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# The Changed Welfare Paradigm - The Individualisation of The Social [1]

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*Abstract:*

The changes of the global objectives, of the operating principles at the level of the nation-states, of the actors, of the instruments and institutions, and finally of the global consequences, which characterise the shift from the ideal type of the modern welfare state to the neo-liberal or post-modern paradigm form the first part of this paper. It then spells out some implications for social security of this switch in „transition countries”: The tendencies (from marketisation to the spread of means testing) are similar to those in the west, only they are more marked, and there is much less political and popular resistance to these changes. One of the crucial ingredients of the shift is the undermining of the age-old solidarity between generations, a trend also strongly recommended by the supranational agencies. The ‘catch’ , or the ‘paradox of democracy’ is that people do not seem to approve of the rapid withdrawal of the state and the loss of their existential securities.

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# The Changed Welfare Paradigm - The Individualisation of The Social

The collapse of state socialism came too late - and not only because it meant that those living in it had to live for too long in a bad political and economic system. From the perspective discussed here it came too late because at its advent any post-war welfare consensus was by and large over in the west, and the ideas of the New Right were gaining ground and respectability everywhere. At the time of the revolutions of 1956 (Budapest), or even of 1968 (Prague), the 'left' values of the enlightenment could still play an important role, and 'existing socialism' could be denounced as a sham and criticised as such in the name of 'socialism with a human face.' In the new international climate of 1990 this was no longer possible: the rejection of 'existing socialism' had to be categorical. The void created thereby has been filled by a more or less explicit social project deriving from the old-new neo-liberal (Manchester liberal) ideology. This ideology has been slowly permeating all walks of life.

The impact of the new ideology on social policy is well known (e.g. Block et al, 1987; Bosanquet, 1982; Pearson, 1992). If we harp on this theme, we do it for two reasons. First, we try to systematise - focusing in the first instance on the developed countries, the 'first world' - the implications of the ideological shift on the aspects of social life which have a direct or indirect impact not on social security but also on social integration. Second, we try to spell out some of the consequences of this shift for the countries undergoing societal transformation in Central and Eastern Europe.

## 1. The modern and the post-modern welfare paradigm

The dream of the 'good society', the ambitious plan of Beveridge, the ideal welfare state never materialised to full extent. There have been different types of 'welfare states' (Wilensky et al, 1965, Titmuss 1974, Esping-Andersen, 1990), having varying success with such grand objectives as eradicating poverty or reducing inequalities. There are many possible explanations for the post-war welfare consensus. The war experience and the ensuing solidarity, the competition with 'existing socialism', the seemingly unlimited increase in economic resources from the mid-fifties on, the strengthening of civil society may all have played a role. But here we do not want to deal with the causes, only with the processes.

The welfare consensus was never complete. There had always been 'dissenters' analysed for instance by Hirschman (1991). But the near-consensus was expressed in the dominant political discourse, in the production of mainstream social science, and, most importantly, in the votes of citizens. The essence of the consensus was the *modern* liberal belief in the perfectibility of

society[2], in the existence of rational means to reduce injustices without gravely harming freedoms. It was also a shared belief that the state had a major role to play in the implementation of the above project.

On the basis of these assumptions, one may construct an 'ideal type' of the modern European welfare regime, describing its major features including the project itself, its goals, its actors, its institutions, its instruments, and some of its social implications on the national and global level.

The welfare consensus has started to dissolve from the mid-seventies on. We neglect here the causes of this process, too, not trying to decide what was the respective role of the economic factors such as the slowing down of economic growth or the sharpening of international competition, of political causes such as the collapse of the Soviet bloc, and of social causes from the waning of war-time solidarity to the tax-revolt of the rich. We are focusing on the outcome of the changes. Like in case of the 'modern' paradigm an attempt will be made to construct the 'ideal type' of the society and of its social policy corresponding to the new paradigm, termed alternatively by different authors or neo-liberal , post-fordist, post-industrial or post-modern (Taylor-Gooby 1995, Therborn 1995). Again, this paradigm is not implemented anywhere. Rather, one may observe an ubiquitous process leading into this direction, with a perhaps hidden agenda characterised by the neo-liberal values and impregnated by the interests of national and international capital. One of the economic advisors working in Hungary since the transition sums up the new project in a concise way when he describes the characteristics of foreign advisers in general: „Foreign advisers deeply believe in Western capitalism. As far as the philosophical basis of their thinking is concerned, including the basic values impacting on it , they are liberal in the sense that they highly value individual freedom of decision-making and individual responsibility. *They also believe that the welfare state is dead*" (Major 1996, emphasis added).

### *1.1. The old and the new project*

The two paradigms will be compared in a summarising table comprising five parts. *Part I.* intends to highlight the main topics or key themes of both projects. The elements are almost self-explanatory, at least if it is assumed that such complex phenomena as social or human reproduction, social integration or solidarity are understood in a similar way by various readers (if there is any). In the approach followed here social reproduction offers a convenient framework to analyse social processes and potential conflicts, and also to locate various sub-systems within it. Even more importantly, it suggests (as I have argued elsewhere, 1979) that social policy may have a strong link with, and important functions to fulfil in connection with, human and social reproduction. The connecting link between social policy and social reproduction is the dual concept

[2] Wallerstein (1996) describes succinctly, in connection with the role of social science, the liberal project of social betterment, the rational belief in its feasibility.

of physical and social life chances[3]. Physical life chances refer to the length of life one may expect in the different walks of life and to the sufferings one has to live with. (Not only in relatively poor countries, but even in France unskilled workers of 35 have a life expectancy which is ten years shorter than that of professionals.) Social life chances refer to the probability one has to attain better or worse social positions, to the degree of freedom and autonomy one has in choosing a life course or career. Apparently, life chances depend also on the presence or absence of enabling conditions . Both research and logic suggest that the inequalities of physical and social life chances may be reduced usually when there is deliberate social intervention attempting to do so (Ferge- Miller, 1987).

In short, the new project is about the withdrawal from social commitments, the rejection of the importance of an integrated society or even of society, the *individualisation of the social* (Guillemard 1986, Rosanvallon 1995).

