

MODELS OF THE WELFARE STATE IN EUROPE: GERMANY AND SWEDEN

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Abstract

The research subject of our work is the welfare state. The object of the research are models of the welfare state with a focus on selected countries. These countries are Germany, as a representative of the corporate model, and Sweden, as a representative of the social-democratic model. The aim of our work is based on selected models of the welfare (in Germany and Sweden) to identify social policy instruments and their current problems. Although there is no exact definition of the welfare state, in the first part of our work we will approach it with the help of definitions from several Slovak and foreign authors, which will help us to find out the current state of the researched problem. In the continuation of this part, we focus on the typology of the welfare state and concretize the typology according to G. Espring-Andersen. In the summary table, we will at least marginally present other typologies of welfare states, for example according to Leibfried, Siaroff or Bonoli. In the second part of our work, we specify the German and Swedish model, which we approach based on an analysis of the literature using data from individual ministries of the surveyed countries. In the third part, we compare the examined models of selected countries based on data on public social spending. We also arrive at the conclusions necessary to meet the goal of our work by analyzing the laws in the given area or data from the OECD.

Key words:

welfare state, social policy models, social policy, liberal model, conservative - corporate model, social - democratic model

Abstrakt

Výskumným predmetom našej práce je sociálny štát. Objektom skúmania sú modely sociálneho štátu so zameraním na vybrané krajiny. Týmito krajinami sú Nemecko, ako predstaviteľ korporatívneho modelu a Švédsko, ako predstaviteľ sociálno-demokratického modelu. Cieľom našej práce je na základe vybraných modelov sociálneho štátu (v Nemecku a vo Švédsku) identifikovať nástroje sociálnej politiky a ich aktuálne problémy. Aj keď presná definícia sociálneho štátu neexistuje, v prvej časti našej práce si ho priblížime za pomoci definícií od viacerých slovenských a zahraničných autorov, čo nám napomôže zistiť aktuálny stav skúmaného problému. V pokračovaní tejto časti sa zameriavame na typológiu sociálneho štátu a konkretizujeme si typológiu podľa G. Espring-Andersena. V sumarizačnej (porovnávacej) tabuľke si aspoň okrajovo predstavíme aj iné typológie sociálnych štátov, napríklad podľa Leibfrieda, Siaroffa, či Bonoliho. V druhej časti našej práce si špecifikujeme nemecký a švédsky model, ktoré si priblížime na základe analýzy literatúry za pomoci údajov z jednotlivých ministerstiev skúmaných štátov. V tretej časti si porovnáme skúmané modely vybraných štátov na základe údajov o verejných sociálnych výdavkoch. Taktiež analýzou zákonov z danej oblasti, či údajmi z OECD sa dopracujeme k záverom potrebným pre splnenie cieľa našej práce.

Kľúčové slová:

sociálny štát, modely sociálnej politiky, sociálna politika, liberálny model, konzervatívno – korporatívny model, sociálno – demokratický model

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Introduction

With the creation of a network of social security systems and the adoption of a set of laws in this area, a new chapter in social security opens in the 19th century, not only in Germany but also throughout Europe. The main initiator in this direction was the German chancellor Otto von Bismarck. Although these new laws originally

applied to only a small part of the population and the benefits were far from sufficient to meet most needs, we still refer to the German social security system as a model that many countries later adopted or imitated. We begin to encounter the term welfare state in the mid-20th century during World War II, when the term was first used by the Archbishop of Canterbury William Temple in an attempt to point out the difference between the

military arrangements in Great Britain and Germany, which he classified as warfare state. The highest representative of the Royal Commission, the English Lord William Beveridge, who created the first comprehensive proposal for a social security system in Great Britain after the Second World War, was responsible for the extension and incorporation into a certain module of this concept. This period can also be considered as the period of the beginning of building the European social model, which was formed until the seventies of the last century. This model combined the search for opportunities for full employment, guaranteeing social rights, or a standard of living that will not depend on the real situation on the labor market. Over time, this model has led to the emergence of social policy models in Western Europe, which each country has adapted to its own political culture and economic opportunities.

