

 <p><b>Wohlstand für alle ist notwendig und möglich</b></p> <p>Vorschläge zur Beseitigung der Investitionskrise in der Sozialen Marktwirtschaft</p>	<p>Wir brauchen einen Konsens für eine neue Regierungsmehrheit zur Umsetzung einer neuen modernen sozialen Wirtschaftspolitik zum Wohlstand für alle.</p> <p>Vollbeschäftigung mittels Staatsinvestitionen ohne Staatsverschuldung für hohe Löhne, gute Renten und bezahlbaren Wohnraum.</p>
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**Prosperity for all is necessary and possible**

**Proposals to eliminate the investment crisis in the social market economy**

"We need a consensus for a new government majority to implement a new modern social economic welfare policy for all

Full employment through state investment without debt for high wages, good pensions and affordable housing. "

Modern Social Market Economy <https://www.thurnhofer.info/buch>

Nora Verlagsgesellschaft

**About the book**

The neoliberal privatization policy since 1982 is not at an end because there is hardly anything to privatize, but because it denied one third of the population (about 27 million) the participation in the enormous wealth development in Germany. A portion of the population of 19.5 million lives in precarious living conditions (unemployed, homeless, fixed-term contracts, low pay, etc.).

The term "social market economy" had lost the attribute "social" with the beginning of the neoliberal policy. It is significant that out of every new monetary unit (DM / Euro), 80% went to the richest 20% of society. In 2017, the total assets of private households in Germany amounted to 15,373 billion euros. Private financial assets alone rose from 10.8 billion euros in 1949 to 6,065.4 billion euros in 2017.

The cause I see as an investment crisis is that the state has been deprived of the resources it needs to make structural investments that the private sector could make, because it has the means to do so, but will not do so because it does not promise the profits Are the basis of a private investment.

For too long, private investors have trusted that the state will lend money. But if the interest paid is higher than the loan taken up for investment, there is no investment, since the interest must be serviced first. Finally, the debt has a limit, which is defined by the Maastricht criteria.

The great dissatisfaction of the lower third manifests itself in the decline of the major popular parties and in the rise of nationalism and populism. Now the problem has reached politics, and the search for a solution has begun.

On the one hand, the book shows the historical development to the decline of society. On the other hand, proposals for solutions for an investment in productive capital are worked out with which the necessary investments can be made.

This can create jobs and higher wages, which eventually lead to the status required by Ludwig Erhard to provide for himself and his dependents. The way to a real implementation of the "social market economy" would be free.

## About the author

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I was born in 1940 in Berlin-Kreuzberg. Today I live as a retiree in Croatia, which has the advantage of being able to take care of the things that have occupied me all my life, but for which I had no time before.

My working life was unusual. With the end of my elementary school, my father became a retiree and worried about losing the family income. He therefore built me as a successor to his contractors. My desire to become an electrical engineer did not change.

Even if I was bored with the work of independent agencies, it had a serious advantage. I was able to divide up the work myself and pursue other interests along the way. The thrill lay in the discovery of the unknown, and with the acquisition of a manufacturing company for electrolytic capacitors, which I automated the fastest, I laid the foundation for a new career. Very quickly, I realized that although I was up to the technological requirements, but not the business management. After completing my Abitur at an evening school, I studied economics at the Free University of Berlin specializing in monetary and monetary theory, investment and finance, and information technology and data processing.

But in the mid-70s, I experienced a surprising and unexpected competitive situation. Japanese companies offered the products at prices lower than my purchase prices for materials. The factory had no future. I sold the factory, which was one of the first globalization victims. At the end of my studies, I also broke away from the requirements of my father. The family, if still present, was now independent.

For several years I have been a lecturer in adult education in information technology and economics, before working as a management consultant for banking, insurance and large information technology companies. The various insights into different economic areas in relation to theory have also contributed to the creation of this book.

## foreword

The book was created from a simple question. In the circle of acquaintances, a discussion about the immigration of immigrants in the form of a migration of peoples gave rise to the incomprehension as to why the regions in which there were no foreigners particularly rejected the immigration of foreigners.

The further sudden nationalization of states (such as Brexit) and the awakening of populist currents created in me a sense of danger based on the historical events of the 1930s. Very quickly, I realized that this general malaise of society had a different reason than the immigration of immigrants, that of a competitive situation. If one-third of the population lives in a state of existential threat, then every newcomer is a danger. However, at first I could not have imagined how dangerous the situation really is. In my view, society is at a crossroads, whether it still wants to be a democracy or prefers autocratic or dictatorial forms of society. It has become particularly clear that the social market economy did not work as intended by the designers. It could also be said that it has been abused by the political neoliberal elite.

The topic being dealt with is complex and hard to work on in the near future. The present book should, however, animate thought and also give suggestions on how the identified problems could be solved.

