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The Mechanisms of Social Integration: The Role of the Market.

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1. Some troubling phenomena of contemporary societies.

In most developed contemporary societies the normal processes of social life are increasingly disrupted by a growing number of disturbing phenomena from drug-addiction to criminality, and the existence of various types of drop-outs from society.¹

These problems which are of great concern for the majority of citizens, are usually dealt with by social science in terms of social disintegration, the lack or weakness of cohesion between the elementary "particles" or units building up society.

There is another process which is causing growing concern. It is often observed that there are tendencies leading to, or strengthening segmentation, segregation or marginalization in our societies: groups in all or most walks of life are separated from each other by growing social distances. Obviously, disintegration as well as segmentation can be described as the lack or weakening of social integration. However, I shall argue that they have to be analyzed and evaluated separately. They have different historical roots and significance, and essentially different sociological and political implications.

2. Integration and disintegration.

The root of the ills subsumed under the term 'disintegration' can be traced back to the times when the emergence of capitalism started to erode the traditional social networks and communities. The problem may be described in various ways, for example, in Durkheim's term, as social anomy, or as a social crisis or crisis of legitimation, or in terms of the defects of integration. In recent decades integration has indeed become a major theme in sociology, especially in the works of the three leading German scholars, Niklas Luhmann, Jürgen Habermas and Claus Offe. Without going into the details of their extremely important contribution, I shall use just a couple of their concepts here, namely those of "system-integration" and "social integration".²

¹ Admittedly my concern with the problems of weakening social integration has grown out from the Hungarian situation, where the proportions of the problem has reached a critical level. However, apart from occasional references to it, I shall not treat the Hungarian problem separately.

² The current conceptual framework has emerged gradually. Durkheim is considered to be the pioneer in the study of integration, by differentiating between "mechanical" and "organic solidarity" (Durkheim 1893). The first corresponds by and large to what later has become cultural or normative integration; the latter to what has become "functional" integration, and is now termed "system-integration". The issue has again become relevant after the Second World War, especially in the works of Parsons (Parsons 1951, Parsons and Shils 1951). The twofold distinction of Durkheim has become more elaborate especially after a seminal article of Landecker (1951). He distinguished the following four types of integration: cultural, or the consistency among cultural standards; normative, or the consistency between cultural standards and the conduct of persons; communicative, or the extent to which the network of communication permeates the social system; and functional, or the degree to which there is mutual interdependence among the units of a system of division of labor" (Angell 1968). The currently widespread conceptual couple - system-integration and social integration - while building on the whole past, seems to me to be closer to the Durkheimian than to the later approaches.

Put simply, system-integration refers to the relatively smooth reproduction of society. In Luhmann's approach, system-integration can be achieved if the institutions or mechanisms which relate in a systemic way the various units or subsystems in a society, such as the market, or communication, continue to function (Habermas and Luhmann, 1971), irrespective of social anomies.

By contrast, Habermas believes that "system-integration", however important, does not assure the genuine integration of society. System-integrative mechanisms cannot supersede "normative integration achieved through group-identities". and he adds: " I do believe that the members of a society want to recognise and identify themselves as belonging to this society, and the society in question has to represent convincingly their unity, also symbolically." This social integration may be achieved through norms and values based on some consensus. Otherwise "conflicts might become so acute as to threaten with the blowing up of society" (Papp 1985).

Gans describes social disintegration in the following terms: "the disintegration of society is thought to take place when government, business, and other major institutions lose legitimacy, when there is widespread loss of faith in the rules that guide people's social lives, and if there is explicit disavowal of tradition." (Gans, 1988,p. 116-17)

This description implies the breakdown of both system- and social integration. While Gans attributes this description of disintegration to conservatives, I think that it is not the rhetoric itself which is conservative. It is the attitude to, or the evaluation of, disintegration which might be conservative if, for instance, 'the protection at any price' of the prevailing system is thought to be more important than the search for a new equilibrium which might be legitimised. Hungary, for instance, is at present in an advanced state of system and social disintegration. The fact is deplored by those ("the conservatives") who bemoan the disappearance of totalitarianism - and saluted by those who reject dictatorship.

The description given by Herbert Gans applies to an extreme situation. In reality there are various degrees of disintegration. What is more, a "fully integrated" modern society is almost a contradiction in terms. In such a society each and every institution, norm and rule would be accepted as legitimate by each and every member of society. Modern societies start with the recognition of the individual and his/her right to be autonomous. The corollary of this basic principle is that the members of a society can think differently, and may evaluate in differing, even in contrasting ways the status quo. They may ask if the existing system is the best or the only acceptable one. These provocative questions, articulating latent tensions, are important instruments of change. If a society stifles these ideas, it weakens or abolishes its own ability to change and to adapt itself to changing conditions.