## Change of paradigm of systems of social policy
## Basic characteristics of two ideal types[4]
## Part I. Global project of the transformation of the Social State[5]
## Major objectives

| **Topics of the societal project** | **Old paradigm of the 20th century**<br>**The modern 'European' social state** | **New paradigm of post-industrialism or post-modernism** |
|---|---|---|
| **Approach to social reproduction** | **Endorsement of collective responsibility for social reproduction (humans, goods, institutions, relationships) to some degree - by means of various forms of genuine or enforced solidarity (between generations, within and between groups, etc.)** | **Individualised responsibility for social reproduction;**<br>**Explicit rejection of collective responsibility and of 'impersonal', i.e. group, intergenerational solidarity** |
| **Social inequalities** | **Efforts to control and if possible to reduce the inequalities of social and physical life chances, the transmission of social disadvantages** | **Unchecked thriving of inequalities in the name of individual freedom of choice;**<br>**Acceptance of unemployment, poverty, segmentation, marginalisation** |
| **Economic purpose** | **Economic equilibrium;**<br>**At least partial satisfaction of needs agreed upon by public consensus which are inadequately covered by the market** | **Economic growth;**<br>**Increase of productivity and economic efficiency** |

[3] These two concepts are not too far removed from the two 'basic needs' defined by Doyal and Gough (1991) which they term health and autonomy. I continue to use my own concepts of physical and social life chances because they are more descriptive than normative, and because they are related to social dynamics.

[4] The summary table is inspired by a lecture of Goran Thernborn (Bielefeld, 1995), and shamelessly uses the insights of various authors.

[5] In using the expression of 'social state' instead of welfare state I follow the suggestion of Robert Castle, 1995

| | | |
|---|---|---|
| **Quality of society** | **An integrated society (efforts for the reduction of segregation and disaffiliation)** | **No particular concern for social integration ('There is no such thing as a society')** |
| | **Social cohesion to reduce social conflicts, to ensure internal social peace (co-operation)** | **National and international competitiveness** |

### *1.2. Dominant institutions and operating principles*

The main changes in the *dominant institutions and operating principles* on the social level follow from the objectives of the new paradigm. The key institution of the new world is, obviously, the market, with as little public intervention as possible. The ideal type of a democratically organised nation-state has become, during the last century, a field of forces where the state (political power), the market, and „civil society" held each other in check in order to correct the failures of each, and especially to prevent domination of one sphere, or one logic, over all the others. The concepts of „social state", or of welfare state, or of a social market economy all refer to this state of affairs. The equilibrium between these forces has always been a delicate matter, but it is being rapidly undermined by the new paradigm. Out of the three pillars of the former delicate balance the market is gaining ground at the expense of the two other forces. Also, as the economy is becoming increasingly globalised, the structure of the market is changing: multi-national firms and supra-national economic agencies tend to dominate the former national market actors. As Riccardo Petrella puts it. „The enterprise acquires „a new historical legitimacy inasmuch as it has been granted by the state the function of safeguarding and promoting the well-being of the „local" society ... In so doing the enterprise privatizes and internationalizes, for its own ends, the social role of the state..." (Petrella, 1995).

The increasing role of the market has at least two structural or macro-level implications worth mentioning. One concerns economic rationality. Out of the possible logics or rationalities of the economy as analysed by Weber, formal rationality is becoming dominant. Also, formal rationality which is still rather broadly defined by Weber, as 'capable of being expressed in numerical, calculable terms' (Weber, 1968, quoted in Wallerstein, p. 13.) is reduced to its purest type. In the modern self-regulating market (Polanyi 1994) calculation means, in fact, the optimisation of inputs and outputs, or the maximisation of profit. Other rationalities are superseded by this formal market rationality. Substantive rationality as defined by Polanyi (Dalton, 1968) is lost from sight altogether. This one-sided approach excludes from the post-modern paradigm the assessment of the outcome of economic activity against 'certain criteria of ultimate ends' (Weber, ibid.), some value scale such as, for instance, the satisfaction of needs or the distribution of the results of economic activity.

The other implication is that the formal rationality of the market is imposed on all or most other sub-spheres of social reproduction, supplanting their own inherent operating principles or relatively autonomous logic. Works of

art, the organisation of Oxford colleges[6], the activity of social policy, or even the most insignificant acts of everyday life are all subjected to the profitability calculus. This tendency is expressed in the widely quoted slogan of M. Friedman suggesting that there is no such thing as a free lunch, or in the more sophisticated analysis of J. Habermas about the 'colonisation of the life-world' by the market (Habermas, 1981).

With all these moves, another important key concept of post-modernity, pluralism, becomes almost self-defeating. A paradox occurs. The pervasive new ideology exalts freedom, the importance of the freedom of choice of the individuals, the rejection of monopolistic or uniform solutions, in short, pluralism in all fields. Incidentally, theories of post-modernity suggest that the decoupling of structural determinism and autonomous individual self-determination is not only possible, but the essence of post-modern societies. These ideas and ideals are attractive and challenging. In reality, though, there are factors which seem to build hardening constraints around autonomous choices and pluralistic solutions. One of them affects the poor - increasingly poor countries, or the increasingly poor in rich countries whose freedom of choice is restricted or made altogether void by their lack of means. The other factor limiting choice is the increasingly pervasive and monolithic ideology - about the unquestionable superiority of a market-driven world. It is repeatedly suggested for instance by home-bred liberals and supra-national agencies that instead of a wide variety of welfare regimes which have always been marked by home forces and traditions (or path-dependency in the term of David Stark), there exists allegedly just one "right" social policy fully compatible with a market economy.

Obviously, the values underpinning the 'modern' and the 'post-modern' ideology differ also radically. Over and above 'equality', which seems to have become obsolete in the post-modern world, two other values are also losing ground in a big way. One of them is solidarity (whether spontaneous or enforced), implying an acceptance of some common interest and horizontally shared 'sacrifice' or responsibility to make this interest prevail. The rejection of solidarity is made possible by the widespread acceptance of the exclusive pursuit of the individual's interest. Post-modern ideology does not justify, of course, selfishness *per se*. The legitimisation is done through the definition of the characteristics of the 'post-modern individual' who 'adopts a post-modern anti-causal point of view because s/he has no desire to assume responsibility or insist on his/her role as an agent... In the absence of cause and effect, the post-modern individual cannot be held personally accountable because things 'just happen'". (Rosenau, p. 55-56., quoted in Vaillancourt Rosenau and Bredemeier, 1993, p.361).

The other value which seems to fall into disrepute is the search for existential security by collective means. Instead, individual security has to be assured - if one feels necessary to ensure it at all and is able to do it - by individually, hence freely chosen instruments. For those who are unable to assure themselves (and who

[6] The management consultants, Coopers and Leybrand were asked to assess Oxford University. They found, as related in The Times by Scruton (1996) 'all those colleges duplicating resources..., wasting precious money on their separate libraries, their separate kitchens, their separate domestic lives, and their separate domestic quarrels - surely the whole lot should be poured into a single cauldron...'.

may well coincide with those who are thought to lack the 'modern' trait of long-term rationality 'to defer gratification') there may remain something of the former collective arrangements. These may consist of no more than a minimum level of compulsory insurance of health or pensions which (as precedents show) may be well below any acceptable standard if they are the only resource. When even this fails, there remains the charitable gift of benevolent organisations or individuals. (Part II of the table sums up these principles and processes.)