So the task can only be to collect information that is accessible to everyone for free, and to gather the most important and interesting of them to the best of our knowledge in order to get a good overview of the existing policy. Unfortunately, even very good information, even against payment, may also not be copied and published in part. But the result of this review should be sufficient to come to a conclusion.

The political system (democratic federal system) and the economic policy objective (social market economy, global control, Godesberger program and Freiburg theses) of West Germany after the Second World War can still be regarded as very modern today. Very helpful was also the ERP program of the Americans, although it initially had a selfish character. Germany is widely regarded as a very rich country, and economic development was considered impossible by experts at the end of the war. Two charts of the asset development in Germany make this very clear.

Household financial assets increased from 1949 in the amount of 10.8 billion euros to 2017 to 6,065.4 billion euros. It thus grew by 560 times (Fig. 1).

The development includes the takeover of the GDR from 1991.

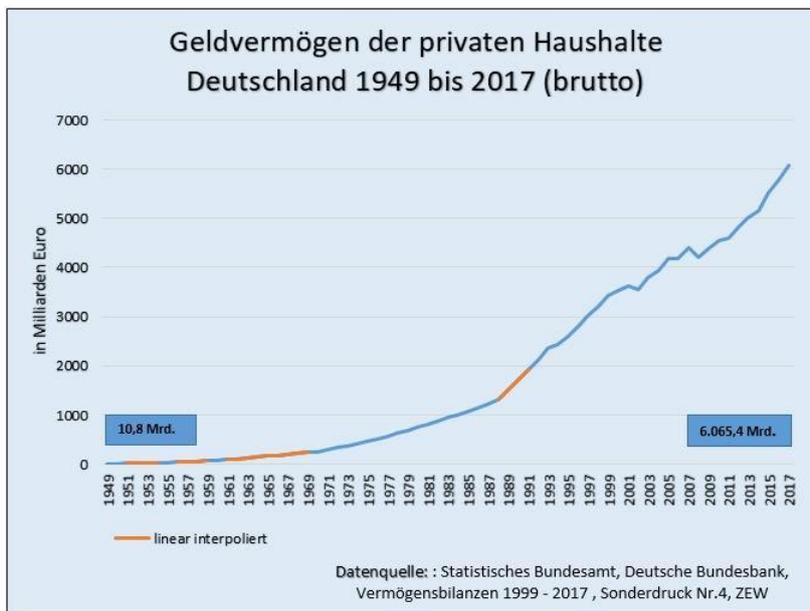


Abb. 1: Financial performance of households - Germany 1949 to 2017 (gross)

Quelle: Eigene Darstellung, ZEW, [http://www.bmas.de/SharedDocs/Downloads/DE/PDF-Publikationen/forschungsprojekt-a339-entwicklung-u-verteilung-vermoegens-privater.pdf?\\_\\_blob=publicationFile](http://www.bmas.de/SharedDocs/Downloads/DE/PDF-Publikationen/forschungsprojekt-a339-entwicklung-u-verteilung-vermoegens-privater.pdf?__blob=publicationFile), Statistische Bundesamt, Deutsche Bundesbank, Vermögensbilanzen 1999 - 2017, Sonderdruck Nr4

It is also clear from the graph below that these are three groups of assets that have grown extremely:  
 Fixed assets (companies, joint stock companies),  
 Land and  
 Financial assets (cash, sight deposits, fixed income securities, shares).

In turn, these three groups generate incomes that only accrue to those in possession of those assets.

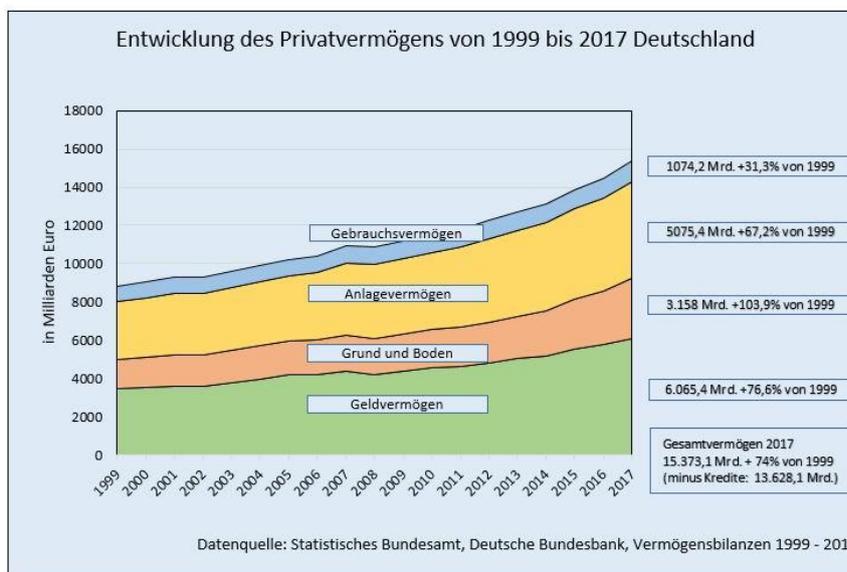


Abb. 2: Development of personal wealth from 1999 to 2017 Germany

Quelle: Eigene Darstellung, <https://www.destatis.de/DE/Themen/Wirtschaft/Volkswirtschaftliche-Gesamtrechnungen-Inlandsprodukt/Publikationen/Downloads-Vermoegensrechnung/vermoegensbilanzen-pdf-5816103.html>