While a "fully integrated" modern society is, then, inconceivable, there certainly are more or less well integrated ones, down to a genuinely anomic disintegration. Over a certain limit of disintegration (difficult to assess empirically with any precision) normal everyday life becomes unacceptably difficult. The processes of social reproduction are disturbed. The institutions are breaking down, thereby upsetting accepted routines. Rules lose their credibility, rendering self-evident their non-observance. All this implies anarchy, the uncertainty of an existence without norms. The rejection of traditions leads to a loss of identity, since in our times our consciousness about what we are is historically constituted. Hence a sort of vacuum sets in.

If a society is meant to be reproduced, (and ultimately this is the non-conscious objective of all societies), then disintegration is dysfunctional, because it damages all the spheres of reproduction. Hence it is functionally a "negative" phenomenon, independently of the evaluation of the system which is disintegrating.

Gans is right, though, in assuming that even extreme disintegration is not the end of society. It may mean anarchy, hardship, dire situations for many, increasing social "entropy"; but if people are not physically annihilated, they survive (together with some integrating institutions - language in the first place). However, for the vast majority, maybe for everybody, extreme disintegration means tremendous

hardships. Almost everybody is losing out. Hence disintegration in the above sense breeds the forces which may help to overcome it by changing the delegitimised system.

3. Segregation in old and new times.

Segregation implies that the various parts of society are more or less artificially isolated from each other. Social distances are big, sometimes unbridgeable: it is difficult, if not impossible to pass from one group to another either personally, or by marriage. The groups may be physically segregated, too, either by ghetto-like areas or by institutions exclusively reserved for one group or another. The groups of the lowest status may be forced into a marginal position which somehow excludes them from society.

Segregation does not necessarily hamper social reproduction. In fact, all known non-tribal societies were built on segregation or segmentation. Indian cast society as well as feudal societies, while strongly segregated, have functioned without deep disturbances for several thousand, or several hundred years. The most important institutions - religion, economy, ascriptive determination of social positions, and the like - were legitimate. Norms and rules regulating everyday life functioned effectively. Traditions had a vital importance and unanimous acceptance. Moreover, when segregation was strong and legitimate, implying that everybody had his/her predefined and unquestionable place in society, signs of anomic disintegration had to be scarce. Even extreme segregation could function without creating deep tensions. The dominant ideology was based in both cases on the idea of compensation in after-life. It was imposed on society in such an effective way that questions about possible alternatives were seldom asked. The acceptance of the given situation was facilitated also by what Durkheim called mechanic solidarity, that is by group solidarity based on the similarity of positions.

All in all, segregation, instead of disturbing social reproduction, was its "natural framework". Seen from an apparently valueless, functionalist perspective, segregation in those societies cannot be evaluated as "evil".

The situation is quite different in the case of contemporary societies. Bourgeois revolutions were directed against feudal societies, feudal privileges and exclusions. They aimed at destroying former social barriers, the obstacles of individual mobility. They requested conditions allowing the individuals the freedom to choose or to shape their place in society, the autonomy to decide about their own fate. In short, they were directed against all forms of segregation and exclusion.

The claims of the revolutions have been realised quite successfully for a long period: they did destroy barriers, and did enhance the autonomy of individuals. Nowadays, though, as I shall try to show in what follows, tendencies for increasing segregation are on the rise East and West alike.

The functional evaluation (that is, with no value judgement) of the recent trends is a pragmatic matter. It depends on the impact of segregation on the processes of social reproduction. Up to now, there has been no apparent harmful impact. Hence, functional evaluation may be neutral or "positive". It is, however, an open question whether this can be a lasting situation. As I have tried to show, the principles of segregation are in opposition to the principles of organisation of a bourgeois society based on civil, political, and economic rights and freedoms. It is therefore unlikely that society at large will accept an ideology legitimising segregation, and that the lowest groups will accept their destiny as a "natural" condition. Stability depends henceforth to a large extent on the evolution of power relationships, more immediately on the ability of the poor and marginalised groups to rebel successfully against their lot. Another factor may be the degree to which segregation breeds anomy and disintegration. If the correlation is strong (if, for instance, mass unemployment will be conducive to higher rates of criminality or other phenomena disturbing the better-off groups), then movements against segregation might become more widespread.