## Part II. Dominant institutions and operating principles at the level of the nation-states

| | Old paradigm | New paradigm |
|---|---|---|
| **Dominant institutions** | **Market, state, civil society** | **Markets and quasi-markets**<br>**International corporations and supra-national agencies** |
| **Dominant economic rationality** | **Substantive and formal** | **Formal** |
| **Relationships between social sub-systems** | **Relative autonomy of sub-systems (economy, culture, law, social policy, etc.) as for their finality, function, logic, or 'substantive rationality'** | **Supremacy (domination) of the economy and its formal rationality; ('Colonisation of the life-world' and of all sub-systems)** |
| **Underlying values of social (societal) policy** | **Justice and social equity,**<br>**Reduction of social inequalities**<br>**Solidarity (ingrained or enforced);**<br>**Absolute and relative existential security at the individual and collective level** | **Individual freedom (Free to choose);**<br>**Competitiveness;**<br>**Individual autonomy and responsibility for present and future security;**<br>**At most minimal existential security by public means** |

### *1.3. Instruments of social policy*

The new trend entails a fundamental transformation of the former *instruments* of social policy. *Universal solutions* or access tied to citizenship or residence are altogether *repudiated* by the new paradigm. *Social insurance* based on employment and contribution paid is to undergo fundamental changes so as to become more 'market-conforming'. It has to be *purged* as much as possible from its solidaristic or redistributive components; its level and scope are *lowered* in order to make place for private insurance. An important corollary of the weakening of social insurance is the erosion of real or virtual 'social property'[7]. It is a key institution: the social property constituted by social insurance is a forceful countervailing factor of private ownership (Castel, 1995).

The void created by the abolition of universal benefits and the curtailment of social insurance provisions is occupied by social *assistance* selectively offered to the 'truly needy'. The move affects benefits in cash, in kind, and also in services. The problem is that if social assistance is financed by public money, it is also a form of social solidarity, even if constrained. Hence the encouragement of private charity and the moral gloss attached to it. In order to

[7] The concept of social property is used in this sense by Castel (1995). The property is real in case of a collectivist funded system, and it is virtual in a pay as you go system.

give incentives to it, tax benefits may be offered, entailing reverse redistribution and an invisible welfare state. This, however, is seldom condemned by the critics of the visible welfare state (Kvist and Sinfield, 1996.).

*The process involved implies the delegitimation not only of the technique, but also of the raison d'être of the collective protection against collective risks.* Even the aspiration to collective security is denounced as the denial of freedom. According to Peter Ambros for instance, "Freedom is related to adulthood in the same way as security is to dependency" (Ambros 1994, quoted in Ferge, 1994).

There is clearly a paradox involved. Social insurance had been invented or generalised when (a) the new risks of an industrial, mass society emerged, and when (b) the old ties linking generations and small communities together, and insuring thereby a sort of 'natural' solidarity, started to weaken or fall apart. The *risks, if anything, have become larger in the post-fordist world* for instance with seminal changes on the labour market (e.g. with mass unemployment and 'atypical' jobs), and the solidaristic networks had been farther eroded. If those facts are taken into account, then it is hard to find *rational* reasons to justify the deliberate destruction of the institutions of collective protection. Yet, social insurance is seen to have become superfluous.

Another aspect of the change of instruments is that the new climate is not too favourable to social rights which are not considered real rights (Sunstein, 1994). One possible cause for this antipathy is that these so-called positive rights are allegedly much more costly than the 'negative' rights. Freedom rights belonging to the first generation of rights are often seen as not requiring active state intervention and therefore inexpensive. Another argument which seems particularly valid in case of the transition countries emphasises that social rights, even if included in the constitution, could not be implemented. Hence their declaration would undermine constitutionalism (Arato, 1996). Counter-arguments are also appearing. It is pointed out that the enforcement of civil and political rights is also costly, because their implementation requires elections and a parliament as well as police, courts and prisons (Coote,1992). Some maintain that the implementation of minimal social rights depends more on political will than on resources (Juhász 1995). The onslaught on social rights certainly weakens the unconditional right to life which formed an integral part of the social democratic project of the social state used to be described as decommodification (Esping-Andersen 1990). If anything, the complete disappearance of this term is a marker of the new times. There used to be another value or right appearing in legislation around the Enlightenment, the right to dignity. While this seems to be the foundation of modern citizenship, and a key term in modern social policy discourse[8] , I found (up to now) amazingly little on the interpretation and the implications of this concept. However if ways of life surely incompatible with human dignity such as begging, homelessness or garbage search (rummaging through the garbage can of others, spreading in

[8] See among others the Council Recommendation of 1992 of the European Community about social assistance.

many towns of Eastern Europe) are becoming so widely accepted as to seem 'natural', then surely something is wrong with human dignity.

While the rights of the poor seem to weaken, there is undeniable progress in the acknowledgement of rights of groups or minorities which are newly emerging or gathering strength. Women have been the first to make real headway. More recently less numerous groups have followed suite, including homosexuals, handicapped people and others. There is probably a relationship between post-modernism and the recognition of the right to differ. However, the new trend is related to the rejection of the 'modern' categories of class or social determinism is general.

The erosion of the social state may be perhaps better understood if one applies a 'modern' sociological frame of reference. It seems that elements of public redistribution which do not serve the 'enlightened self-interest' of relatively strong and vocal groups are hard to defend against renewed attacks. The 'trimming' of welfare benefits is relatively more frequent if the benefit serves only the poorer or less powerful groups (social assistance itself, but also unemployment or sickness benefits for instance).

## Part III. Changes of the instruments of social policy

| | **Old paradigm** | **New paradigm** |
|---|---|---|
| **Instruments** | **Universal benefits;**<br>**Social security and social insurance (public assistance included);**<br>**'Social property' within social insurance**<br>**Social contracts;**<br>**Collective bargaining** | **Insurance:**<br>**Public insurance on a minimal level,**<br>**Private insurance encouraged**<br>**Assistance, public and private,**<br>**Private charity encouraged**<br>**Business contracts;** |
| **Citizenship, rights** | **Social citizenship, combining civil, political and social, economic, cultural etc. rights**<br>**Strong social rights (with a right to appeal);**<br>**At least partial decoupling of market contracts and the right to life, ('decommodification');**<br>**Emphasis on the right to dignity (even if in need of help)** | **Emphasis on civil and political, i.e. 'negative' rights;**<br>**Acknowledgement of (civil and political) rights for 'minorities' achieving visibility and voice (women, homosexuals, handicapped, etc.);**<br>**Week or contested social rights, emphasis on purchased rights** |

### *1.4. Old and new actors*

With the alteration of values and institutions, the field of the actors and the modes of operation of social policy are also changing. The state - as already implied - is shedding its former load. It diminishes its role in legislating about social rights and in the enforcement of these rights. It curtails also its former role in financing social policy and in delivering services. The first function is in part irreplaceable and in part it is reduced to regulate the framework of the new welfare solutions, into the 'management of pluralism'[9]. Financing may remain a state function at least as long as 'quasi-markets' are accepted as a solution (Le Grand and Bartlett). The other part of financing as well as service delivery is shifted to the families, to the voluntary or NGO sector and ultimately to the market. The role of the market is sure to increase thereby. The role of civil society may also increase, but it is changing. It becomes much more important as service deliverer, while its political function, that of giving voice to the claims of civil movements may weaken. This is likely to happen if the market plays well its post-modern role of 'seduction' (Bauman 1988), and/or if the media are endorsing less public functions as they become more and more marketised (Keane 1989).

