

# Soziale Marktwirtschaft: All inclusive?



Industrie

# ABSTRACT

The German economy is doing well. Yet perceptions regarding the state of German society are more sobering, as public, policy and academic debates are increasingly concerned with rising inequality. The public is losing trust in Germany's social market economy and its capacity to ensure social benefits. Larger segments of society find the promise of economic advancement beyond their reach, increasingly more questions are raised about Germany's model of a social market economy.

Policymakers, business leaders and civil society must find answers to these questions. Does the social market economy still deliver on its promise? How robust and vulnerable to crises is our economic system? What do citizens expect the German economic and social order to deliver? What economic and societal challenges do we face?

In a series of roundtable discussions the Bertelsmann Stiftung and the Progressive Zentrum debated these topics and how to best address them. The concept of inclusive growth for Germany has proven to be a crucial overarching theme in the discussion and developing measures to ensure the viability of a social market economy. The theme-oriented papers emerging from these discussions will be published for public access. The goal here is to provide constructive input to a broader public debate on the future of German society and economy.

This volume focuses on the unique aspects of the German economic model. In Germany, industry and services are not opposed to one another. On the contrary, industry-oriented services form the economic

basis of the model – but also its social backbone. This close interlinking of industry and services has not only helped bring innovations to society time and again, it also encourages participation in the value creation process, thus creating an important participatory process with which people can easily identify. Germany features regional systems, that is, networks of industrial manufacturing firms and affiliated service companies characterized by their long-term structured interaction. This interweaving of specialized services with an industrial core is the key feature of Germany's economic structure and does not necessarily tally with current debates about the post-industrial world and the dismantling of the manufacturing industry.

Societal and social policy has distinctive cultural roots that cannot be changed at will. For Germany, those institutions functioning as anchors of the social partnership and social cohesion present tangible comparative advantages. To this day, the social market economy remains an expression of this specific understanding of growth and balance. Our export-oriented growth model faces ongoing challenges from globalization – which has been forced into a defensive posture recently – and the digitization of all areas of life is also having a profound effect on our value creation. Indeed, digital transformation places new demands on employee qualification and advanced training, but also on political agenda-setting and strategic economic policy.

Wolfgang Schroeder describes the role played by Industry 4.0 as an economic-political answer to digitization in Germany. He calls on Germans to maintain their

form of value creation by shaping the transformation processes with inclusion in mind. In his essay, Werner Abelshauser elaborates on the social and economic advantages of Germany's historically evolved production model, arguing that these advantages can serve as the basis for a modern industrial policy. Drawing on the thesis that highly advanced economies develop into pure service societies, Alexander Eickelpasch takes an empirical look at the situation in Germany, ultimately advocating an integrated perspective and suggesting the term "Netzwerk Industrie" ("Network Industry") to describe structural changes in the industrial sector as well as in the realm of employment.