In any case, the non-functionalist, admittedly value-loaded evaluation of contemporary segregation is less ambiguous than that of disintegration. Segregation is by definition a constraint imposed on the weaker groups by the stronger ones. Thus it not only means inequality. It also means that the weaker groups have much less freedom and autonomy. Solidarity between groups, on the societal level is practically excluded by the fact of segregation. If, then, one adheres to the basic values of the French Revolution - namely

liberty, equality and fraternity - which have become the values of modern societies, or only to a single one of them, segregation is hardly an acceptable way of social organisation.

4. The current trends of disintegration and segregation.

Disintegration, as is well known, is a growing problem everywhere, although there are some noteworthy differences between East-European and Western societies. It seems that in the West social integration is in extreme danger, while the mechanisms of system-integration, (public administration, systems of communication, and especially the market), by and large, are functioning smoothly. By contrast, in totalitarian systems the breakdown of both types of integrative mechanisms have recently become apparent. (That is the immediate explanation of the crisis, and this is why social forces fighting for change have recently become more effective, first in Poland and Hungary and more recently in most other East European countries.) Without going into details, it seems that the impact of the disruptive forces emerging within capitalism have been multiplied with dictatorship. One of the more important reasons is that a totalitarian system cannot and does not tolerate local or partial linkages, which might become a sort of countervailing force, or at least a protective agency. The erosion of traditional networks and communities, which started in a spontaneous way with capitalism, was deliberately strengthened by Bolshevism. Also, democratic societies have embarked on the road of reconstitution of these communities in the last decades, but this solution could not be applied in dictatorships. In short: social disintegration on a large scale has been the corollary of the capitalist system, but the abolition of the market by a totalitarian socialist system worsened rather than cured the situation.

The case of segregation is different. Capitalism was born, one may say, from a crusade against segregation. True, some forms of segmentation (for instance in case of the labour market, or in types of housing) have always prevailed in most countries. But on the whole segregation and segmentation have been radically weakened in most countries and most spheres of life. I assume that this result is partly a "spontaneous" corollary of the new individual rights and freedoms - and partly the deliberate outcome of the principles of universalism applied by most welfare states.³

Socialist dictatorship have not fared too badly in this respect either. No doubt, in these societies there always existed a strong dividing line between the power elite and the rest of the population. However, in other respects universalist policies (such as full employment, an income policy strongly reducing income differentials, a universal health system, and so forth) have been deliberately pursued. Due to these policies, segregation was not a conspicuous problem.

The anti-segregationist tendencies have recently weakened all round. This fact seems to be related to the changes in the welfare system. The necessity for these changes is explained and excused by the so-called failure of the welfare state.

5. The Welfare State - did it fail?

A recent book blames the welfare state for having created high unemployment and high unemployability; high government deficits; a huge bureaucracy; an extensive social pathology in the form of low educational achievement, increased illegitimacy and the weakening of the family; criminality and drug addiction; extensive alienation; intermittent riotous behaviour; emigration of skilled employees; lowering of productivity and a number of other social, economic and moral ills (Segalman and Marsland, 1989). As far as the social and moral ills, or weak social integration are concerned, it is somewhat ironic to blame the welfare state for a number of ills the existence of which originally triggered its creation. Indeed, as late as the 1930s it was unrestricted market capitalism which was blamed for the disruption of

³ The USA seems to be at first sight a very special case. It has always been one of the most market-oriented societies, but simultaneously it has been perhaps the most segmented one. (The race problem is just one of the relevant signs.) This apparent contradiction might be resolved if the impact of the universal principles is also taken into account. In fact, the American welfare state almost never accepted universalism.

the family, flimsy morality, crime and alcoholism, unemployment and unemployability. (Przeworski, 1980) Nonetheless, the above criticism is warranted on a number of grounds.

It is true that the welfare state, even if it did not create many of the above problems, could not cure them. There are no attempts as yet to show in a less partisan, less ideological way whether they have aggravated or alleviated the social and moral problems. I guess that the answer would be very differentiated. Many social ills from illiteracy to mortality, from massive poverty to endemic insecurity have been dealt with quite effectively in many countries. Some fare well in combating unemployment, while others have failed to prevent or to cure it - probably not because of too much, but because of too little intervention. Other forms of disintegration such as criminality or drug addiction, as already mentioned, are on the increase almost everywhere, independently of the existence of the welfare state. Indeed, it would be important to establish correlations between the level and types of social benefits and the amount and gravity of social anomaly. And while causality is difficult to infer from statistical or econometric analyses, a genuinely comparative cross-cultural analysis could be helpful. Until proof of the contrary, I would not blame the welfare benefits as such. It seems rather that they could not cope with these problems, not only because of inadequate resources and poor services, but because of major social and cultural trends characterizing contemporary industrial or post-industrial (and in a different way, state socialist) societies.