Another aspect of this process is the attempt to subordinate the professional expertise and knowledge of the traditional 'vocations' to technocratic (managerial) concerns. This process may be seen as rationally grounded. The almost feudal authority of the professions (the medical or the teaching profession for instance) is hardly compatible with the ongoing democratisation of human relations. For the same reasons it is increasingly unacceptable that the professions dictate needs or solutions to need satisfaction in an authoritarian way. The professional gatekeepers, the professional lobbies, and such like may have bred distrust. Many professional arguments may have been self-serving, promoting the status and prestige of the professions rather than the interests of the client groups.

Also, professionals have been rarely successful in managing scarce resources. They do not easily accept that alongside with the substantive rationality of their own activity (for instance to give to the patient the best possible medical care) they also have to reckon with the scarcity of resources. The allocation of resources requires 'counting' - even if the profit motive (calculation with profit) cannot be reconciled with the substantive logic of the profession[10].

Professionals could have found adequate answers to the first type of criticism by weakening their own knowledge monopolies, by empowering their clients, by realising that their professional charisma should not be taken for granted but should be 'earned'. But they became defenceless in the face of the economic argument. The technocrats could take over the power from, and over, the professionals because the non-economic evaluation of the outcome of professional activity is not compatible with the new paradigm. The take-over does not eliminate the former knowledge-monopoly and professional conceit, only shifts them. A new professional group, namely the technocrats, start to

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[9] The expression is borrowed from G. Therborn. This new role of the state is described in minute details e.g. in Barr(1994).

[10] For the difference between counting and calculating (with profit) see Bourdieu, 1977.

dominate the more traditional professions. It is an open question what will happen to traditional professional ethics under these conditions.

Alongside with their professional roles, intellectuals had another traditional role, that of the critic of society. Over and above the safeguard and the transmission of knowledge, it used to be always an intellectual function to formulate questions concerning the *status quo,* and to work out the answers, the so-called heterodoxies offering new explanations and alternative world visions (Bourdieu, ibid.). This role (whether filled by intellectuals or by others) is crucial in a society which does not consider itself perfect. However, the voice of social critics seems to have become more feeble. One interpretation could be the increasingly difficult access to the media. Moreover, one frequently has the impression that the ruling political class of the liberal democracies tends to become so self-assured as to feel entitled to ignore criticism even if that has mass support. There is also another tentative explanation connected to the 'paradox of democracy' implying that while the formal instances of participation in public life are guaranteed, people increasingly withdraw from politics because they feel more and more impotent in relation to it. This may have to do with the distortion of the structure of public (and mass) communication as described by Habermas (1981). Also, the alienation from politics may be related to the process of globalisation whereby the nation-states which used to be the designated centres of political life lose their grip on their own destiny and their citizens lose their hold on 'their' state. The centre of power shifts upwards. And this, as Norbert Elias saw it, 'increases the impotence of the individual in relation to what is happening at the top level of humanity' (Elias, 1991, p. 165.). This may be a pervasive feeling in case of intellectuals, too, particularly if they do not have potent organised allies[11].

The transformation of the target groups (who may also be considered actors of social policy) hardly needs additional explanation. If selectivity becomes the main way of access, then the targets will be the 'truly needy' instead of the citizens or the insured persons. The former targets constituted collective categories, while the truly needy are only an disjoint set of individuals. This shift represents a clear and explicit case of the individualisation of the social. The change corrodes the power position of the beneficiaries of central redistribution. Clearly, the possibility and hence the probability of the self-organisation of the scattered poor is slim.

The development of human resources as a legitimate objective is in all probability related to the concern with increasing productivity and efficiency. This is a positive implication of the post-fordist organisation of production. It has, however, some equivocal features. The preoccupation with the immediate use of knowledge may restrict the domain of legitimate learning. A more serious

[11] There are always efforts to counter this tendency. Early October 1996, simultaneously with similar event at about ten universities over the country, 2000 people gathered at Columbia University, New York at a teach-in, 'The Fight for America's Future'. It happened for the first time since World War II that intellectuals and labour leaders have attempted to join forces for revitalizing social movements against unjust and divisive societal tendencies. (Spectator of September 24, 1996, and personal communication of Herbert Gans.)

consequence may be the indirect devaluation of those who may not be useful for 'productive' purposes. Those concerned are, in the first place, people living with handicaps and the elderly. The members of the first group try to react by organising themselves, and have indeed obtained some rights in line with the new tolerance of difference. The ageing population is in a worse situation. It seems to me that the increasingly loud rhetoric about the unsustainability of the current pension systems, and hence the necessity to lower the collective provisions for the elderly is related to their loss of economic value[12]. The rejection of intergenerational solidarity in the name of individual responsibility is in all likelihood both a cause and a consequence of the devaluation of the ageing population.

[12] Let me not dwell upon the uncanny parallel with the discriminative practices of 'state socialism' against those deemed 'unproductive', including the handicapped, the aged and similar groups.

