beg because of the lack of substantial alternatives for survival. In Germany, social insurance was introduced while at the same time the working movement's activities were prohibited. So, from the starting point social insurance was meant to combat social disorder and political instability at once. Also today social policy finds its potentials in the boundaries of a given state. It is the legislative power and the administrative ability of the state that the institutions of social policy are built upon. Beneficiaries of social policy measures are the residents, citizens or workers of a given state and these are bearing and sharing the burdens of this policy as well.

Both in the liberal and the social romantic version the concept of the welfare state is embedded in the idea of the national state. While in the liberal concept the state is determined to protect the individuals and their individual rights, in the social romantic version the welfare state is committed to foster collective values. Both different, even antagonistic orientations concur, however, in the assumption that welfare has to be organised within and by the given national state. So, in each possible traditional interpretation of the welfare state the concept of the national state assumed a central role: Social policy was not only a key tool for the formation of the welfare state, but also a key instrument for national integration – to establish solidarity in the bearing and sharing of burdens and the receiving of benefits by residents, citizens or workers of a given society with a given state. In a liberal understanding social policy has to foster equality and freedom and stands therefore in the context of individual values, whereas in a social romantic understanding social policy stands for collective objectives. In both orientations, however, social policy was bound to the national state.

The more the national state's capability to steer social habits and behaviours is eroded and more the influence of supranational and international, regional or even local entities is increasing and shifting towards the market and civil society, the less the existing institutions of social policy can be justified by the idea of a well organised national state.

## **3. Can equality justify social policy ?**

### **3.1 Egalitarian strand of the welfare state**

Since the early days of Thomas Paine, Johann Gottlieb Fichte and Ferdinand Lassalle the proposals in favour of the welfare state always had an egalitarian bias. The idea of the welfare state always got a strong support from the criticism against unjustifiable privileges, which were unfairly reserved to minorities. T.H. Marshall characterises the welfare state as "a kind of basic human equality, associated with full community membership, which is not inconsistent with a superstructure of economic inequality".<sup>9</sup> All social utopians based their proposals on an egalitarian view of the society: Thomas Morus sketched Utopia as a society, wherein each one should have an equal share on the goods and services, which are jointly produced. Edouard Bellamy dreamt of a society, which offered to every one a social dividend or social credit – a minimum income sufficient for survival. In Plato's philosophy the just and the good things fall together. Aristotle regards justice and harmony, balance and proportionality, virtues and equality as

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<sup>8</sup> Anthony Giddens, *Beyond Left and Right*, 1994, p.136 f.

<sup>9</sup> T. H. Marshall, *Citizenship and Social Class* (1950), in T. H. Marshall/Tom Bottomore (Ed.), *Citizenship and Social Class*, 1992, p. 45.

more or less the same. And for Grachus Babeuf a fair society has to be established beyond richness and poverty: "In a true society there should be neither rich nor poor; the rich who will not give up their superfluity to help the needy are the enemies of the people".<sup>10</sup> For John Rawls in a fair society of free and equal citizens all differences in goods and advantages need a substantial justification. As T. H. Marshall puts it: "Equalisation is not so much between classes as between individuals within a population which is now treated for this purpose as though it was one class. Equality of status is much more important than equality of income".<sup>11</sup>

### 3.2 Equality – a multidimensional target

But despite all the various descriptions of the intrinsic value of equality the content of this principle is relatively poor. Is equality a value in itself? Because it has not an absolute but a relative dimension: Equal rights, equal chances, equal pay for equal work - all these demands are not substantial but referential in character, because equality refers to something outside itself! So, equality describes a relation between two things, two states of affair or two persons. The Aristotelian "suum cuique!" remains blank and vague, as long as it does not unveil the main characteristics of the individual. So, equality lacks of any quality, because it has not an absolute, but a relative dimension. Furthermore equality is ambiguous. Because it does not require to treat things, states of affair or persons as being alike. If there are differences between them, differences must be made in order to guarantee equality. Differences are not only justified but mandatory for the sake of equality! So "equal" distributions according to merits require differences, if there are differences in merits.

