

Robert Nef

2003/2005

robertnef@bluewin.ch

The welfare state destroys welfare and the state

At the centre of a free society is not the isolated individual, but the self-determined, gregarious person who lives in multifarious social, family, personal, community and vocational relationships and makes the well-being of others his prime concern of his own volition because it is also the basis of his own well-being, his "enlightened self-interest", his personal autonomy.

The title of this paper, "*The welfare state destroys welfare and the state*", is first a provocation. To all intents and purposes, it is an impertinence to label something as utterly familiar and popular as the welfare state a potential enemy of common welfare, which for many people is the most important purpose of the state.

The provocation goes still further, as the state as such is portrayed as a potential victim. Is this pure panic-mongering? A mobilisation by a cynical proponent of social cuts? Are we even dealing with a closet enemy of the state who not without a certain schadenfreude predicts the "end of the national state"? A death by overdemand, wastage, the debt trap, occasioned by the remedies of people who wished to save it and meant it no harm?

The state is the guardian of the law, and few people would wish to be without a minimum form of constitutional state. But a state that has been declared economically and morally bankrupt due to excessive demands on the welfare state could no longer perform its most basic tasks, i.e. protecting freedom and guaranteeing order. It is therefore worth considering how this bankruptcy can be avoided.

Will the welfare state perish due to overdemand?

The task ahead of us is to forestall a development that with some justification can be called an addiction, a growing, universal, total dependence on an institution that no longer has the capacity to sustainably control and repair itself and is heading for collapse.

The main weakness of the welfare is not that it is becoming steadily unaffordable, but that it is sawing off the social branch it sits on. A society in which people lose the volition and motivation to spontaneously assist and help each other is doomed, even if its economic productivity still suffices to maintain and even expand its flawed structures. Social behaviour evolves from generation to generation in slow, civilisational learning processes. This evolvement might not be able to keep up with

the pace of decay. The decisive bottleneck is not in the financing, it is in the human soul.

The welfare state is too serious a matter to be left to the socialists, but equally its radical critics should be taken seriously only if they succeed in pointing up alternatives. Theory is when nothing works but everyone knows why; practice is when everything works but no one knows why. All the same, in the area of social policy there is often nothing more practical than a good theory. Initially, alternatives to trusted and popular institutions of the welfare state always have something utopian about them.

It is easy to criticise when there is no risk of having to put your own manifesto into practice and you can blame your political opponents for all the world's evils. This applies to utopians on both the left and the right. Conversely, having no ideas – according to Max Frisch – does not make you realistic.

The ideal situation upon which radical critics of the welfare state base their arguments is not, for instance, a completely deregulated society, a society without liabilities, good faith and morality. On the contrary. A technologically civilised society with a high division of labour *needs* rules that guarantee and create trust and dependability. But these rules must be *agreed* noncentrally, not *imposed* centrally and uniformly. The future belongs to a society that consists of self-determined, fundamentally independent people who are as different as possible and who build and maintain the networks required for the minority in need.

Markets, self-determinedness and human dignity

This classical liberal society has the following traits:

- 1. It is built upon self-determined people, not political organisations. These self-determined people must be able to develop and agree, contractually and compatibly, the rules which are necessary for co-existence and constantly adapt them to new situations.**
- 2. It is built upon a large number of small, noncentral, competing and cooperating units, not central political control. People must learn by trial and error in millions of small and smallest experiments in coexistence and interaction.**
- 3. It is built upon diversity, not egalitarianism. Civil society is nothing other than peaceful coexistence, cooperation, occasional confrontation and often confusion between different people.**
- 4. It is built upon flexible role divisions and life patterns. In the "school of life" there are no fixed roles for instructors and learners. Everyone alternates between being a teacher and a pupil. The fundamental principle is mutual consideration and respect for human dignity.**

5. **It is built upon transparency and communication. "Cribbing" is not only allowed, it is desired. Success is to be copied and expanded, mistakes are to be avoided or at least reduced in number.**
6. **It is built upon self-reliance and self-responsibility. Anyone who truants from the "school of life" and the "school of the market" must bear the blame and the consequences.**

This manifesto is not simply the quintessence of a dogmatic neoliberal ideology. In the medium to long term it is that which, in an intensively networked world based upon the division of labour, actually has a chance of working. The decisive question is not "What is socially just?", it is "What works?". Because something that does not work cannot be just.