1. Social state and its models

The welfare state is based on the assertion that the market mechanism alone is not enough to achieve the required level of individual and collective well-being in capitalist society. The aim of the welfare state is therefore to ensure a fair distribution of the social security necessary for democratic societies. (Tranow, Schnabel, 2019). The welfare state is thus recognized in every developed society as a necessary institution whose task is to ensure a relatively decent life for its citizens. (George, 2015). „The role of the state as a subject of social policy is gradually becoming dominant, and the state is limiting in some way, *rsp.* dampens the activity of other social actors“ (Dudová, Stanek, Polonyová, 2018). Such a state is called a welfare state, and is characterized as follows:

1. the state is socially involved and has a dominant position in the given area,
2. the state, through its involvement, takes over the social security of the population,
3. the implementation of this social policy is associated with extensive redistribution, which leads to bureaucracy, centralization and, for beneficiaries, anonymity,
4. the demand for financial resources is growing,
5. the social security system, whether the security of the broadest sections of the population is decisively free of charge or for a minimum fee.

„Today's developed states still have the character of a welfare state, which is agreed by the authors in the field of social policy. However, there are often differences of opinion between the authors on specific issues of the welfare state, concerning the definition of the concept of the welfare state, its perspectives, the dimension of evaluations, its effectiveness in the development of the social structure and social inequalities.“ (Stanek a kol., 2008).

„In essence, the welfare state unites many theoretical and practical positions“ (Baranowski, 2013). However, the economic and political dimensions of the welfare state (such as conceptual or prosocial proposals) seem to be disproportionately repressed on the basis of the scientific reflection and pragmatic approaches used by state institutions. Since 1973 European welfare states have been undergoing a continuous process of adjustment to fiscal austerity and new social, political and economic conditions. (Benda, Fenger, Koster, van Der Veen, 2017). This tendency to think from an economic and political point of view, which has persisted for several decades, is only one side of a complex social problem. The other side of this problem is the so-called reductionism, which leads to the elimination of sociological, cultural, educational, psychological consequences of the functioning of the welfare state. Some authors see the adaptation of social security systems to new constraints, in particular those caused by demographic change and economic globalization, as a challenge to the European social model. On the contrary, „neoliberal“ conceptions have reportedly supported the radical dismantling of the welfare state (Schuster, 2006). In recent years, the EU's common policy has evolved and extended to other dimensions in line with the concept of sustainable and inclusive growth (Creapaldi, 2017).

1.2. Welfare state models in Europe

The model of the European welfare state can be divided into four developmental epochs. The first stage is located between the 16th and 18th centuries. The second era, when the state began to take on a more important role, dates back to the pre-World War II era. The third era, which dates back to the period after the Second World War, led to the emergence of modern welfare states. The fourth, still ongoing era began in the 1970s. (Kaelble, 2004).

We divide European models of the welfare state according to various goals and criteria. Based on this, these models have different characteristics that reflect the customs and cultures of the nation and its legislation. A diversity of welfare regimes were formed on the bases of national varieties of social insurance and redistribution systems. (Kutsenko, Gorbachyk, 2014). The historical, political and economic experiences of individual European countries also play an important role in choosing a given model of social policy. The systems differ mainly in the scope and composition of public expenditure, institutional aspects, the type of services provided and funding mechanisms where “each model of social policy also contains a certain specific understanding of social justice. The fulfillment of social justice in terms of guaranteeing civil and political rights is a necessary condition for democratization processes.” (Geffert, 2018). The mechanisms, methods and extent of securing social and economic rights are an important moment. „Despite all the differences between European welfare states, they have many similarities that justify the European social model.“ (Hoffmann, 2005). In recent years, a common EU policy has evolved and extended to other dimensions in line with the concept of sustainable and inclusive growth.