So, equality assumes different dimensions: as an indicator for relations between two persons, and as a guiding principle for the internal order of a group. The first emphasises as *iustitia commutativa* a balance in giving and taking, between damage and compensation, guilt and punishment; on the basis of the latter *iustitia distributiva* stands as an imperative for the internal order of social groups, wherein each finds her/his proper place. Additionally, equality to desert (need) or to merit (achievement) are to be discerned; equality according to desert can only be based on objective criteria. Because the felt desert fails as an impersonal indicator. Equality based on desert intends to help those who are not able to take part in market exchanges due to poor health, unemployment, disability or old age. A distribution based on desert strives to correct a distribution based on merit, whereas the latter intends to conserve the trade-offs drawn out of balanced exchanges.

In any case Michael Walzer (*Complex Equality*) is right, when he states: equality is complex because of its relational character, the different objects of possible distribution and the various impacts of attributions. "The demand of equality can take various forms, and a certain amount of plurality of concern is inescapable of basal equity itself".<sup>12</sup> Has egalitarianism an intrinsic moral value, so that equality is to be achieved for its own sake? One simple objection could be: The misery of those living a dreadful life is not sufficiently explained by the fact that others have a better life; the misery simply stems from the fact, that a dreadful life is dreadful (Harry Frankfurt). So "the practice of doing justice... signals the need, the rights and deserts of particular subjects".<sup>13</sup> As Avishai Margalit<sup>14</sup> precisely elaborated, inequalities violate justice and fairness because they disregard the discriminated person - by annihilating his or her status as a human being. So, equality is deeply linked with rules. It shall guarantee that rules are made and administered universally. "Formal justice becomes ... the particular virtue of the rule governed activities".<sup>15</sup>

But justice is more than respecting rules. Because it requires substantial principles, and these cannot be equated with equality. So, equality – above all: equality of chances – can also be regarded as an economic not a moral principle, because it allows and fosters competition and pursues efficiency.<sup>16</sup> Equality requires impartiality. Is it realistic, however, to assume that individuals will abstain from personal interests and preferences when assessing what equality demands under specific circumstances?<sup>17</sup> Equality cannot and shall not wipe out good or bad luck or individual differences in ability or thrift. The

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<sup>10</sup> Louis P. Pojmann, Robert Westmoreland (Eds.), *Equality*. Oxford University Press 1997, p. 45 51.

<sup>11</sup> Ibid.

<sup>12</sup> Amartya Sen, *Inequality Reexamined*, 1992, 131.

<sup>13</sup> Carr, *The Concept of Formal Justice*, 39 (1981) *Phil Stud* 211, 224.

<sup>14</sup> *The Decent Society*, Harvard University Press 1991.

<sup>15</sup> Carr, 222.

<sup>16</sup> Gaston, *Equality*, 170.

<sup>17</sup> Thomas Nagel, *Gleichheit und Parteilichkeit*, 1994.

results of the natural lottery society can and shall not be corrected by the society at large.<sup>18</sup> "Educating individuals to the limits of their capacity is a legitimate aim, and social inequality, generated in the pursuit of a legitimate aim is not unjust, if natural differences among the persons are its primary cause".<sup>19</sup> And even more, to help the victims of cultural, ethnic, social or sexual discrimination requires to acknowledge a whole range of cultural, ethnic, social or sexual differences, to respect inequalities as a determining factor of the human species and to establish rules based upon the different characteristics of human beings. Overcoming previous discriminations requires – with other words – not equality, but urges rules based on and intended to emphasise inequality.<sup>20</sup>

So, equality cannot and should not be the leading value upon which social policy will be built. Despite its legacy as a means to overcome unjustifiable privileges equality lacks a convincing content. As a relation and complex principle it does not stand for substantive targets. As a formal principle to respect general rules it is too densely linked with the rules themselves; so it can not be an indicator itself. There is also the risk to underestimate the scope of equality - which might be extended to spheres beyond societal control – and the demands for keeping impartiality as a fundament of equality - which turns to become unrealistic in a stratified society with deeply rooted conflicts of interests and aspirations. Finally, most endeavours for social policy of today are not inspired by the aim of equality, but by the idea of decency of life and living conditions. Neither to disregard, nor to discriminate against others in order to exclude individuals from society - these are the imperatives and thriving motives of social policy of today. These imperatives are meaningful as individual rights and freedoms and not as a demand for equality!