Yet what kind of politics makes possible or facilitates a society that works? Politics should not be a game of pass the buck, but rather "the collective, flexible approach to collective problems" (Hartmut von Hentig). Unfortunately it is often nothing but the collective repression and prevention of solutions by collective lies. The task is to break out of this vicious circle.

The three roots of the welfare state

The welfare state was created to counter genuine or assumed deficits in industrial society. But it does not account for the "self-determined person". One can see three roots in its origins: an evil root and two "well-meaning" ones.

As Gerd Habermann demonstrated in his book on the subject (*Der Wohlfahrtsstaat, Geschichte eines Irrwegs* [The Welfare State, History of an Aberration], Frankfurt/M, 1997), the evil root of the welfare state is the desire for absolute state rule over obedient and compliant subjects. In this endeavour to "render people compliant" the interests of the politically powerful and the industrialists, of big government and big business, come together in a harmonious community of interests. They need dependent state clients, non-self-employed workers and non-self-determined mass consumers, who are so reliant upon continuous welfare state benefits that we can speak in terms of an addiction without fear of exaggeration. Addictions are characterised by a harmful craving for "more" and withdrawal symptoms on discontinuation of the drug.

The other, "well-meaning" roots of the welfare state are possibly more dangerous. One assumes a temporary need for protection and guidance on the part of a majority of people, who are to be led step by step - with positive measures, help and support - to greater freedom at the behest of the state. This "emancipatory" variant of the welfare state is incredibly attractive because it comes in the guise of freedom friendliness. Theoretically it would have to tend towards gradual self-abolition and a constant reduction of the aid and assistance apparatus.

Practically, however, the real existing failures of such a "gentle prodding" in the direction of freedom are compensated for simply by saying that not enough has been done yet to bring about the actual transformation to a genuinely free and self-responsible majority of citizens. This constant putting-off and delaying tactic is familiar to us from the recent history of socialist practice. In its totalitarian form it had to get by without domestic political opponents. Welfare-state statism in pluralist systems (as practised by socialists of all parties!) has it better than socialism in the one-party state. Its advocates can put the blame for the lack of success or spiralling cost of its remedies - at least in part - on the political opponents who happen to be in power at the time or, should they be in opposition, are hamstringing or delaying the planned finishing touches to the welfare state.

The third "well-meaning root" is based upon the theory of market failure in the area of employment. In terms of motives it is sold as being "social" and "in the interests of employees", yet on closer inspection it largely serves the interests of the industrial employers. The welfare state is also something akin to a politically rubber-stamped industry cartel which – under the pretence of employee protection – neutralises that element of competition on the labour market which in the area of wages and pensions would act in favour of employees, especially when there is a shortage of labour. To a certain degree employers benefit from the transformation of workers from frequently recalcitrant, independent and individual contracting parties to compliant, collectively disciplined trade unionists and social democrats and dependent "users", "customers" or "subjects" of the welfare state. Here a cog in the wheel in the factory, there a cog in the wheel of the machinery of social welfare; both collectively coordinated and politically rubber stamped.

In any group of people there is a "normal spread" of "good" and "evil" and - I would go even further – this spread does not stop at the individual. Both are present in every person, but they are not written on, not labelled. In no other human sphere is the danger of meaning well, but in the medium to long term having the opposite effect, as great as it is in politics. Politics is a virtual hotbed of the well-intended, and unfortunately the well-meaning always find great support and an overly large echo in the electronic media.

Statists versus "socialists"

Politics likes to work with the either-or schema. Anyone who climbs aboard this schema will soon arrive at surprising conclusions. Let us assume there are two basic options in political philosophy. On the one side there are those who see the state as a decision-making, problem-solving entity. For the purpose of expediency one would have to term members of this group, as believers in the state, "statists".

On the other side are those who prefer the collective resolution of collective problems within the framework of civil society, in *societas*. Consequently one would have to call this group of believers in society "socialists", civil society being based upon a network of traditions and voluntary agreements, not state coercion. Today, however, the term "socialist" has been "laid claim to" by the majority statist parties. The socialising

welfare state is an affair of the statist, who have, however, existed and continue to exist in all parties. The ancient Romans knew three stages of socialisation: *pax - amicitia - societas* (peace - friendship - society), a very profound - and realistic - trio. As a political manifesto it is resoundingly superior to the revolutionary troika of the French Revolution, "Liberty, Equality, Fraternity". Although the slogan initially led to the terror regime of the doctrinaire egalitarian Jacobins and eventually to the aggressive statist autocracy of Napoleon Bonaparte, it still forms that ideological mix by which the political parties conduct their positioning and mutual demarcation. Some demand a touch more liberty, others a touch more equality, and everyone calls for a touch more fraternity/sisterhood. No wonder, then, that nothing much constructive or seminal evolves on this basis.