In the last two decades, the social policy literature proposed by Gøsta Esping-Andersen has dominated the literature on social policy. Andersen showed that clear historical-political developments in capitalist societies resulted in three types of welfare states: liberal, conservative, and social democratic. „Against the conventional functionalist theory of portraying the welfare state in response to social, economic and demographic change, Esping-Andersen suggested that the weak influence of the left should lead to the development of liberal welfare states, especially in the Anglo-Saxon countries with the United States as a prime example. Strong conservative and Christian democratic parties led to conservative welfare states in continental Europe, while strong left-wing parties led to a social democratic welfare state in the Nordic countries. (Emmenegger, et al., 2015). To these three models, Esping-Andersen later added a rudimentary model that connected the southern states of Europe. Because Esping-Andersen’s typology is based on two separate dimensions, in some cases, the classification of particular

welfare states is debatable. For example, Belgium exhibited high levels of decommodification (and thus social democratic) but also high levels of stratification (which would suggest a conservative welfare state). Ireland is another example of a difficult-to-classify state, being liberal with regard to decommodification and conservative in terms of stratification.(Curt Pankratz, 2017).

Liberal'Welfare-State

We can also freely translate this expression as a liberal welfare state, ie a state with a liberal social system. This system is characterized by minimal state intervention in the social field. Emphasis is placed on the activity of individuals, their own efforts to improve living conditions, as well as everyone's responsibility for the level and quality of working and living conditions. In this system, the state supports the market (passive or active), guarantees a minimum, subsidy social security system.

Corporatist'Welfare-State

Also called conservative-corporatist model of social policy. It is based on the idea, work = the basic source of livelihood. In states that have this system in place, we see a strong religious background and the influence of the church. This fact is also reflected in the social policy of the state, where social care is linked to traditional parenthood and corporations, ie various associations, associations and churches. In this system, the role of the state is at a medium level, where the state partially replaces market mechanisms, so that social benefits are provided from social insurance funds. The system is based on inter-class solidarity, but the maintenance of status differences is significant here. The rate of redistribution is low and income disparities are maintained, ie the inhabitants who did not contribute to the system are supported from the state budget, but their standard of living is much lower. The role of the state is not to replace existing forms of solidarity, but to support them, so we can say that while the state reduces but does not eliminate market dependence.

Germany is the representative of the conservative-corporate model of social policy. According (Eichner, Wagoner, 2002) „The tradition of the state care system dates back to the age of industrialization in Germany in the second half of the 19th century and is associated with the then Reich Chancellor Otto von Bismarck“,

which first introduced compulsory health insurance for workers with the corresponding social legislation, which expanded in the following years, thus creating the basis of a systemic social insurance network. The German welfare state has since undergone several changes in the political, economic, but especially the social sphere. „Given the high level of structural change and state-policy discontinuity, we can divide the development of the German social model into four phases:

- constitution (1870/71 až 1914)
- consolidation (1914-1945)
- reconstruction and expansion (1945- 1974/75)
- reduction (1974/75 - present)“ (Hegelich, Meyer, 2008).

Germany has one of the most comprehensive social security systems. Ggovernment in the mid-1960s, for instance, introduced minimum benefits into the state sickness and unemployment insurance programmes, and greatly improved the latter’s overall generosity by increasing the duration and level of the benefit. ((Nijhuis, 2019). Today, a tightly woven network of health, pension, accident, nursing and unemployment insurance protects citizens from the consequences of existential risks and threats.

