German unification acted as a catalyst for the substantial transformation of the German welfare and employment regime which has taken place over the last two decades. The changes can be described as a process of a partial liberalization of the labor market within the boundaries of a coordinated industrial relations system and a conservative welfare state. This article depicts the transformation as a trend towards a more liberal welfare and employment regime by focusing on the shifting boundaries between status and income maintenance and poor relief systems.
German unification acted as a catalyst for the substantial transformation of the German welfare and employment regime which has taken place over the last two decades. The changes can be described as a process of a partial liberalization of the labor market within the boundaries of a coordinated industrial relations system and a conservative welfare state. This article depicts the transformation as a trend towards a more liberal welfare and employment regime by focusing on the shifting boundaries between status and income maintenance and poor relief systems. Keywords: Labor Market Policy, Social Twenty years after unification, Angela Merkel prefers dishes that were typical in the German Democratic Republic (GDR), such as a hot stew with pickled vegetables and meat called solyanka. That is what she told the weekly magazine SuperIllu, the voice of east German nostalgia. Having grown up in East Germany myself, the statement made me smile. Twenty years after unification Merkel dares to say she likes solyanka – wow, what an achievement. The funny thing is that it is indeed brave for a super-cautious woman such as Merkel to reveal her taste for solyanka. It reflects the difficult process of The German capitalist model is widely perceived to be in trouble and to undergo profound change. This has become most obvious in the realm of labor relations, as the traditional corporatist system is being radically rearticulated. Exacerbated by the ongoing political re-regulation of the German welfare state, two key developments are identified which demonstrate that the geographies of the current changes are too complex to be rationalized according to a simple scalar logic: (1) the radical stretching and reconfiguration of production systems as German capital belatedly takes advantage of low cost locations in Eastern Europe and Asia, and. Have the policy changed during recent years? If so in what direction and what are the driving forces behind?