## Part IV. Changes at the level of actors

| | Old paradigm | New paradigm |
|---|---|---|
| **The role of the State** | **'Management' of social change (including social policy as an instrument of change);**<br>**Financing of the majority of consensually agreed needs;**<br>**Legislation about, and guarantee of social rights;**<br>**Production and delivery of services** | **„Management" of welfare pluralism;**<br>**Marginal (residual) financing of the welfare sector;** |
| **Main agents shaping the (social policy) system** | **State bureaucracy (of the nation-state);**<br>**Social movements, civil society**<br>**the 'Professions' (representatives of various sciences) and intellectuals** | **National and international bureaucrats and technocrats (managers)** |
| **The target groups of social policy** | **Citizens (denizens)**<br>**Insured persons**<br>**Disadvantaged groups, families, individuals** | **'Truly needy' and deserving individuals or families**<br>**'Minorities' achieving visibility, expressing new needs (migrants, drug-addicts, homosexuals, etc.)**<br>**Potentially productive workers (potential human capital)**[13] |
| **Main agents of service delivery** | **State - large extent**<br>**Family - varying**<br>**Non-profit sector, voluntary agencies - varying**<br>**Market - marginal** | **Market and quasi-market-dominant**<br>**Family and NGO sector-encouraged**<br>**State- minimised**<br>**Media - role increasing** |

### *1.5. Implications of the paradigmatic change on the global level*

The shift from the old to the new paradigm has important repercussions on the global level, too. On the national level the actors of the three main spheres - the market, politics, and civil society - could, under democratic conditions, co-operate and, at least to some extent, control and limit each others' 'colonising' endeavours. On the global level this relative equilibrium among different forces is weak or missing. The countervailing forces of the market - „international governance" and international civil society - are weak, underdeveloped or non-existent. The comparison of the efficiency of the UN and of the IMF may illustrate this point. (About their relationship see Deacon in Swaan, 1994.)

[13] See Taylor-Gooby 1995, and also Commission on Social Justice (1994)

Alongside the process of globalisation and the integration of the world economy, tendencies of fragmentation, polarisation or disintegration are also gaining ground. As Norbert Elias put it: „Human beings are at present involved in an immense process of integration which not only goes hand in hand with many subordinate disintegrations but can at any time give way to a dominant disintegration process" (Elias, 1991, p. 165.). Integration means, among other things, that the locus of power is shifting upwards, from the smaller communities to the central state, and then to a global centre involving, as we already pointed it out, the 'disempowerment' of the individuals.

Disintegration may take different forms and may be triggered by varied causes. One of its aspects is the increasing income gap between the groups of more or less „developed" or developing countries. (Townsend 1995). Out of the 5.4 billion inhabitants of the Earth

- 3.1 billion, close to 60 % of mankind, live in the 40 poorest countries, with a per capita GDP of USD 350 a year (only around USD 100 in Mozambique, Tanzania and Ethiopia);
- 1.4 billion, around 26 % live in the 62 middle-income countries with a per capita GDP between USD 700 and 7000; and
- 0.8 billion, 15 % in the 22 richest countries. In the last group, the average per capita GDP is USD 21,000, with Switzerland at the top, having USD 33,600 per head per year. (World Development Report, 1993).

The bottom has, thus, about 300 times less than the top. The implications are manifold. The average life span of the poor countries is 25 to 30 years less than in the richer countries. Thus the convergence so much talked about in the last decades seems to be fading away, giving way to growing gaps between rich and poor countries - with consequences which may not be promising or reassuring in the long run. (See Part V.)

## Part V. Consequences at the global level ('globalisation')

| | **Old paradigm** | **New paradigm** |
|---|---|---|
| **Interest negotiation at the global level** | **Efforts to harmonise varied interests** | **Supremacy of the interests of international (global) capital (The 'international state' and 'international civil society' are weak)** |
| **Relation between regions and countries of varying economic strength** | **Efforts (not always successful) to reduce the economic gap between countries** | **Spontaneous 'catching up' in some cases (East Asia); Increase of the development gap elsewhere, between regions and countries, centres and peripheries** |
| **Power relations between countries** | **Efforts to establish horizontal international relations;** | **Increase of power and influence of supra-national political unions and** |

| | | |
|---|---|---|
| | **Efforts to preserve the relative autonomy of the nation-states** | **(economic) agencies;**<br>**Weakening of the autonomy of the nation-states** |

## 2. Some implications for social security in „transition countries".

### *2.1. Over-zealous alignment to the new expectations*

The downgrading of the state and the cutback of the welfare system as the main or only culprit of public (over)spending are everywhere on the agenda. In the transition countries (or so it seems to me at least) the arguments sound more pervasive, perhaps more aggressive than elsewhere, and, at least in some cases, there is a higher degree of compliance with the new ideology than in the developed democracies of Western Europe. The causes of a more assertive ideological style (used both by home and foreign ideologists) and of less home resistance to the dismantling of the institutions of social policy are manifold. A thorough analysis is very much needed, but I am not ready or able to do it. (More psychological and historical distance is necessary for this.) Let me mention, though, some of the plausible causes for this overshoot.

• The values underpinning social policy have become more delegitimated or more corrupted than in the stable liberal democracies. This is particularly true for the values such as equality or solidarity. Since the press is genuinely free for instance in Hungary, the blueprint about *Social Justice* (1994) or the Manifest of French intellectuals, 'Chomage, appel au débat,' (1995) could have been published, but would have met with hostile silence. Those who try to reaffirm those values and the instruments promoting them appear either as naive idealists yearning for a turn to social democracy which seems to be irrevocably lost or zealots not of social policy or its basic values, but of the Stalinist past. The words of R. Rose highlight well the point. He argues for more selectivity and the abolition of broader systems of social protection in Central-Eastern Europe:

> "establishing universalistic and compulsory programmes of social protection is popular today, but it is contrary to historical developments. Such programmes were not initially provided in the West European welfare states: they emerged after a half century of developments that started with contribution-funded programmes for those able to pay. East European systems today are at the start of a lengthy transition process, in which their fiscal and administrative resources are backward by comparison to Western Europe. *To recommend that such societies introduce comprehensive and universalistic social protection programmes on the Scandinavian model is to be a welfare Bolshevik.* " (Rose, 1993, emphasis added)

Let me not comment on the fact, conveniently forgotten here, that most countries of Central and Eastern Europe had already undergone the said half

century or more. Their system of comprehensive social insurance programmes started to develop a century or so ago (Voirin, 1993).

• The transition countries are mostly poor. State revenues have rapidly dwindled because of the overall fall in production (Table 1); because they privatised first the most profitable industries or activities and kept forcibly the 'losing propositions'; because the power of the state to collect taxes and contributions is lessening for fear of discouraging capital, especially foreign capital; because of the black economy; sometimes because of too close links between the new economic and political elite who are in turn the debtors and the collectors; because the willingness to pay taxes and contributions is caught in a vicious spiral with deteriorating services; because the relationship between the government and the citizens is not based on mutual trust, and so forth[14]. In countries which are heavily in debt the servicing of debts intensifies the difficulties.

Cutbacks in state spending are therefore more than justified. It requires, though, some explanation why the welfare system had become the main target of the cutbacks. The role of neo-liberal economists is one factor. The reluctance of the new rich to support the new poor, or to share less unequally the burden of the transition, is an easily understandable sociological fact. But the explicit recommendations of the supranational agencies are also important. Let me quote just one example:

> "the present level of expenditure on social (cash and in-kind) transfers places Hungary on-par with high EU spender countries, the Scandinavian countries, and well above both low-income EC countries and non-EU OECD countries....Since neither the revenue effort commensurate with high spending nor a large fiscal deficit represent sound macroeconomic strategies, an expenditure cutting strategy is necessary." (World Bank, 1994a.p.2.)