### 3.3 Social Security and Social Justice

Social security is deeply related to the idea of social justice. Justice is a concept and ideal, deeply rooted in classic philosophy and Christian thought. In the "Sermon on the Mountain" it is stated "Blessed are those who hunger and thirst for righteousness, for they will be filled"<sup>21</sup>. "Blessed are those who are persecuted because of righteousness. For theirs is the kingdom of heaven"<sup>22</sup>. Justice stands for a political and social order, which concurs with the rules established by God - and "just" is a state of life which should come into existence. The message of justice in Christianity, hence, assumes an utopian character.

In Aristotle's inquiry "Nicomachean Ethics" justice is defined as "a state of character which makes people disposed to do what is just and makes them act justly and wish for what is just"<sup>23</sup>. Justice is conceived as "complete virtue, but not absolutely, but in relation to our neighbour"<sup>24</sup>. Further, justice is characterised as the equal<sup>25</sup>, the centre<sup>26</sup> and the proportional<sup>27</sup>. Based on these distinctions, Aristotle discerned *iustitia commutativa* and *iustitia distributiva*. The first secures a fair and balanced trade, makes sure that giving and taking are equally distributed; the latter concept is addressed to the fairness of treatment. A treatment is fair if people of one group are treated in line and coherence with the possible distributive principles of merit, achievement or need. In this latter sense also the *Corpus Iuris Civilis* defines *iustitia est constans ac perpetua voluntas ius suum tribuens* - justice is the constant and perpetual intention to attribute to every one what she or he deserves. Whereas in the Christian tradition justice is an utopian ideal, in the classical tradition it is an attitude to strive for compromise or to create a balanced social order in a given society. The specific ideals of justice are not inherent in the concept itself, but stem from the specific values the group adopts and acknowledges. The contents of fairness depend on whether the group members are assessed as being equal or that distinctions among them, according different roles these persons in society have to play - e.g. between men and women, parents and children, rich and poor - are permitted. The concept of social justice is to be understood as an element of justice. It does not aim at the fairness of trade, but at the fairness of treatment of different social groups in society. It underlines that societies are stratified, split into different layers and that persons belonging to different social groups have different life chances. Social justice touches upon rich and poor, inclusion and exclusion, decent life and destitution. Many of the utopian thinkers of the past demanded a fair distribution of assets and incomes in

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<sup>18</sup> Thomas Nagel, *Justice and Nature*, 17 (1997) *Oxford Journal of Legal Studies*, 303.

<sup>19</sup> *ibid*, 303 s.

<sup>20</sup> Amartya Sen, *Inequality Reexamined*, 1992, 2.

<sup>21</sup> Mathew, 5, 6

<sup>22</sup> Mathew 5, 10

<sup>23</sup> 1129a 7s

<sup>24</sup> 1129b 26ff

<sup>25</sup> 1131a, 13

<sup>26</sup> *ibid*

<sup>27</sup> 1131a, 29

a given society or a substantial participation in work, goods, services and power of all citizens in a given society. In this sense social security serves as a key instrument to foster social justice. Because it strives for social inclusion, it intends to enable persons, who are unable to earn their living by actively taking part in paid work, to meet their needs. Social insurance can also be understood as a means to deepen social justice because it is based on solidarity and intended to protect people in need. In the social theory of today, the idea of social justice is translated into "stake-holding"<sup>28</sup>. In order to safeguard equal opportunities of all the members of a given society every one should receive a fair chance to be established by the society at large - not as a handout but as a matter of individual rights. So, in the last resort the concept of social justice coincides with the creation and formation of individual social rights.