Another comparison of terrible simplifiers concerns individualists and communitarians. Again it is apparent that the opinions put forward here, if one focuses on the original meaning of the words, are more communitarian than individualist. Yet there are two fundamentally different varieties of communitarianism, statist communitarianism and communitarianism based upon the social contract. State-sceptical communitarians, however, would like to choose for themselves the community in which they feel at home, at least in part. With this viewpoint one can even draw upon the statement of the classical liberal Ludwig von Mises, who stressed that economic freedom was not about not integrating in society, but rather about putting the individual in a position "to choose the way in which he wants to integrate himself into the totality of society."

The major line of demarcation is not between individual and community or individualists and communitarians, but between advocates of coercion and advocates of voluntariness. Community is a good thing, a vital thing, but it cannot be built upon coercion; it needs a voluntary consensus.

Consensus, with the emphasis on *sensus*, comes from the Latin and means "agreement". It refers to collective perception, rather than collective knowledge, and certainly has a sensual dimension. I have absolutely nothing against individualists. But a civil society based upon the division of labour that consists solely of people whose answer to everyone and everything is "sorry, that's not *my* problem" cannot survive. If, for example, parents become in need of care, if children want to study, if married women wish to work and want to have their children looked after while they are at work, this is something that primarily belongs on a personal, self-managed list of requirements and not on the political agenda for an offering of additional state-provided and compulsorily funded services. In a civil society division of labour should be based upon custom-fit agreements and not tailored coercion.

Why should people unknown to those involved and affected have to fund the solving of such problems? Indeed, one can go even further. Even if a majority is in favour of introducing this kind of coercion, why should minorities who for whatever reasons have completely different priorities be forced to accept the will of others? Self-determination takes precedence over co-determination, since majority rule means heteronomy for any individual who does not fit in the schema of majorities. The "voice of the people" is not always the "voice of God". The popular majority is not always automatically right; the majority cannot do anything it wants. Even democratically

legitimate rule must be restricted when it intervenes in one's personal life and property.

The sense and nonsense of redistribution

Those who criticise a popular institution must not make things too easy for themselves. The welfare state has certain undeniable merits that bolster its popularity. It is based upon the idea of redistribution. Redistribution means "taking away via taxes and duties from the rich, who have too much, and giving these funds to the needy, who have too little". This is incredibly popular and in this form makes direct sense, perhaps too direct, to a very large majority. The definition of "too much" and "too little" remains a subject of controversy. In a democracy this is decided by the majority.

And in this mechanism one sees the fatal system failure inherent in redistribution and the welfare state based upon it. The group that believes it has "too little", the potential recipients, can outvote the potential coerced donors, and this to the extent that the funds redistributed are lacking elsewhere. In most cases it is precisely the investment that an economy needs or would need to prosper in the future that is affected. What is behind this is not the "evil will" of a few obdurate left-wing intellectuals. It is the mechanism of democracy within the meaning of majority rule that lures us into this trap.

This does make the solving of problems any easier, but it does prohibit a party-political game of pass the buck when it comes to assigning responsibility. It was not the left, the socialists and the social democrats who wanted and want the welfare state, it was and is all of us, and this is why it is so difficult for us to dismantle and discard it. But someone has to have the courage to talk about this openly and bear the chastisement that always culminates in those who challenge the welfare state being accused of not being "social" and not having a heart for the needy and the disadvantaged.

But what does "social" mean? Statist socialists and social democrats all over the world have succeeded in ensuring that the term "social" is directly associated with their ideas, a highly impressive achievement in the battle to lay claim to terms.

Poverty is "made"

Many conservatives and liberals asset their beliefs with a guilty conscience, stressing, almost apologetically, that although they are liberal, they are still social. One asks oneself what could have happened in the history of ideas and the history of terminology manipulation that now hardly anyone has the courage to say that socialism - in all statist varieties - is ultimately anti-social in its effects because it hampers or hamstring continuous growth in productivity and thus undermines the only basis for effectively and sustainably fighting poverty.

The point is not to fight poverty worldwide, but to expose the ideologies that hamstring or delay its gradual disappearance. "Poverty, like "stupidity", is the joint responsibility of those who delay or hamstring spontaneous "destupidification" and "depovertisation" with their well intended, dictating and politically or religiously founded coercive manifestos. Poverty does not simply happen, it is the consequence of a social order based upon coercion. To all intents and purposes the term "fighting poverty" is questionable, too.

