
The Social System in Germany and the Role of Caritas

CAPSO: Caritas in Europe – Promoting Together Solidarity



Programm für
lebenslanges
Lernen

The German Social System: Legal basis

Grundgesetz der Bundesrepublik Deutschland

Basic Law for the Federal Republic of Germany

Art. 20 (1)

Die Bundesrepublik Deutschland ist ein demokratischer und sozialer Bundesstaat.

The Federal Republic of Germany is a democratic and social federal state.

Sozialgesetzbuch Erstes Buch (SGB I) - Allgemeiner Teil

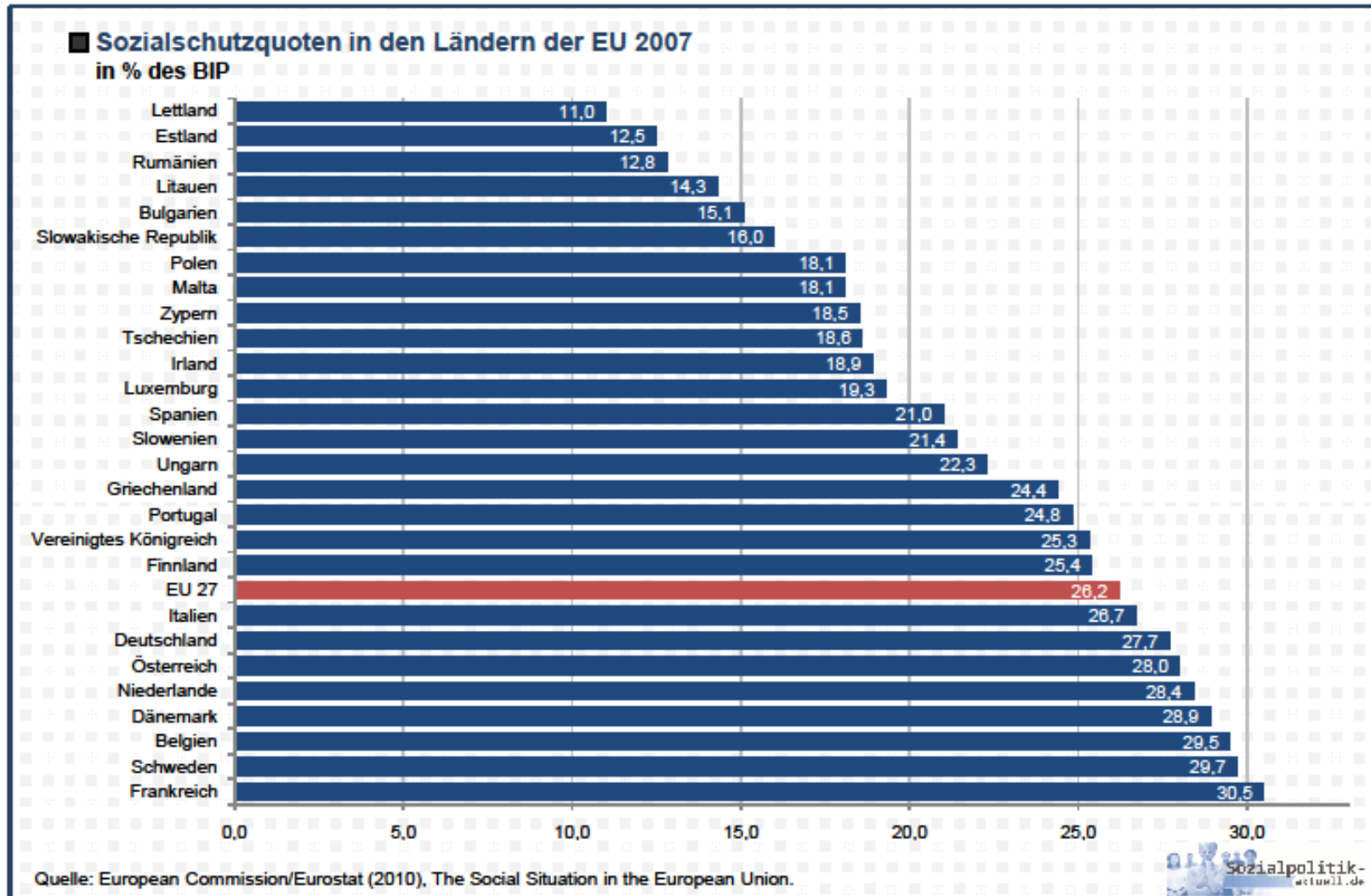
§ 1 Absatz 1

„Das Recht des Sozialgesetzbuchs soll zur Verwirklichung sozialer Gerechtigkeit und sozialer Sicherheit Sozialleistungen einschließlich sozialer und erzieherischer Hilfen gestalten. Es soll dazu beitragen, ein menschenwürdiges Dasein zu sichern, gleiche Voraussetzungen für die freie Entfaltung der Persönlichkeit, insbesondere auch für junge Menschen, zu schaffen, die Familie zu schützen und zu fördern, den Erwerb des Lebensunterhalts durch eine frei gewählte Tätigkeit zu ermöglichen und besondere Belastungen des Lebens, auch durch Hilfe zur Selbsthilfe, abzuwenden oder auszugleichen.“

The German Social System: Principles and features

- Social System is an integrated part of Germany's "social market economy" (middle of the road between free market liberalism and state-centered socialism).
- Social insurance (financed by contributions) is a core element (more than 60% of social benefits!): System of social security is based on a well-functioning labour market, stable employment and long term contributions.
- Tax-financed system of family services and of social assistance for people in need for special help and for those who fall through the cracks of the social insurance
- Social system should guarantee a minimum level of living in decent conditions and with social participation, by providing income supplements and social services – this goal is more important than economic quality (in fact inequality is higher than in other welfare-states.).
- Social welfare and charitable organizations, including the "social arm" of the major churches (→ Caritas!), play a more important role in the provision of social services than in most other welfare states (Subsidiarity)
- High requirements on family (especially for child-rearing and elderly-care)
- Importance of civil society, voluntary work and self-help – without private and social solidarity social state doesn't work!

German social benefits in European comparison



abbl15

Kommentierung auf Seite 2

Basics of the Social Insurance System in Germany

(www.deutsche-sozialversicherung.de/en/)

- **Goal: to maintain the standard of living of the insured person and his/her standing in society in situations that threaten his/her livelihood**
 - **Principles: compulsory insurance, financing through contributions and solidarity**