## 4. Social Rights - Basis of Freedom

### 4.1 Liberal Legacy

Liberal thinkers were deeply inspired (and annoyed) by the pre-modern, pre-revolutionary, "ancient welfare state" of the mid 18th century. Under the "old regime" the state played an overwhelming role in the everyday life of their "subjects". The French – as the American – Revolution started as a taxpayers' revolt and their principles were directed against the stratified pre-modern welfare state of the old regime. The sharp criticism of the liberal thinkers against a paternalistic state had its main addressee in the welfare state component of the old regime. For Wilhelm von Humboldt<sup>29</sup> the state is not empowered to intervene into the morality or belief of their citizens. The state should also be hindered to contribute actively to the individual welfare. The protection against individual risks was also not conceived as a public but a private duty, because open-minded citizens will contract with insurance companies to protect themselves against foreseeable risks. And mutual help lacks any moral appeal if it is organised by the state. John Stewart Mill<sup>30</sup> stressed that the ingenuity of the individual is the only and the richest source of fortune and economic progress. To draw profit from it requires the safeguard of individual liberty. Social rights, however, imply entitlements and commitments addressed to individual behaviour.

The same anti-welfare state position was articulated in the 20th century by Robert Nozick.<sup>31</sup> He argued in favour of a minimal state, whose task should be restricted to protect the individual against crime and the breach of contracts. State intervention in the name of distributive justice, however, should be regarded as the unjustified violation of individually acquired rights. Charging wages with contributions for social security should be regarded and, therefore, to be banned as a form of "forced labour". Benefits for the workable poor would destroy each incentive to work. So, each demand for redistribution implies the violation of acquired rights.

### 4.2 Welfare State and Rights

A different approach to justify the given welfare state can be found in Avishai Margalit's and Amartya Sen's theories. Margalit denies that the central question of social and political philosophy is on the just society, but on the conditions for a decent society. A decent society is based on the respect of everyone; it refrains from discriminating against others and any humiliation. A decent society can be defined as a political and social order based on the rights of each individual. For Sen the state has to foster the individual capabilities to safeguard the "functioning" of each individual to assume a position in the economic and social life. This position rethinks the challenge of poverty from an income-oriented to a capability-oriented approach<sup>32</sup>. It emphasises the "quality of life" as the main target of social policy.<sup>33</sup> The transfer of resources needed for redistribution can be justified because every one lives in a society, a community on which each one depends and relies. So communitarianism - a social theory beyond both individualism as authoritarianism - lays the theoretical fundament where in personal freedom and general welfare concur. In this approach a multi-layer order based on different communities, imposing different commitments and responsibilities to the individual, constitute different social environments, in which the individual is integrated at the same time.

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<sup>28</sup> Bruce Ackermann/Anne Alstott, *The Stakeholder Society*, 1999

<sup>29</sup> Wilhelm von Humboldt, *Ideen zu einem Versuch, die Grenzen der Wirksamkeit des Staates zu bestimmen*, 1792.

<sup>30</sup> *On Liberty*, 1859.

<sup>31</sup> *Anarchy State Utopia 1974*; he corrected this approach in the book, published 1989: Robert Nozick, *Vom richtigen, guten und glücklichen Leben* (dt. 1993), S. 362 ff.