• The Stalinist system (even in its later, more liberal period) had a stifled social structure. The ideological and political system prevented the emergence of groups with capitalist inclinations (competitiveness, search for ownership and profit-making activities). Meanwhile, there had been groups motivated by these interests and ready to avail themselves of the new opportunities. Their way of action has been much less inhibited than under conditions of a gradual capitalist evolution. Indeed, even unlawful actions could find easy self-justification as reactions against former oppression. This is all the more true because part of this group belongs to the descendants of the pre-war ruling class whose wealth had been confiscated in the early years of Stalinism, and whose families had undergone harsh political persecution in the subsequent years. The other members of this group are those who entered the path to entrepreneurship under the former system, but could not go the whole way because of the political limits. (This is particularly true in Hungary.)

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[14] This statement may seem to be at odds with the strong feelings about state responsibility. However, the two feelings may coexist. Distrust towards the market may for instance be still greater than that towards the state.

• Both of the above groups are, among other things, in search of profitable markets. The marketisation of former public services is a promising field, on several accounts. Inasmuch as they are 'quasi-markets' (Le Grand-Bartlett, 1994), that is inasmuch as they are at least partly funded by public money for instance by 'contracting out', solvent demand is assured. And even if marketisation goes the whole way since the whole point in Central and Eastern Europe is to liberate the budget altogether from these outlays, there is an almost captive clientele forced to buy these services at whatever cost they are offered. An interesting case in point is the *compulsory* membership in a *private* pension fund (the Chilean model), now on the agenda in Central and Eastern Europe. (I shall come back to this issue.)

• In each country there emerged a group of 'neophytes', truly believing in the magnanimous omnipotence of the market and the uncontrollable depravity of the state. Part of this group belongs (in Poland, in Hungary, but also in Russia) to the economists who had been the main critics of the former system, because criticism of the economy was the only tolerated way of a trenchant analysis. The other part is composed simply of political opportunists who are always keen to demonstrate their allegiance to any new dominant ideology of any new political power.

• One of the most important and most positive results of the change of the system is the advent of political democracy, and the (re-)emergence of civil society. However, it will take some time until civil society becomes strong enough to be able to defend itself and the rights, social rights included, it considers essential. Apparently, western societies are more successful in resisting changes dictated from above, at least in case of those welfare institutions which profit the majority. The mass demonstrations in France in the Winter of 1995, or in Germany in the Spring of 1996 amply prove this point. In the new democracies the organisation of civil society is, as yet, weaker, and the governments are less aware of the importance to take into account people's opinion.

### *2.2. The case of the solidarity between generations.*

The ideas about the transformation of the system of social security started right after the transition. In some cases, though, particularly in the case of family benefits, the first conservative governments may have been reluctant to take action. The most vocal proponents of changes in this sphere were the supranational agencies. On the basis of international comparisons, their first 'target' was the set of provisions for children and families, which seemed to be much more lavish than most western systems. Among other things, the following points were raised:

* The share of family allowance was assessed as too high especially by the IMF and the World Bank, and also later by the OECD. It was pointed out that the

family allowance amounted to 1 to 3 per cent in most Western countries, while it was between 2 and 4 per cent in the Eastern ones. Therefore cutbacks have been recommended because of budgetary constraints.

* The ratio of family allowances to wages was higher than in market economies, and covered a higher percentage of children's needs (at best around 30 per cent of the subsistence minimum). Hence the argument that family allowance was a wage subsidy, and played the role which, in market economies, is played by wages. It was also indicated that flat-rate family allowances represented an adverse incentive with increasing wage differentials.

* The gradual increase, up to the third child, was judged unacceptable because of its pro-natalist objective and its "wastefulness".

It has to be added that the World Bank had important suggestions beneficial to the system of family allowances. Thus, it always condemned the politically discriminatory elements such as discrimination against the non-employed. In ex-socialist countries each and every social benefit was conditional on employment. (In Hungary for instance the family allowance became universal from April 1990 on.) Also, most of its recommendations about family benefits were about group-targeting and taxation and not about increased selectivity (Barr, 1994).

Despite increasing needs and the high exclusion and inclusion errors of targeting, the family benefit system was changed in the transition countries both quantitatively and qualitatively. Family allowances - whether insurance-based or universal - have been gradually transformed into means-tested assistance in most countries (Fajth 1996).There remained, though, some elements of group targeting. For instance the Czech Republic made family allowance means-tested in April 1995, but retained the universal maternity grant (Castel-Kanerova, 1996). Hungary made both child and maternity benefits means-tested in April 1996, but retained the universal access in case of families with three and more children. The value of the benefits was gradually eroded even for those who were not excluded from the schemes because there was no or inadequate indexation despite relatively high inflation rates. While according to UNICEF a ‘minimum benefit level should comprise about 10 to 15 per cent of the average wage, allowance schemes in most countries currently offer a benefit under the 10 per cent threshold, and in two countries the benefit is even below 5 per cent” (Fajth, p.22). The success of the cutbacks is indubitable. Family allowances expressed as a percentage of the GDP (with falling GDP) radically decreased everywhere. Between 1989 and 1993 or 1994 they went down from 1.2 to 1 in Czechia, from 2.9 to 1.5 in Slovakia, from 2.0 to 1.3 in Poland, from 2.9 to 0.7 in Romania (Fajth, p.25). The coverage and level of maternity benefits also deteriorated in most cases, while the ration of children in nurseries declined everywhere, most dramatically in Czechia, Russia and the Baltic States (Idem, p.34.)

All in all, the transition countries followed the lead. So much so that - together with unemployment, other forms of withdrawal from the labour market, declining real wages, the contraction of (free or cheap) child care institutions, and also the erosion of family benefits - child poverty in the transition countries has become one of the best known negative features of the new scenario (UNICEF, 1994).

The decrease of family benefits did not help much the budgetary balance. But their contraction made more conspicuous the 'redistributive bias' in favour of the elderly. The scene was then set for the 'second act'. The criticism of the pension system as too broad, as giving too little to too many, as failing to conform to the actuarial insurance principles has been on the agenda since the transition[15]. But the attacks have gained new vigour from about 1994. „Empirical data suggest that the old are not disproportionately poor in many countries...In Hungary, Poland and Russia, families with young children are more likely than old pensioners to be poor." (Word Bank, 1994b.p.77) This criticism does not apply exclusively to the transition countries, but also to some countries in Latin America, and to most OECD countries (idem).