 - **2/3 of the German social budget are allocated to the 5 branches of social security**
 - health insurance
 - long-term care insurance
 - retirement pension insurance
 - unemployment insurance
 - statutory occupational accident insurance
 - **Based on the concept “income through employment” → voluntary social insurance for self-employees and pension system for civil servants**
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Health Insurance

- Insurance is in the hands of more than 130 insurance funds, some of which operate regionally and some of which operate at a national level
- Almost all the German population is covered by health insurance
- Compulsory
- Health insurance covers the whole family
- Contribution rate in average: 15,5% of gross wage (employer and employee)
- 2012: 22,4% of the social budget (182,8 billions €)

Long-Term Care Insurance

- In place since 1995
- Uniform benefits and no differences in contributions
- 2 million beneficiaries at the moment
- Fixed contribution rate: 2,05 % of gross wage (employer and employee)
- 2012: 2,8% of the social budget (22,9 billions €)

Retirement Pension Insurance

- Compulsory membership in the state pension fund
- In average: 18,9% of gross wage (employer and employee)
- pension age rising from 65 to 67
- state pension covers about 60% of previous net income
- Extra pension fund for civil servants
- 2012: 31,9% of the social budget (259,8 billions €)

Unemployment Insurance

- Insurance is implemented by the Federal Employment Agency (*Bundesagentur für Arbeit*)
- 3% of gross wage (employer and employee)
- Benefits are 67% of net wage for one year
- After one year only a standard benefit of 382€/person/month plus rent is paid. This equals the level of social assistance.
- Significant change of the insurance standards by the “Agenda 2010” (“Hartz IV”)
- 2012: 3,4% of the social budget (27,6 billions €)

Statutory Occupational Accident Insurance

- Relevant organisations are:
 - the Employers' Insurance Associations
 - the Accident Insurance Institutions of the Public Sector
- The following categories of persons are covered: employees, certain self-employed persons, pupils and students, children in day-care centres or in private day-care, certain volunteers, persons undergoing rehabilitation and certain other persons.
- 2012: 1,5% of the social budget (12,1 billions €)

Other benefits and services

- Apart from the mentioned social insurance branches (financed by contributions), there are tax-financed benefits and services:
 - different family benefits
 - social assistance
 - benefits of the social right to compensation
 - benefits for rehabilitation and participation of people with disabilities
 - housing benefit

The German Social System: Challenges and problems

- Unfavorable demographics (aging population)
- Increasing number of people in less-regulated and low-paid occupations
- Child-poverty and increasing old-age poverty
- (.....)