<sup>32</sup> Sen, *Inequality Rweexamined*, 1992, 113

<sup>33</sup> Matha C. Nussbaum/ Amartya Sen (Ed), *The quality of life,....*,



### 4.3 The Activating Welfare State – a Communitarian Ideal

The communitarian social theory emphasises the concept and the idea of the activating welfare state. The activating welfare state has to overcome a social policy eager to create entitlements: the entitlement society. It supports a welfare state which is constructed on a bargain – welfare rights should be accompanied by welfare responsibilities; it stands for the shift "from the notion of unconditional entitlements and guarantees... and towards limitations and duties, especially for those receiving public services".<sup>34</sup> The activating welfare state's aim "is to design the social institutions that will provide a nature of opportunity and employability for citizens, and will be attractive for these same reasons to international investors. What is good from the standpoint of justice – fair opportunities for all, a responsible sense of membership, an ethic of hard work and equal liberty – is also good for efficiency"<sup>35</sup>. Out of the idea of an activating welfare state the target of "positive welfare"<sup>36</sup> emerges: "The welfare state grew up as a mode of protecting against misfortunes that 'happen' to people – certainly as far as social security is concerned – it essentially picks up pieces after mishaps have occurred. Positive welfare, by contrast, places much greater emphasis on the mobilising of life – political measures, aimed once more at connecting autonomy with personal and collective responsibilities".<sup>37</sup>

The state assumes a new role – instead of guaranteeing entitlements the state sets incentives in order to enable individuals "to find their place in the labour market".<sup>38</sup> A speaker of Clinton defined this new role of governments: "Good government can do as much as it can to enable, but can do no more than enable".<sup>39</sup> This new policy is not keen on distorting or correcting the market; the priorities and imperatives are in line with those of the market: Justice and efficiency go hand in hand! The success of the social policy of an enabling state depends on an enabling structure to be created by political measures. Investments in training, rehabilitation and education are required. Additionally, society has to accept to a large extent, that expectations to co-operate will be frustrated. To make these proposals working implies, finally, that all members of the society live in harmony and their behaviour is directed by rationality and openness.

So, the activating welfare state is confronted with the same challenge, the pre-modern welfare state had been confronted with: Can the welfare state be established without undermining the civil liberties of the individuals? As embedded in a harmonic social theory, a policy of activation underestimates the conflicts emerging from executing commitments to co-operate. To which degree will a welfare benefits' recipient be allowed to abstain from co-operation? And will a protective society be tough enough, to deny and refuse any support for the disobedient (and her/his family), if the expected co-operation will fail?

This conflict illustrates the genuine difficulty each activating strategy is confronted with. On the one side, it is justified as a means to assist the needy individually and to make them able to play an independent role in society on the basis of an individual living of one's own. On the other hand it implies sanctions, which might be so harsh, that the original aim to foster freedom can be jeopardised. In its orientation towards need and responsibility the dominating theory of the activating welfare state underlines the original function of welfare – to help those who cannot help themselves - not in the name of well organised state but instead for the sake of equal liberties. The price might be an inadequate respect of the liberties of the welfare recipient. So, sanctions violating civil liberties should and could be avoided. So, public welfare is confronted with the dilemma that demands for co-operation will be expanded, sanctions against non-co-operation, however, will depend on a reliable proof of misbehaviour and punishments need justifications which are in line with the civil liberties - also the freedom from abstaining to co-operate. Under this condition and with this restriction, the concept of the activating welfare state understands social policy as a means to protect individual freedoms and liberties.

## 5. The Welfare State in the Era of Globalisation

### 5.1 Dissolution between national state and society

In the international order of today national boundaries are in the process of vanishing. Economic activities are no longer restricted by national boundaries since Common or Single market are established. Within

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<sup>34</sup> Jordan, *The New Politics of Welfare*, 1998, 15.

<sup>35</sup> *Ibid.*, 18.

<sup>36</sup> Giddens, *Beyond Left and Right*, 1994, 18.

<sup>37</sup> *Ibid.*

<sup>38</sup> Summary Conference of the Ministers of Social Affairs of the G8, April 25-27, 2002 Montréal.

<sup>39</sup> Neil Gilbert, *Welfare Justice: Restoring Social Equity*, 1995, p. 151.

the EU the national economic activities must neither be embarrassed nor hindered by the legislation or administration of the member states. The fundamental freedoms guarantee each individual to sell and buy goods or services, work or invest within the EU without any impediments imposed by any member state. So, within the EU economic exchanges are feasible in a transnational context. Social policy, however, keeps on being an instrument of national policy - while at the formative era of social policy it was meant to control and to supplement the market society, which was completely established within closed national frontiers.