„The Social Democratic regime uses the principle of universality as an objective in the planning of social policy, and therefore aims to protect all fellow citizens without distinction on the basis of their individual needs. A special feature of this regime is the active and often expressed effort and the greatest possible independence from the market. Stripping is very great, because all fellow citizens have equal rights“ (Vogliotti, Vattai, 2014). The basis of this system is a universal social insurance system and a high employment rate. Intheinclusiondimension,universalism includes everyone with welfare needs on the basis of citizenship or residency. (Saikkonen, Ylikännö, 2020). Stability is achieved here through agreements between the social partners. These agreements are aimed at the middle class and guarantee workers full participation in the quality and rights of better placed workers. In this system, the role of the family is not expected, but the state socializes the costs of parenthood. As the state promotes equality at the highest level, there is no dualism between the state and the market. The system is sustainable only with maximum

employment of the population and a high tax and levy load.

An example of such a system is Sweden. One of the main features of the development of the Swedish social model is the political tradition of compromise, which is typical of all Scandinavian countries. The most significant ideological shift towards the welfare state can be traced in Sweden in the 1930s, when the Social Democratic Party of SAP, which ruled in Sweden without a break for 44 years (1932 – 1976), it almost completely abandoned both Marxist and neoclassical economic policies and chose the Keynesian model as its economic program. Sweden, as a country with a deep-rooted welfare state tradition, has become a country with a tax rate that is one of the highest in the world. Nevertheless, we can characterize the Swedish social system as a system that has three main objectives: ensuring full employment, achieving optimal social equality and building a social security system through a general welfare policy.

Rudimentary model

This model was last added to the previous three Andersen models after some time. It is characteristic of the countries of southern Europe. These are countries such as Greece, Italy, Spain or Portugal, where the so-called family social regime, which means that the family is the element that provides its members with a social regime. The state has a secondary role in these countries and acts in accordance with the principles „passive subsidiarity“. Public intervention therefore only concerns residual measures; welfare state protection mechanisms are only activated when primary social networks fail or have no way of helping people in need.

The predecessor of Espring-Andersen and his models of the typology of the three worlds was Richard Morris Titmuss, who, before Espring-Andersen, formulated and introduced the idea of the tripolarity of social models, naming the first of them as a residual model. This model would be equivalent to the liberal model of Espring-Andersen. Titmuss's second model was based on the result of personal success and work and would correspond to a conservative model. Finally, the third model was a redistributive, institutional model that we could associate with a social democratic model. In addition to the two authors mentioned, there are other typologies of welfare

states, or more precisely a typology of welfare states. These are listed in the following table.

Table 1

Liberal regimes (USA)	Corporate regimes (SRN)	Social Democratic Regimes (Sweden, Norway)	Mediterranean regimes (Spain, Portugal, Greece, Italy)	Radical Regimes (Australia)
<i>Esping-Andersen (1990)</i> Liberal Low degree of decomodification, market differences in welfare	Corporate Moderate degrees of decomodification, social benefits mainly depend on previous contributions and status	Social democratic High degree of decomodification, universal benefits and high degree of dose equality		
<i>Leibfried (1992)</i> The Anglo-Saxon Right to Money Transfers, the Welfare State as a Compensator in the Extreme Case and a Strict Enforcer to Work in the Market	Bismarck's Right to Social Security, the Welfare State as a Compensator in the First Place and the Employer in the Extreme Case	The Scandinavian Right to work for everyone, universality, the welfare state as an employer in the first place and a compensator as a last resort	Latin-Roman Right to Work and Welfare Proclaimed, Welfare State as a Semi-Institutional Promise	
<i>Castles a Mitchell (1993)</i> Liberal Low social spending and failure to adopt balancing tools in social policy	Conservative High social spending, but little adoption of balancing instruments in social policy	False hegemony High social spending and the use of several balancing instruments in social policy		Radical Achieving income equality before tax and before transfers, low social spending
<i>Siaroff (1994)</i> Protestant-Liberal Minim. Family well-being, still a relatively egalitarian position in the labor market, family benefits are paid to mothers, but they are quite inadequate	Progressive Christian Democratic Weak initiatives to keep women working, strong initiatives to stay home	Protestant Social Democratic A real choice for women, whether to work or not, family benefits are paid to mothers and are high, the importance of Protestantism	Delayed female mobilization Absence of Protestantism, family benefits are usually paid to fathers, universal women's suffrage is relatively new	
<i>Ferrera (1996)</i> Anglo-Saxon Fairly high coverage of the welfare state, social assistance with needs testing, mixed funding system, highly integrated organizational framework fully managed by the public administration	Bismarck Strong connection between job position and social rights, benefits are proportional income, financing through contributions,	Scandinavian Social protection as a civil right, universal coverage, relatively generous fixed benefits for various risks, financed mainly through taxes, strong	Mediterranean Fragmented income guarantee system, linked to the job position, generous benefits without a clear network of minimum social protection,	