The pension reform has been vigorously urged on the countries all over the transition region. The model recommended by all outside agencies and adhered to by home-bred liberals is a milder variant of the Chilean reform, a multi-pillar pension scheme. The main features of the multi-pillar system are:

- A mandatory tax-financed public pillar designed to alleviate poverty
- A mandatory funded, privately managed pillar (based on personal accounts or occupational plans) to handle people's savings
- A supplementary voluntary pillar (again based on personal saving..) (World Bank, 1994b..., p. 292)

It is certainly true that in most countries pensioners did not fare much worse in the first years of transition than the active earners especially in countries (such as Hungary) where pensions have been indexed to wages. Those with higher pensions may have lost more where the increase of pensions was degressive. This also meant, though, that poor pensioners had been relatively better protected than the better-off. However, wages are extremely low relative to the new (western-type) price system[16], and pensions are lower than wages. While pensioners may be better off - in terms of equivalent income - than households where the head is unemployed, they are worse off than families where the head is active earner, and much worse off than families of active earners without children. In other words: pensioners are not among the main losers, but their majority are on the verge or of, or already in poverty, and pensioners are largely underrepresented in the top quintile of the population. (See Tables 1a, 1b and 1c in the Appendix[17].)

This is not the place to analyse in detail either the situation of pensioners or the pension reform plans. The only point I want to emphasise is the combined impact

[15] The flaws and inconsistencies of the pension system were discovered long before the transition. In Hungary for instance quite radical reforms had been contemplated since the mid-eighties. However they remained within the earnings-related and solidaristic paradigm and the PAYG system was not to be radically changed.

[16] The purchasing power of the average wage in the transition countries seems to be about 6 to 10 times lower than in the developed countries.

[17] The survey furnishing these data was carried out as part of the SOCO project initiated and co-ordinated by the Institute for Human Studies, Vienna. The countries covered included the Czech Republic, former East Germany, Hungary, Poland and Slovakia. The first results are presented in the International report on the Social Consequences of the Transition, Ferge et al. 1995.

of the endeavours described above on social integration, especially *the unwritten contract or solidarity between generations*. By eradicating universal family benefits, one side of the contract was already harmed. It is a very different thing to help the truly needy, and another to make it visible that the community considers children as future social actors. By emphasising the importance of individual private saving schemes devoid of any solidaristic element, the other side of the contract is invalidated. In fact, official bodies repeatedly bring home the message that the old should care for themselves, and not burden the young with their sustenance. That is why it seems to me - to say the least - cynical to blame the pensioners for the poverty of children. However, this may easily happen, when a private pension fund in Hungary has a publicity stunt presenting a sad little girl complaining: 'And how shall I provide for you?', or when a representative of the World Bank comments upon the findings of UNICEF about the poverty of children in the transition countries. The Economist (16 December, 1995) presented some of these findings, and asked comments upon them: „I tell people in Eastern Europe - says Louise Fox, a World Bank pundit - that pension policy is impoverishing their children. *The demands of pensioners are taking food out of the mouths of working people's children*." (Emphasis added.) No doubt, data presented in Table 1. of the Appendix do not cover the worst-off countries, especially those where civil wars add to the tragedy of everybody, children in the first place. But they are nonetheless representative of a large part of the region, and suggest that pensioners do not fare much better than families with children. However, unfortunately, there is no civil association like „Generation United" either in the individual countries, or on the international scene, to prevent the pitting of one generation against the other[18] and social scientists are much less vocal on this issue than for instance in England (e.g. Walker 1996).

### *2.3. People's voice*

The world-wide projects of the withdrawal of state responsibility for services and transfers which serve both social integration and protection of existential securities does not seem to meet with the general approval of people. According to Jacek Kuron, Poles „regarded 'socialist social justice' as a totally acceptable norm". They condemned its distortions, but not the principle of this basic myth. " To build a new social order while rejecting a myth in which Poles believe - I maintain it is impossible" (Kuron, 1993).

This opinion comes out clearly from the SOCO project. Apparently, the attraction of the velvet revolutions is fading with the new experiences. More exactly, the societies in transition are becoming more differentiated. The younger, more educated people, having more entrepreneurial spirit are increasingly satisfied, while there is a growing minority or even a majority who think the new system is worse than the former one. (Table 2. in Appendix)

[18] I am grateful to Terry Hokenstad to have informed me about the purpose and organisation of Generations United in the US.

There are many reasons for people's disappointment, but among them are certainly the loss of security and the withdrawal of the state. In practice, in all five countries in the survey, people are making clear distinctions between various public responsibilities. For instance, the responsibility for the maintenance of children is seen as 'half-and-half', half private, half public responsibility. Private responsibility is also endorsed to a large extent in the case of higher, even of secondary, education. However, health, the protection of handicapped people, primary education and decent pensions are all thought to rate very high on the agenda of state responsibilities. (See Table 3. and Figure 1. in Appendix.) Unfortunately, I did not find exactly comparable data for western countries. However, whatever evidence exists suggests that people are against the destruction of collective protection. In many cases, the evidence shows an increasing awareness about the importance of social security - despite government endeavours and powerful rhetoric to the contrary. (See Table 4. in Appendix). The phenomenon also belongs to the paradox of democracy. The voice of the people may be there - but it arrives at the top feeble or distorted. An allegory from the New Testament, and its rewriting by a Hungarian writer in the early thirties may illustrate the point. All the gospels relate the tale of Jesus and Barabbas. The custom was to release one prisoner at the feast day. The Pilate gathered the high priests, the leaders and the people in order to listen to them and follow their desire. One of the prisoners was Barabbas, the murderer. And Pilate asked the people whom did they want to be released, Barabbas or Jesus. The crowd requested the release of Barabbas and Jesus was crucified. In the short story of the Hungarian novelist, Frigyes Karinthy, however, Pilate looks round the assemblage and asks:

„And whom shall I release now, Barabbas or the one from Nazareth? A rumble emerged, the voice of the crowd sounded like thundering. And they shouted: Barabbas. And then they looked upon each other and were frightened, because separately each of them cried: the Nazarene."

In the case of the social state, the voice of the individuals forming the majority supporting the social state may be less thundering. But when it arrives to the top, it is no less distorted. The analogy is not perfect, though. Pilate - both in the Bible and in the short story - tries to save Jesus. This does not seem to be the case with the current rulers and the social state.

In other words, the minimal state which disclaims any responsibility for the 'public good' does not correspond to the wish of the citizens. It seems to me that the future success of a free and democratic society depends to a large extent not only on economic growth - albeit in the relatively poor countries of Central and Eastern Europe this is also a must. However, economic growth alone is not likely to bring about social cohesion and a willingness to work together on constructing a new and better society. People also need *hope* about a better future - hope that they will be able to live and age in dignity. The current politics and social policy do not seem to assure this hope for the large groups of the less educated, the ageing, those already on the margins of society because of lasting unemployment, homelessness or other old and new forms of poverty or simply to those who care about the quality of society they live in. The dangers of deceived expectations are many,

from resignation and political passivity to the turn to populism. The unconditional espousal of the new paradigm of welfare should be reconsidered, and a rethinking of the role of the state should be put on the social agenda.