It is also true that most welfare states have some endemic failures. The most conspicuous ones are a large bureaucracy which is indeed resistant to cuts because of vested interests; the failure of "tailoring" services to needs because of overcentralization, the insensitivity of bureaucracies and the lack of participation of the clients; and the failure to deliver the original promises from the elimination of poverty to the equalization or creation of opportunity. Again, thorough analyses are lacking on the reasons for these failures or on the ways of remedying to them. My guess is that the reforms planned, for instance, by the Finns would correct many of the failures caused by bureaucracies and mismanagement (Wiman 1987,1989). And it is not a guess, but the findings of various sociological analyses, that the failure to fulfil the original promises about less inequality and less poverty are not the fault of the welfare state. In these cases the social and economic structure proved to be too resistant to the efforts of equalising opportunities since this would have meant the loss of at least relative privileges. However, some countries were significantly more successful than others in this respect, so once again there is room for more comparative studies.

The doubts about, and attacks on the welfare state are predominantly economic. Unfortunately there is again too much partisanship or ideological bias on the side of both critics and supporters. The propositions according to which the welfare state is lowering productivity because of the lack of incentives has been rejected on the grounds that job security and decent pay form the best foundation of the work ethic. The theses that high benefits are detrimental to international competitiveness have been partly refuted on the grounds that one has to take into account not only the money wage, but the total wage packet and benefits of the compared countries.

As I understand it, there are some apparently less ideological ways of assessing the impact of the welfare systems. An important trend is the use of cost-benefit analysis based on the logic of welfare economics. Unfortunately, while the method itself is unbiased, it has its social and technical limitations. On the one hand, the more circumscribed the problem, the more exact the method. On macro-level phenomena with innumerable side-effects and long causal chains it is less reliable. On the other hand, it is always a matter of values and convictions as to what costs and what benefits will be taken into account, and how their respective impact will be calculated. Thus it has been shown, by no less a person than the general director of a Canadian car company, that the Canadian public health system is substantially less expensive and more efficient than the (mostly private) US health system (information received from J.Myles). The present dismantling by privatisation of the British National Health Service is based, though, on the affirmations of economists coming mainly from the Institute of Economic Affairs who expect lower costs and better services from the changes (Seldon,1981). The examples of conflicting evidence may be multiplied. I would not reject on this ground the method itself. On the contrary, one had a lot to gain by gathering together these analyses and then submitting them to the scrutiny of a sort of scientific arbitrating body with a pluralist composition.

Another fashionable method is the statistical testing of the impact of government spending on economic growth. As one of the most recent and serious studies says, even "these findings have been as diverse as

the underpinning theories. Some studies suggest that government spending in general, and social expenditures in particular, constitute a 'leaky bucket'(Okun, 1975) which inhibits the growth of GNP, whilst other studies, using similar data, have suggested that social expenditures constitute an 'irrigation system' (Korpi, 1985) which actually stimulates economic growth." (Castles and Dowrick, 1988.) The study, (Sanders, 1986) which tries to avoid all the pitfalls of the above by decomposing both the time series and the expenditures etc. draws a not very sanguine, but, for people of my convictions, somewhat reassuring conclusion:

„There is evidence from our preferred regressions -i.e. those pooled cross-sections which pass the diagnostic test - of a modest, but statistically significant positive effect of non-consumption expenditure, and especially social transfers, on medium-term growth. We do not contend that the evidence is particularly strong and certainly it is not of a magnitude that justifies a metaphor like 'irrigation system'" But "one of the economist rationalist cases against redistribution via the welfare state is that government spending leads to economic inefficiency which is reflected in lower rates of growth. If it does not, and still more if it has even the mildest benign effects on economic growth, that case falls. (Castles and Dowrick,1988)"

On the basis of all the above evidence and considerations, I would conclude that the blame heaped on the welfare state are only partly justified. Inasmuch as it is, the flawed instruments may be improved, for instance, democratisation, more participation, a welfare society instead of a welfare state etc. But on the main issues - the detrimental economic effects and the social failures - the blame is unmerited, or even contrary, benign effects may be proved.