	reasonably large social assistance benefits, insurance schemes are managed mainly by unions and employers' organizations	organizational integration	healthcare as a civil right, specificity in cash benefit payments and financing	
<i>Bonoli (1997)</i> British Small percentage of social expenditure financed through contributions (Beveridge), low social expenditure as a percentage of GDP	Continental High percentage of social expenditure financed through contributions (Bismarck), high social expenditure as a percentage of GDP	Nordic Small percentage of social expenditure financed through contributions (Beveridge), high social expenditure as a percentage of GDP	Latin High percentage of social expenditure financed through contributions (Bismarck), low social expenditure as a percentage of GDP	
<i>Korpi a Palme (1998)</i> Basic security Eligibility based on citizenship, application of the principle - uniform rate of benefits	Corporate Authorization based on the category of employment and labor force participation, application of the principle - income-based benefit	Comprehensive Entitlement based on citizenship and contributions, application of the principle - uniform benefit rate and income-based benefit		Targeted Eligibility based on demonstrable need, use of the principle - minimum benefit

Source: Dudová, et al.2018

As we have said, we can look at models of social policy and at the same time divide them according to several criteria. „The discussion is raised by the question: What needs, what conditions, whose population / parts of the population / are to be satisfied? In what way and who should be responsible for this satisfaction? Different answers to these questions result in different models of social policy. These differ based on:

- social policy actors / or bodies responsible for meeting needs /
 - clients of social policy / addressees of social policy, recipients of social services /
 - scope and type of services
 - objectives and functions of social policy“.
- (Radičová et al., 1998)

2. Objective and methodology

The aim of our work is to identify the tools of social policy and their current problems on the basis of selected models of the welfare state (in Germany and Sweden). To meet the main goal of our work will help us meet the sub-goals. The first partial goal is to define the concept of

welfare state and its currently implemented forms. The second partial goal of our work is the analysis of two selected models of the welfare state in Europe, the first of which will be a representative of the corporate model (Germany) and the second will be a representative of the social democratic model (Sweden). The third goal of our work will be to compare the two models in terms of the cost of public social spending. To determine the current state of research of the problem in the first part of our work, we will use the analysis of the literature. We will use this method in the second part of our work. In the third part we will use the method of comparison to compare selected models of the welfare state on the basis of.

3. Welfare state model – Germany

The social system is an integral part of the German social market economy. It is called the middle ground between free market liberalism and state-centered socialism. This social security system is based on a well-functioning labor force in the market, stable employment and long-term development. In this case, high demands are placed on the family (especially on upbringing

and childcare). The participation of civil society, voluntary work, self-help is also inseparable, without whose solidarity the given system of the welfare state would not work.

3.1 *Federal Ministry of Labor and Social Affairs*

One of the main goals and the continuing social role of the Federal Ministry of Labor and Social Affairs is to combat poverty and social exclusion. Social security means supporting the individual in emergencies that can no longer be managed on their own, and also preventing them with long-term measures - whether in the event of illness, injury, long-term care, unemployment or old age. (Federal Ministry of Labour and Social Affairs., 2009).

