

## The German Welfare Model: “Social Market Economy” The German Variety of Capitalism

27 June – 15 July 2022

**CATEGORY** Law & Economics

### COURSE STRUCTURE

The course content is equivalent to an on-site course offering 45 contact hours. The study time includes:

- virtual classroom lessons with the lecturer and the fellow students (50%)
- group exercises (25%)
- assignments and self-study (25%)

### WEEKLY SCHEDULE OF VIRTUAL CLASSROOM LESSONS

- Course days: Monday, Wednesday and Friday
- **Time: 1.00 pm – 3.15 pm (Berlin time, UTC+2)**  
7 pm – 9.15 pm (Beijing time, UTC+8)  
9 pm – 11.15 pm (Sydney time, UTC+10)  
6 am – 8.15 am (Chicago time, UTC-5)

### COURSE LANGUAGE

This course is taught in English, including the readings. For the understanding of the texts and the discussions in class, language-level B2 (Common European Framework of Reference for Languages) is required.

### TARGET GROUP

Advanced undergraduate students of business and economics, politics, history, social sciences and students with an academic background that qualifies them to participate in the course.

### CREDITS = 5 ECTS

*All courses are accredited according to the European Credit Transfer System (ECTS).*

### TECHNICAL REQUIREMENTS

- Fully functional device (laptop, tablet, PC)
- Stable internet connection
- Software: Zoom (video/audio)
- Registration on Moodle (HU's e-learning platform)

- Recommended hardware: external headset for better sound quality

## CULTURAL ACTIVITIES

Learning extends beyond your virtual course! As a participant in HUWISU, you are invited to join cultural, social, and academic programs. Cultural activities are designed to help students meet fellow international students, learn more about Berlin, and practice German language abilities. Apply what you learn in class, share your extracurricular interests, and expand your social network beyond your course through these programs!



## VIRTUAL ACTIVITIES

With the support of the online format, HUWISU introduces new cultural and social activities. The cultural activities will be both synchronous and asynchronous.

Our scheduled live meetings might include games, cooking/baking together, or a trivia night. You still have the unique opportunity to build community across time zones and meet your fellow international students through synchronous programming. More information about the specifics is TBA.

Learn and read about Berlin history or German culture in between classes! No matter your field of study or interests, Berlin has artistic, political, and cultural significance. Take a look at the eBook "Perspectives on Berlin". It will include an extensive collection of digital resources about Berlin. Although you may be oceans away from Germany, connecting ourselves to Humboldt-Universität's culturally and historically rich location is still incredibly valuable.

## EXPECTATIONS & POLICIES

**Preparation for lively discussions in the virtual classroom:** be on time, have at least the required readings completed, and points in mind for discussion or clarification.

**Assignments:** complete all assignments according to the specified requirements on the schedule including handing them over to the lecturer.

**Commitment in online-class:** pay particular attention to the lecturer and respect differences of opinions (classmates', lecturers).

**Academic guidelines:** Comply with academic integrity policies (such as no plagiarism or cheating, nothing unethical) especially the academic honor code and the student code of conduct.

**Attendance policy:** No unexcused absences are permitted. Students must contact their class teachers to catch up on missed work – to excuse absence please contact the HUWISU office.

## COURSE DESCRIPTION

Germany is Europe's largest economy and its industrial powerhouse – selling cars like Mercedes-Benz, BMW and VW and chemical products like "aspirin" to the world. The quick recovering of the German economy after World War II still appears as an "Economic Miracle".

The seminar will air the secrets of this success by exploring the sophisticated German system – the "Social Market Economy": How is efficient capitalist order combined with a huge welfare state? How are conflicts smoothed by incorporating the unions into "Social Partnership"? You will be surprised how modern efficient capitalism and medieval traditions are merged into "Social Market Economy".