It would be easy if the "welfare state problem" could be reduced to the question of extent. Its overloading, today a fact, stems from the fact that more is promised than can be delivered. The difficulties steadily increase as a consequence. Increasingly audacious attempts at improvisation are made whilst ignoring the facts and the broader context.

Anyone who claims that the welfare state is regrettably going through a period of gloom at present due to low economic growth and that the task now is simply to lead it back into the sunshine is mistaken. The "welfare state system", which is based upon redistribution, is altogether unserviceable. If redistribution is defined as taking away from the better-off to give to the less well-off, this principle generally meets with broad approval. Yet if one defines it as taking away from the hard-working and advantaging the lazy – which in some cases is demonstrably true - the level of approval falls substantially. It is clear that to claim that every rich person is capable and every poor person lazy would also be wrong and, in many cases, even hurtful. But it cannot be denied that in an open competitive society there is a connection between wealth and ability in the long term.

Socialism is anti-social

The redistribution machine consists not only of those from whom something is taken away and those who receive. In between is the giant apparatus of redistributors – politicians and administrators. And this redistribution machine does not work free of charge. On the contrary, it leaks an extraordinary amount of money, thus undermining the efficiency of the entire process. There are examples – India for one – where redistribution primarily runs from the rich to the redistributors. The genuine poor receive absolutely nothing. In Switzerland we have yet to reach this stage, though this form of degeneration is inherent in every redistribution machine. The intention is to redistribute wealth more exactly, more finely, more precisely – but in truth all that happens is that the redistribution machine becomes even more labour intensive. Ultimately the resources that are siphoned off feed the machine and nothing else. Once this development has started, no amount of minor adjustments will help. A change of system becomes essential.

Socialism in conjunction with statism is not social. There can be no objection to a voluntary socialism that is practised with one's own resources, socialism in the most original sense of the word. On the contrary. But it may well be that the people who are "social" are precisely those who, irrespective of popularity ratings, refer to problems that majorities do not want to know about, not those who never stop

pretending that we can happily carry on in the same vein and someone will pay for it all some time in the future. "Peace for our time" and "après nous le déluge" are not social strategies for mastering the future.

Those who believe they can solve the financial problems of the welfare state by tightening the tax screw are deceiving themselves and others, irrespective of their party political affiliation. This is no longer an "ethics of conviction" question of political will, but rather an "ethics of responsibility" question concerning the consequences one triggers and is prepared to accept. Because anyone wishing to levy more taxes soon runs the risk of generating less productivity, and thus less public revenue, as a result.

Individualisation as a consequence, not a cause

Leading sociologists have identified a reduction in the sense of community and an increase in ruthless egoism in modern or post-modern society. They do not hesitate to blame "neoliberalism" for this process. According to this viewpoint it is the evil advocates of the market, the "marketists" who measure everything in terms of money and profit, who cause this sad process of human segregation and isolation.

In this diagnosis the welfare state, it is claimed, is simply the therapy, the stopgap that is becoming increasingly necessary in view of the growing lack of considerateness. Such deplorable processes of selfish individualisation and "singlisation" do indeed exist, but the root causes are to be found in the "well meaning" coercive and corrective measures, not the market. Ultimately it is the state, the stopgap itself, which brings about the fatal widening of the "social gap".

In the 1920s the caustic Austrian critic and publicist Karl Kraus said the following on the subject of psychoanalysis, which was fashionable at the time: "Psychoanalysis is the disease whose cure it purports to be." The same applies to the welfare state. The welfare state is the disease whose cure it is purported to be. It leads to even more isolation, even more delegation of compassion to government agencies and understanding to officials; overall it leads to a deterioration in the whole subtle network of family, community, charitable and – not least – commercial services.

Paid services as additions to voluntary work

In future paid services will increasingly take the place of free welfare state provision, which of course is not free at all, but is becoming steadily more expensive and, in some cases, steadily worse. And what about the "third way" - voluntary work? Is there a way back to charity and to private and church-based charitable work? Problems cannot be solved by a nostalgic return to times past. Precisely those who hold and embody conservative values must be receptive to gradual change, even if it hurts. Advocates of "voluntary work" who themselves are active in the social field now have great difficulty finding suitable successors. It is clearly considered normal

that social services are not free of charge. Many social tasks no longer remain outside the economic cycle. As a result the state takes on a different significance. According to the principle of subsidiarity it must merely ensure, through targeted personal assistance, that no one goes without essential services because he or she cannot afford them. In my opinion the continuous improvement and refinement of social services on a private-sector basis offers significant employment potential that is attractive both in human and economic terms. The industrial age glorified machine work and debased service to one's fellow man.