Individual social security is organized in individual branches of social insurance on the basis of solidarity: pension insurance, health and long-term insurance or accident insurance. The social security system for artists is specifically responsible for self-employed artists and publicists, and the Center for Mini-Employment will take care of social security issues in the event of marginal employment.

3.2. *Social Insurance Act*

Federal Law of 9 September 1955 on general social insurance (General Law on Social Insurance - ASVG.) č.189/1955 (DFB) is the main law on social insurance. It regulates the general social insurance for persons employed in Germany, including the self-employed, who are equivalent to employees in accordance with this federal law, and the health insurance for pensioners from general social insurance. The purpose of this law is to achieve social justice. „General social insurance includes health insurance, accident insurance and pension insurance. Pension insurance is divided into the following sectors: workers' pension insurance, employees' pension insurance, miners' pension insurance.“ (Federal Ministry of Labour and Social Affairs., 2009).

The social system should guarantee a minimum standard of living in dignified conditions and with social participation by providing income supplements and social services. Social insurance is a key element, which consists of the following types of insurance: • zdravotné poistenie

- long - term care insurance
- old - age pension insurance
- unemployment insurance

- statutory occupational accident insurance
- health insurance

In addition to the mentioned types of social insurance financed from state funds, there are also various types of tax benefits and services. These include various family benefits, social assistance, the benefits of the social right to compensation, rehabilitation benefits and the participation of people with disabilities, or housing allowance.

3.3. Advantages and disadvantages of the German welfare state model

Adverse demographic developments are one of the factors threatening the model. Germany has also long suffered from an increasing number of people in less regulated and low-paid occupations. Child poverty and increasing poverty in old age is an important signal for the creators and movers of this system.

On the other hand, a system of family allowances financed by taxes and social assistance to people in need and for those who have fallen through the imaginary social insurance network is a significant plus today. Charity and church participation also play a more important role in the provision of social services and create adequate conditions for social well-being in Germany.

4. **Welfare State Model - Sweden**

Sweden is the most preferred and cited representative of the social democratic model of social policy. His social policy is considered a model among these policies.

The Swedish constitution defines how the country will be governed. It contains provisions on the relationship between decision-making and executive power and the fundamental rights and freedoms of citizens. Sweden has four basic laws that make up the constitution: an instrument of government, an act of succession, a law on freedom of the press, and a basic law on freedom of expression.

4.1 *Ministry of Health and Social Affairs*

The Ministry is responsible for social security issues. This means promoting human health and ensuring that sick people are provided with the care they need. The ministry's area of responsibility includes insurance schemes that provide people with financial security when they are ill or elderly or when their children are young. Issues such as individual and family care, support for people with disabilities and care for the

elderly are also included. The Ministry is also working on the rights of people with disabilities and on issues related to the premium pension system. Disability policy is based on the UN Convention on the Rights of Persons with Disabilities. This policy protects the rights and interests of people with disabilities in society. This policy covers several areas, including labor market policy and education policy. (Government Offices of Sweden, 2020)

4.2 *Social Insurance Act*

Socialförsäkringsbalk 2010:110 in his §2 states, that social insurance is administered by the Swedish Social Insurance Agency and the Swedish Pension Agency, as well as the Swedish Tax Agency. Furthermore, provisions on the financing of social insurance can be found in - the law on social insurance (2000: 980), - the law (1994: 1744) on general pension contributions, - the law (1998: 676) on state contributions for old-age pensions, and - the law (2000: 981) on the distribution of social benefits. Furthermore, this Act regulates in its chapters the following: (Title A), the provisions on family benefits of Chapters 8 to 22. (Title B), sickness or occupational accidents in Chapters 23 to 47. (Section C), Special benefits for the disabled in Chapters 48 to 52. (Title D), old-age benefits in Chapters 53-74. (Section E), survivors' benefits in Chap. (Section F) and housing assistance in Chapters 93-103. (Title G). Some common provisions on benefits, administration and organization can be found in Chapters 104-117. (Section H). Financing of social insurance 3§ Provisions on financing of social insurance can be found in - the Act on Social Insurance (2000: 980), - the Act (1994: 1744) on General Pension Contributions, - the Act (1998: 676) on State Contributions to Old-Age Pensions and - the law (2000: 981) on the distribution of social contributions. Social insurance shall also be financed by the proceeds of certain contributions referred to in the first paragraph. (SFS 2010: 110).