Despite this economic wealth, a good political system and an excellent economic target system, the dissatisfaction of society is great. With a population of nearly 83 million in Germany:

Approximately 27 million (one third of the population) do not participate in wealth, Around 54 million (65%) have no discretionary power at the end of the month, 5.6 million (6%) live below the poverty line.

How could this, despite this wealth, come to that? Goals like "Prosperity for All" were missed by far. Some goals were defined, there were readings, but no targets (for example, the Gini social inequality index). In addition, it should be noted that the target values, with the exception of inflation (responsible for the Deutsche Bundesbank, later the European Central Bank) have never been reached again since 1970. However, I see the main problem in a failed investment and industrial policy. Furthermore, in a better definition of wealth, in particular sustainable wealth. Over the period from the end of World War II to today, however, the aberrations can be well recognized. The following is an attempt to identify these undesirable developments and to find solutions for a correction. The work is divided into four chapters.

The first chapter describes the target system and its development over time. Furthermore, the discrepancy between goal setting and goal achievement is presented, which shows the economic problem in which Germany is located and from which there does not seem to be a reasonable way out at present. In addition, the development of state assets and their consequences are considered.

The second chapter deals with the management of unemployment and its impact on economic policy. Unemployment alone has received attention, responding to the enormous release of labor through concentration, globalization and automation with ineffective means. A comparison of the political objectives (1967) and the achievement of goals (2017) is also carried out here, whereby the main objective "reducing social inequality" under the overarching goal "prosperity for all" has neither a measure nor a limit. So there was no intention from the beginning to control this goal. The goal of "reducing social inequality" was not an original goal. It was later added to the target system.

Two actions have contributed to an extreme increase in social inequality. On the one hand it is the tax legislation and on the other official and unofficial lobbying. From this fact alone, the question of whether the rich were not spared too much, can be answered simply: No, there was no protection, but on the contrary a legislative support and promotion, in the rich were even richer and poor even poorer. The result of this policy is on the one hand a private flood of money worth billions, which can not be used for investment, since the private economy, despite zero interest, has sufficient funds. On the other hand, the state can not make trillions of dollars in investment because it does not have the resources and can not go into debt. The result of this condition is unemployment and low wages. The money circulation is massively disturbed. The central bank has become the repair business of the policy.

The third chapter deals with the possible solutions. The goals of decent housing, adequate pensions and good paid work lead to a design that requires tax changes and is linked to the creation of wealth and investment funds. The state investment funds can then make the necessary investments and create jobs without renewed public debt. Additional funds are used to create wealth for private provision and to ensure that housing remains affordable.

Although the main focus is on Germany, the problems are similar in all western and high-priced countries, as the reasons are globalization, automation and concentration. This is a development that creates tremendous wealth, but is not adequately distributed because insufficient attention is paid to the government's economic policy objective of "reducing social inequality".

The fourth chapter is dedicated to the EU, because without it, it will be more difficult to make any fundamental changes. National interests can oppose other national interests, and problems can only be solved if there is joint action. Especially in the fight against tax avoidance and for the compensation of economic differences the activity of the EU is necessary.

For most people, numbers are absolute. If the estimated private wealth at imprecise survey in Germany with 15.3 trillion euros, then it is for most people exactly 13.4 trillion euros. For statisticians, they are a value with

a scatter. The numbers fluctuate around a value with a bandwidth of several percent. Especially in the field of private wealth is not kept secret for a reason. There is a banking secrecy, a tax secret, a secrecy of identity, who avoids taxes by transferring private assets into tax havens, and also black money and works of art. It is therefore impossible for researchers or ordinary citizens to access data that can be used properly.

The findings here show basically and quite clearly the problems in the distribution of labor and capital income, with society evolving into a community of heirs in which the rich continue to increase their wealth. Only with proposals that deal with a reasonable distribution of wealth, the social problem can be solved. However, each reader must consider how powerful and influential the interests are against the results and suggestions given here.

Remarks:

This book is aimed at people who have to make decisions in political life, but are unable to fully inform themselves. With the extensive bibliography, the person concerned can then specifically inform.

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