How can the welfare state be replaced? And what could take its place? It comes to mind to focus on the term "civil service society". The three pillars of productivity are serve, provide and save. "Serve" not as a sacrifice, but as a personal contribution in an economically self-sustaining network of division of labour. Services that are worth something can also be paid for, bypassing government institutions, offices and officials - delivery versus payment or from account to account. There is nothing inhuman or anti-social about this, and it certainly makes sense when Tony Blair, for example, a modern left-wing politician, joins the calls for the privatisation of social services.

What is "social" anyway, and how does it manifest itself? Paid service has something eminently social about it, for everyone involved and affected. To deny people the opportunity to provide and earn something by doing so - however little it may be - is to rob them of their dignity!

The two-thirds society called for by so-called progressive social scientists, in which only a minority goes to work and the remainder is fobbed off with a pension drawn from the enormous productivity this labour is said will generate, has something inhuman about it. These pensioners or negative income tax recipients can be jollied along as much as one likes by professional, welfare-state-funded employment specialists with all manner of social and cultural programmes, i.e. with bread and games, but this will never replace the feeling of self-esteem that paid activity gives them. All that is gained is the army of clients that lends this economic and social nonsense a halo of justice via the "primacy of politics".

Courage to be self-reliant, courage to serve

Is that how things will stay? Is that all? Is there nothing in a commercialised service society "beyond supply and demand"? I believe there is. In every group there are people who want to make more of their lives than a mere material exchange. The willingness to go beyond the element of financial reward when providing a service is not dead yet. But we must nurture it. Ultimately it cannot be reasonably demanded of everyone.

The principle "I am social if I am not a burden on anyone" is more realistic, and if it were generally heeded, the burden on social policy would be massively reduced. This kind of egoism, based upon the medical principle of "first do no harm", is the basis of every functioning society. Additional helpfulness, additional willingness to serve, must

be voluntary, if it is to persist and grow. Not only the sentence "Fear eats the soul" (Rainer Werner Fassbinder) is valid, but also "Coercion eats voluntariness".

If the questions "How much welfare state?", "How much voluntary helpfulness, affinity and thoughtfulness?" and "How much commercial, user-financed service?" were a simple addition and subtraction calculation, the provocative thesis expressed in the title of this paper would plainly be wrong. The gap between that which markets and compassion produce in the form of collective welfare and that which remains in the form of genuine need could then easily be bridged by state-provided services.

Yet regrettably this is not the case. The "intervention" of the welfare state has at least two effects. The tightening of the tax screw and especially the progression reduces the incentive for personal involvement. The "free offer" renders personal social contributions in a small network superfluous and allows the readiness to detect emergency situations early to waste away. It also prevents the evolvement of user-financed and thus user-oriented services because they simply cannot hold their own against the highly subsidised offerings.

Why should a meals service, for example, be free or subsidised by the public purse if the majority of the old people taking it up are demonstrably not among the needy? The assertion "old equals poor" does not apply to Switzerland. Ultimately the only thing safeguarded by much of what is designed to relieve the financial burden on the old is the inheritance, which thus loses its function as a reserve fund for emergencies and changes in situation.

Statists see in this a reason to set up the welfare state as a buffer via inheritance taxes, preferably directly at national or even international level. But what happens then? The willingness and ability to safeguard a financial life plan across the generations via an emergency reserve that is independent of the state is made to disappear. With it disappears an essential part of our culture, in which the family was always an economic unit, too.

Whilst the economic aspect is not the central aspect within the family, the disconnection of economic links also harms social and cultural ties. The departure from the family inheritance and its replacement by the anonymous "generation contract" in the area of social insurance removes that element of our ability to provide for our own future which relates to self-determinedness, independence and human dignity and is not to be rejected outright and in principle from a liberal point of view.

"Yes" to subsidiary social policy

A precept that cannot be repeated too often is: first I am social by not being a burden on anyone. Not damaging anyone! Is that enough? No, but it does achieve a great deal. And it is the only viable alternative to the dangerously attractive sentence: "Everyone has to help everyone else and show solidarity with everyone else." This ultimately leads to the unmeetable and paradoxical demand "everything for everyone", to total frustration in a spiral of wants. The welfare state evolves into an

institution that provides for everyone, apart from the taxpayer, who can no longer afford to meet the rising costs.