What does it mean for social policy of tomorrow, that national boundaries lost their relevance for the economic life? When nation states loose their ability to structure and determine social life within their territory – what will and can justify social policy tomorrow? If frontiers as a key factor for social differences are going to vanish, can the idea of a well organised society still be kept in order to justify social policy? Because of the persistence of challenges and the expectations raised by the welfare state adequate alternatives to the state are not in sight. So state welfare will not fade away, neither in the short run, nor in the further future. So if a given justification for social policy will no longer be reliable, are there new justifications for it at hand? Is the idea of equality a proper justification, which played a key role in social policy since the very beginning? Can civil liberties to be protected and fostered by the state also justify social policy? While globalisation becomes a world-wide feature, social policy is affected by it, too - not only in economic terms, but also as far as its fundamental legitimacy is concerned.

When looking to the prospect of social policy in the era of globalisation, it is clear, that the classical justification can no longer be upheld. The once leading role of the national state shrinks due to the increasing influence of private initiatives and the growing role of local, regional, supra- and international entities. To establish and to keep a good order in a given state and society becomes a joint task of many actors, when society will be organised more and more in international settings. In an internationally open society the ideal of equality – highly dubious as such – will loose the ability of orientation, as the society will transcend national borderlines. Despite all tendencies and indications towards a post national structure of state and society, the state will not be replaced by other communities and the individuals. Because the state keeps on holding the monopoly of legitimate power, and it is up to the state to guarantee that the rule of law is and will be respected.

## **5.2 A new split of power**

Globalisation is characterised by a new division of competencies in policy making.<sup>40</sup> The growing influence of local, regional, supra- and international authorities depends on the capability of the state to guarantee that the rule of law will be respected – even if the law was made or influenced by private, local, regional, supra- or international authorities. As to the administration of justice the monopoly of power is still held by the state. According to this role as the main peace keeping liberties' guaranteeing authority in a territory, it is also the state which has to guarantee the basic individual rights and freedoms. If the main aim and target of social policy lies in the fostering of individual freedom and social policy measures are predominantly meant to underpin civil liberties, then also in the age of globalisation social policy continues to fall within the responsibility of the state. The states of today are no longer sovereign in their actions, because the standards are more and more established internationally. So, the loss of state sovereignty means the loss of the state's rule setting capacity and law making will shift from the national state to a multi-layer activity of various levels of public and private governance.

## **5.3 A New Prospect for State Social Policy**

In this new setting of law-making state social policy has not only to safeguard its classical role to combat exclusion, to assist and protect individuals and to provide for an adequate management for the basic social risks. Additionally, social policy will take over original commitments to make a transnational society feasible and to give such a society a normative orientation, elaborated in the framework of an organised set of international constitutions. The national state will assume a new role as to safeguard the principles of international law within its own territory. So the national state has to fight against exclusion – also insofar the latter will be addressed towards migrants -, to assist people in need – also if the latter stems from political persecution in other countries -, to protect individuals – also those who are talking a foreign language, having a different ethnic origin or religious belief – and to provide for an adequate risk management; this implies the conservation of social security rights acquired under various national schemes. So, social policy will still remain a matter of state policy – no longer a means to accomplish a social romantic ideal of the national state, based on a peculiar ideology of nationhood, set above the traditions and rules of other nations – but as a means to foster liberty in an internationally open society, according to internationally set and approved standards. This implies to pursue the classical tasks of

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<sup>40</sup> Stephan Leibfried/Paul Pierson (Ed.), *European Social Policy*, Washington D.C., 1995.

social policy. But, this will include also new challenges - for the state above all the one to make the internationally open society feasible by utilising the means and the power of an internationally oriented and internationally minded national social policy!

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