The course will explore the German economic system by lectures, readings, facility visits to industrial plants (e.g. BMW), and excursions to the Museum of History, the governmental district and to innovative projects (e.g. cooperatives). Furthermore, we will compare the German system with your country to find solutions for a better capitalism.

## COURSE OBJECTIVES AND LEARNING OUTCOMES

The aim of the course is to introduce participants to the German model – the "Social Market Economy". After a brief introduction to the historical and ideological backgrounds which led to the "Social Market Economy" and the "Economic Miracle" after World War II we will turn to a detailed analysis of the German economic and welfare system.

The course will answer the question how the German "Social Market Economy" works and what are the pros and cons? How is the decision-making process organized; - who is responsible? What kinds of reforms are debated in Germany today?

Finally, we will discuss if the "Social Market Economy" is a better capitalism? What may other countries learn from Germany and vice versa what should Germany learn?

## READINGS

Reading materials will be available via Moodle during the course.

## ASSIGNMENT INFO

In order to be granted 5 ECTS, participants will be asked to actively attend all sessions (you may not miss more than one synchronous session), and to hand in weekly assignments as well as an academic paper (10 pages) on the topic. Submission deadline: last course day.

**The final grade will be composed of weekly assignments and active participation in class (50%) and the final academic paper (50%).**

## YOUR INSTRUCTOR

**Stefka Wiese** is social scientist and urban planner. Her main interests are economic sociology (with a focus on socio-ecological transition and comparative capitalism) and transition processes within urban systems and regions. Her regional focus lies on Germany and Europe, including the transition in Eastern Europe. She studied at Technical University Berlin and Humboldt University Berlin. Beside her scientific work she is professionally working as a consultant in the field of ecological transition of economic and urban systems.

She regularly teaches in the fields of political sciences and economics at Humboldt University and International School of Management Berlin. In the International Department of Humboldt University she has been teaching since 2019 the courses on:

- Nazi-Germany – Rise and Fall
- German Social Market Economy – A better Capitalism?

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## COURSE SCHEDULE

### **PART I: What is Social Market Economy and how did it evolve?**

- Introduction and course outline
- What is "Social Market Economy"?
- Historical and philosophical roots
- Bismarck´s social insurance as the core of the German welfare system
- The German welfare state until 1945
- Five Social Security Branches
- Historical backgrounds: "Social Market Economy" as a compromise between "Capitalism, Catholicism and Socialism"
- The "Economic Miracle", the "Beetle" (VW-Käfer) and the "German Mark"
- The Golden Age of "Social Market Economy" in the 60<sup>th</sup>

### **PART II: How does the German Social Market Economy work in detail?**

- The German Social Market Economy at work: blue collar jobs in the core industries: (cars, machines, chemistry); export-oriented
- Wolfgang Streeck: German Capitalism - does it exist and can it survive?
- Corporatism: "Social Partnership" as permanent bargaining between state, unions, employers instead of "class struggle"
- Ownership structure and institutional change: The Future of the "Deutschland AG" („Germany Inc")
- Virtual Excursion(s) through sides of industrialization in Berlin (e.g. AEG-Werke, Borsigwerke, Siemensstadt or BMW factory)

### **PART III: Challenges to the German Social Market Economy**

- Globalization and liberalization
- Europeanization
- Transition to an Eco-Social Market Economy
- „Bad Sides of Corporatism" / Lobbyism
- Social Market Economy – a workfare model without work?

- Public discourse on reforms: conservative, leftist, green and market-liberal views

#### **PART IV: Comparative Welfare Research and Comparative Capitalism**

- How to compare economic and welfare systems?
- Esping-Andersen: Three Worlds of Welfare Capitalism
- Hall / Soskice: Varieties of Capitalism
- Comparing German Social Market Economy with the Model of your country

#### **PART V: Summary**

- What could you learn from Germany and what should Germany learn?
- Summary: A better Capitalism?
- Wrap-up and Evaluation

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*The course and its syllabus are subject to change. Last update: 27 April 2022*