In every society there are people who are unable to solve their problems independently and have no one to look after them. These people should not be abandoned by the political community. We set up a personal safety net for them, initially on a private basis, but also on a subsidiary community basis. Those who are really in need must receive unbureaucratic and adequate help. Assistance should be provided in the form of a "supplement". This is why the *Ergänzungsleistung* [supplementary benefit], a common term in Switzerland, is a good starting point for reform. It is assumed, correctly, that "wholeness" and "independence" are inter-related.

Supplementary benefits are provided only if positive proof of need is rendered. This prerequisite, however, is actually self-evident. In disability cases, too, it is self-evident that disabled persons have to have their degree of disability established by a doctor if they wish to receive a pension. It is more of an impertinence towards the community of contributors and taxpayers when, for example, in a state a bus driver draws a blind person's pension, as is alleged to have happened in Naples.

Proving one's need is not a humiliation, nor is it an ordeal, and if this should occur in individual cases urgent action must be taken against such abuses of official power. Social assistance within the meaning of supplementary benefit, i.e. "helping people to help themselves", must be awarded to people, not institutions. It should enable them to consume those services that are a part of normal life. Competition is necessary in the production of services - including in health and education. Precisely because these two areas are key areas, the services there may not be offered monopolistically. Setting the limits for proof of need is not easy. This is why social policy has to be pitched at the level on which people know each other personally, at local authority or community level.

Withdrawal treatment not social cuts!

The proposed solutions outlined here are of course not specific enough and not fully developed yet. But they show that there is no need for us to give up. There is a way out of the welfare state habit. The term "social cuts" is polemic and wrong. It is about opening the door to new solutions, not returning to outdated patterns of behaviour. It is about private and thus sustainable social networks. Like any other withdrawal treatment, this readjustment and reorientation is no walk in the park. This is particularly true in a direct democracy, in which nothing happens without a committed majority.

There is no panacea for the social problems of the coming years and decades, nor is the system of individual assistance and advancement described here immune from misapprehensions and aberrations. The less centralised it is, the more can be learned from mistakes and misapprehensions. In politics and in everyday life it is not

about not making mistakes, it is about maintaining and repeatedly reacquiring the aptitude to learn and thus an essential ingredient of self-determinedness.

A strategy is required. How do we escape from the current unsatisfactory situation to an improved position? I am convinced that gradual advancement is better and less painful than waiting for a major collapse, even if the wait is spent collecting blueprints for how to proceed when the collapse eventually becomes fact.

An orderly retreat from the blind alley

An orderly retreat from the "welfare state blind alley" is probably still possible, at least in Switzerland. In societal development, however, there is no actual "going back". The comparison with a blind alley is an apt one. We really are in a blind alley, and not simply a bottleneck. It is not enough to overcome the bottleneck by applying a little more "power". We need to turn back, or break out in a different direction. Initially we need to use facts and figures to raise awareness that our social insurance schemes cannot in fact be financed sustainably. People must come to realise that we cannot allow things to continue developing unchecked. We need subtly formulated, detailed blueprints for how to find our way out of the blind alley. Social insurance cannot be rehabilitated from the top down.

We do not open up any new avenues when we state our intention to stop pension payments to millionaires in the first instance in order to reduce expenditure. Because as soon as this measure proved inadequate, we would have to gradually hollow out the entire system quasi from the top down, thus leaving behind an increasing number of people who were no longer prepared to support it, since all those excluded would attempt to opt out. It would be better to seek a new consensus in answering the question: "What shall we keep because it is indispensable?" If we argue from the bottom up, from what is "need-ful" in the original sense of the word; if we concentrate on those aspects that truly express the need of people, then this point of view leads us automatically to the concept of supplementary benefits – even if a different term is used for it.

The figures that prove that we cannot continue as before in the area of pensions must be taken seriously. Any reform policy based upon patchwork approaches and single, isolated measures will founder.

One underlying condition must be noted here. The state is not only incapable of solving economic tasks, it is also unable to solve social problems sustainably. The state cannot guarantee sets of ethical values and behaviour patterns, nor can it convey religious beliefs and meaning of life. Social problems cannot be solved without an ethical basis among all individuals and without the prerequisites created by business for supporting the needy. The state cannot universally enforce social behaviour via legislation. The ethics of mutual assistance are always based upon voluntariness. Social behaviour is promoted wherever a free society and a free economy that assume voluntary obligations to alleviate need and forestall anti-social developments are guaranteed.