APPENDIX

Table 1a.

*Equivalent monthly income in the households of active earners and pensioners, with and without children, in USD*

| Head of household | Czech R. | Poland | Hungary | Germany | Slovakia |
|---|---|---|---|---|---|
| | **No child under 18 (in school)** | | | | |
| **Active earner** | 220 | 140 | 192 | 1153 | 169 |
| **Pensioner** | 136 | 120 | 123 | 924 | 108 |
| **Other (e.g. unemp.)** | 164 | 110 | 111 | 774 | 93 |
| **Total** | 171 | 129 | 146 | 983 | 134 |
| | **There is at least one child under 18 (in school)** | | | | |
| **Active earner** | 162 | 113 | 155 | 873 | 116 |
| **Pensioner** | 132 | 87 | 124 | 686 | 92 |
| **Other** | 126 | 59 | 84 | 592 | 81 |
| **Total** | 159 | 107 | 144 | 836 | 113 |
| | **All households** | | | | |
| **Active earner** | 184 | 122 | 170 | 1013 | 131 |
| **Pensioner** | 136 | 115 | 123 | 921 | 106 |
| **Other** | 136 | 75 | 95 | 725 | 85 |
| **Total** | 166 | 117 | 146 | 942 | 122 |

Table 1b.

*Equivalent income of pensioners in per cent of the equivalent income of households where the head is active earner*

| Is there any child under 18 | Czech R. | Poland | Hungary | Germany | Slovakia |
|---|---|---|---|---|---|
| No child | 62% | 86% | 64% | 80% | 64% |
| Child | 82% | 76% | 80% | 79% | 79% |
| Total | 74% | 94% | 73% | 91% | 81% |

Table 1c.

*Equivalent income of households with children in per cent of the equivalent income of households without children*

| Head of household | Czech R. | Poland | Hungary | Germany | Slovakia |
|---|---|---|---|---|---|
| Active earner | 74% | 81% | 81% | 76% | 69% |
| Pensioner | 97% | 72% | 100% | 74% | 86% |
| Other (unemp.) | 77% | 54% | 76% | 76% | 87% |
| Total | 93% | 83% | 99% | 85% | 84% |

Table 2.

*Percentage of respondents according to whom the new system is better or worse**

| | Czech R. | Hungary | Poland | Slovakia |
|---|---|---|---|---|
| **The new system is better** | | | | |
| 1991 | 71 | 31 | 51 | 43 |
| 1995 | 57 | 26 | 44 | 32 |
| **The new system is worse** | | | | |
| 1991 | 14 | 40 | 23 | 35 |
| 1995 | 23 | 51 | 39 | 51 |

* The sample consisted of individuals in 1991, of households in 1994.
Source for 1991: Hartl, 1994. 1995: SOCO. There are no comparable data for E.Germany.

Table 3.

*Average score for state responsibility for the various items by country*
(Scores from 1 to 5, 1=least, 5=most responsibility)

| **Items in increasing order of mean scores** | **Czech R.** | **Poland** | **Hungary** | **Germany (East)** | **Slovakia** | ***Region, total*** |
|---|---|---|---|---|---|---|
| **6.Cost of children** | 3.2 | 2.8 | 3.7 | 3.8 | 3.2 | *3.36* |
| **2. Care under 6** | 3.3 | 3.3 | 3.6 | 3.7 | 3.6 | *3.48* |
| **5.Higher educ.** | 3.0 | 3.7 | 4.0 | 4.2 | 3.3 | *3.66* |
| **8.First home** | 3.7 | 3.5 | 4.2 | 3.2 | 4.0 | *3.72* |
| **4. Secondary e.** | 3.7 | 4.2 | 4.2 | 4.4 | 3.9 | *4.09* |
| **9.Jobs** | 3.9 | 4.3 | 4.5 | 4.6 | 4.4 | *4.33* |
| **1. Health care** | 4.5 | 4.4 | 4.4 | 4.6 | 4.6 | *4.50* |
| **3. Primary educ.** | 4.5 | 4.7 | 4.3 | 4.5 | 4.5 | *4.50* |
| **10. Handicapped** | 4.5 | 4.7 | 4.3 | 4.5 | 4.5 | *4.50* |
| **7. Decent pensions** | 4.5 | 4.6 | 4.6 | 4.7 | 4.7 | *4.63* |
| ***Country mean*** | *3.91* | *4.03* | *4.19* | *4.23* | *4.09* | *4.09* |

Figure 1.

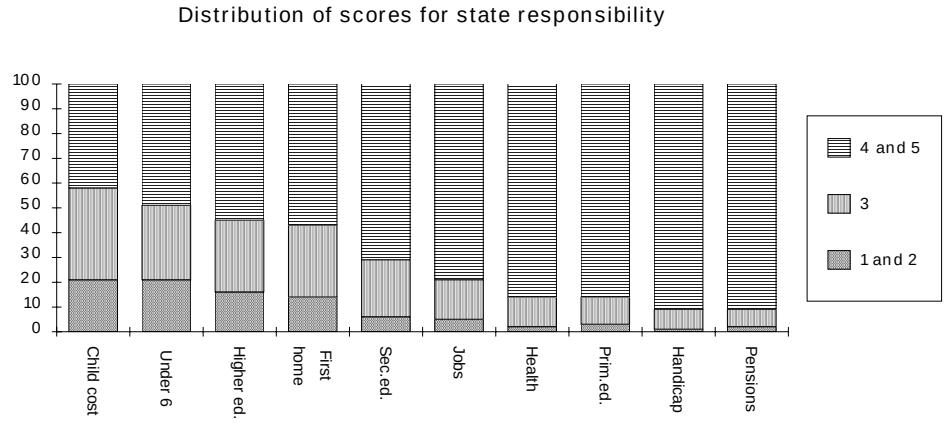


Table 4.
***Taxes and state spending - England***

| If the government could choose | 1983 | 1986 | 1990 | 1993 | 1994 |
|---|---|---|---|---|---|
| | in % of respondents | | | | |
| *decrease taxes, spend less* on health, education and social security | 9 | 5 | 3 | 4 | 4 |
| keep taxes and spending on current level | 54 | 44 | 37 | 29 | 33 |
| *increase taxes, spend more* on health, education and social security | 32 | 46 | 54 | 63 | 58 |

Source: Taylor-Gooby, 1995

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