The Swedish social model focuses on the types of contributions and benefits in the following areas:

1. Health and disease
2. Family support
3. Pensions

Health and disease - medical care includes measures taken to ensure the care of the sick and the development of medical and health services.

Care should be fair, gender-equal and accessible and, where necessary, provided under the same conditions.

Family support is provided by types of benefits such as: monthly payment to parents for each child without tax (single parents receive an additional payment for each child), parents have the right to take a total of 12 months paid leave from work at almost full pay to care for each child up to the first year of school, subsidized child care at home or in a government day care center, one year in a subsidized kindergarten.

Pensions - Social services, including care for the elderly, refer to the support and assistance that society provides to people who are particularly vulnerable or in difficulty. This area includes individual and family care, support for people with disabilities and care for the elderly. Disability policy is based on the UN Convention on the Rights of Persons with disabilities. Several other types of aid are provided only to those on low incomes. The most important of these are housing subsidies for poor families and old-age pensioners.

4.3 *Advantages and disadvantages of the Swedish welfare state model*

While there is no doubt that the Swedish model is generous to citizens, they have one of the heaviest tax burdens in the world. According to the OECD, government spending currently stands at around 60 percent of Sweden's gross domestic product. The unbearable growth of the tax burden is reflected in the loss of work initiative, a decline in the propensity to save and capital flight abroad.

However, the model is one of the most progressive social justice projects ever implemented by a particular country. According to all empirical research, Sweden has one of the most galitarian systems of distribution among capitalist states and at the same time one of the lowest poverty rates in the world. In addition, the Swedish social system, which relies heavily on the puritanical mentality of the Swedish nation, is rarely decentralized and has the value of subsidiarity. The significant influence of Swedish trade unions is illustrated by the picture of a country in which one of the highest social goals is social reconciliation.

5. Comparison of selected indicators of the German and Swedish model

To compare the German and Swedish welfare state models, we chose indicators in the area of

public social spending, where we focused on public spending on pensions, unemployment and family support spending. We monitored data from 1990 in five-year cycles until 2018 (for public

social spending) and until 2015 (in selected areas). We present the data as % of gross domestic product. The compared data are shown in Table 2.

Table 2 Public social expenditure,% of GDP

		1990	1995	2000	2005	2010	2015	2018
Social spending	Sweden	27,2	30,6	26,8	27,3	26,3	26,3	26,1
	Germany	21,4	25,2	25,4	26,2	25,9	24,9	25,1
Pension spending	Sweden	7,3	7,9	6,9	7,2	7,3	7,2	
	Germany	9,5	10,3	10,8	11,1	10,6	10,1	
Public unemployment spending	Sweden	0,8	2,2	1,31	1,1	0,6	0,33	
	Germany	0,8	1,5	1,31	1,8	1,5	0,91	
Family benefits public spending	Sweden	4,0	3,6	2,8	3,2	3,4	3,5	
	Germany	1,8	2,1	2,0	2,0	2,2	2,2	

Source: Own processing according to OECD

In the area of public social expenditure, Sweden ranges from 26% of GDP to more than 30% of GDP, which was only once in the reference period, in 1995. Over the last eight years, the observed value has been just above 26%. German public social spending is more balanced over the period under review, hovering around 25% of GDP. It follows that Sweden has averaged one% of GDP on average over the last 28 years in public social spending.

In another comparison of selected indicators, we compared the indicators of the area of public expenditure on pensions, where we found that in the Swedish model they are balanced over the period and are around 7% of GDP. Germany achieved the highest expenditure in this area in 2005, at 11.1% of GDP. Then, in 2010, it fell to 10.6% of GDP, which, with a small decline, remained five years later. We can therefore state that Germany has on average three% of GDP higher public expenditure on pensions than Sweden.

The percentage of public expenditure on the unemployed in the period from 1990 to 2015 is rarely balanced in some years and remains above 1% of GDP (except for 1990), but in the last observed year (2015) in both models it fell below 1% of GDP, where in the Swedish model, public

expenditure on unemployment is 0.33% of GDP and in the German model it is 0.91. Through this comparison, we found that public expenditure on unemployment benefits is 0.58% of GDP higher in Germany than in Sweden.

The last area of our comparison is the area of public expenditure on family support. In this case, the indicators in the Swedish model are mostly above 3% of GDP. In the German model, this is a value of around 2% of GDP. It follows that the Swedish model is more generous in terms of public spending on family support by an average of 1.5% of GDP than the German model.

Based on an examination of public social spending, we have come to the conclusion that the Swedish welfare state model has higher public spending in the area of family support. The German model, in turn, is more generous in terms of public spending on the unemployed and pensioners.

Conclusion

Many authors dealing with the welfare state point to the importance of the welfare state and its validity in the past, but especially in the present. However, there are no fundamental criteria that would characterize the welfare state, e.g. based on

the definition of the concept, its perspective, the dimension of evaluation, its effectiveness in the development of social structure and social inequalities. There are also several directions and divisions when examining the typologies of the welfare state. These directions are fundamentally influenced by the historical, political and economic experiences of European countries, which play an important role in choosing a given model of social policy for a particular model of the welfare state.

The existence and functioning of the welfare state are closely linked to political decisions, but also to the economic and financial sector, which determine the quantity and quality of resources available. These aspects create the conditions for the emergence of social risks in the state. The level of maturity of the welfare state depends on the degree of elimination of these risks and also on the associated relationship between the elements of the process. These elements are the market, the state and the family, the relationships between which are the basis of many theories in the field of welfare state typology and at the same time create criteria for discussions about their interconnectedness or level of importance.

By analyzing the models of social policy of selected states, we have approached from an empirical point of view the structure of the social system of the given states. In Germany, which is the representative of the corporate model of social policy, this system is based on the so-called the middle ground between free market liberalism and state-centered socialism. The tightly woven network of health, pension, accident, nursing and unemployment insurance is conditioned by the participation of the citizen, the family and the state with the help of civil society, volunteer work, without which solidarity the given welfare state system would not work. The role of the church is also very important in this regard.

The supervisory and administrative body of social insurance in Germany is the Federal Ministry of Labor and Social Affairs, which relies mainly on the laws and regulations of the Social Insurance Act. Social insurance consists of: health insurance, long-term care insurance, old-age pension insurance, unemployment insurance, statutory occupational accident insurance and sickness insurance.

The German social security system is based on a well-functioning labor force in the market, stable employment and long-term development.

Sweden, as a representative of the social-democratic model of social policy, is considered a pioneer and bearer of this policy in the world. It is strongly linked to employment and income, as more than half of the income goes to the state budget, from which it is then possible to maintain free education or health care.

The Swedish Ministry of Health and Social Affairs oversees the conduct of social policy in Sweden. The ministry's area of responsibility includes insurance systems that provide people with financial security. The Ministry relies mainly on the Social Insurance Act (Socialförsäkringsbalk) 2010: 110, which regulates in its chapters provisions on family benefits, sickness or work accidents, benefits for the disabled, old-age benefits, survivors' benefits and housing assistance. The disadvantage of the Swedish model is one of the heaviest tax burdens in the world. However, this is offset by countless benefits in the social sphere, in most cases free of charge. Comparing selected models of the examined countries, we came to the conclusion that there is only a minimal difference between the German and Swedish welfare states in the area of public social spending, namely 1% of GDP.

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