Nevertheless, neo-liberal tendencies, privatisation, marketisation, the withdrawal of the state, the transmission of responsibilities from the public sphere to the families and the small communities continues. Some of these tendencies may be very fruitful if, for instance, the handing down of responsibilities is not accompanied by a withdrawal of resources. Some others, however, raise fears about detrimental social consequences.

6. The changing welfare system and segregation.

It seems that many recent changes in the "system-integrative" mechanisms (the spreading market, the organisation of production in a post-industrial society, new principles of redistribution) are conducive to segmentation, or in a recently coined term, the re-feudalisation of society.

6.1. Unemployment.

Lasting unemployment is a substantial cause and form of segregation. Several analyses heavily underline the failure of significantly reducing unemployment (see Table 4.1.). In OECD countries the number of unemployed was 28 million in 1988. The rate of unemployment seems to be stabilising around 7 per cent in all OECD countries, and around 10 per cent in the EEC. The official unemployment rates do not show those definitively squeezed out of the market, the high number of early retirees, of handicapped, of women who do not apply for jobs any more. Even if the number of the unemployed is reduced, as in the USA, the structure of the labour market is deteriorating, its segmentation is increasing. There are now more part-time, or low-paid or non permanent jobs than previously. Because of technological changes (the emergence of the information society in the first place) a reversal of these processes is unlikely.

On the contrary, there is a growing demand for flexibly employable and atomised labour force. The main losers seem to be the less-well-educated, women, racial minorities and young people in general. Lasting unemployment (with spells of over one year) seems also to be increasing. Those in this situation have almost no more chance to get a stable job. Unemployment is conducive of segregation not only because of the increase of poverty and dependency and the reappearance of vicious cycles of deprivation, but also because the loss of hope and security generates anomic behaviour, crime, alcoholism and suicide (Pritchard,1988)

Even if the unemployed could obtain secure and compensation without stigma (which is not the case in most countries), the consequences would be detrimental both for the individuals concerned and society as a whole. All hitherto known societies have been based on a delicate equilibrium of duties and rights, or

obligations and rewards. Unemployment accompanied by unemployment compensation is overthrowing this balance, harming the former rules. And if there is no compensation (because they who do not work should not eat) the accepted norm of modern societies, that of a right to a decent life suffers. In either way unemployment is violating some norm; thus it reinforces both segregation and disintegration.

6.2. *Marketisation.*

The spreading marketisation of previously free or subsidised social services, as is well known, entails the differentiation of the universal system, which was supposed - at least theoretically - to assure equal treatment for all. Under the new conditions there might be separate institutions for the poor and the better off. Thereby the segmented labour market will be completed by a segmented security market, a segmented health market, and so on. The novelty is the return to a very old, feudal practice - a segregated system of institutions.

6.3. *Changes in welfare distribution.*

Sociologists recently turned to the analysis of the changes in welfare provisions. Out of the new phenomena they tried to show the effects of decreasing social insurance and increasing means-tested social assistance (Table 4.2 shows the swelling numbers on assistance). Van Oorschot and Schell(1989), for instance, identify first the positive functions of means-testing, such as the reduction of costs or more effective help to the poor. The dysfunctions seem to be more momentous, though. They mention the stigma of the means test, which is leading to a significant rate of non-take-up. Partly because of the non-take-up, and partly because of the well-known effects of taxation, the poverty trap is a frequent outcome of means-testing. They conclude that

„for everyone who is of the opinion that the broader aims of social policy should be to do away with poverty and social injustice, and to integrate all groups and classes into society on the basis of equality, these three general effects of means-testing constitute severe dysfunctions of the instrument. Stigmatization is counter-productive to social integration, non take-up leads to injustice and contributes to individuals and households being in poverty, and the poverty trap tends to keep individuals and households in poverty and dependent on society. Van Oorschot and Schell (1989),

From the perspective of social integration, the undisputed stigmatising effect seems to be the most painful. Up to now nobody has found a way for liberating means-tests from stigma. In the view of some analysts, Segalman for instance, the stigma is even an advantage because it discourages the reliance on assistance. According to Goffman, however, stigma is: „.. an attribute that is deeply discrediting" , "leads to a negative social identity," and therefore "Stigmatization includes social exclusion", "20...i.e. discrimination through which we effectively, if often unthinkingly, reduce his {the stigmatized person's} life chances" (Goffman, 1968). Because, he adds, as symbolic interactionism made clear, "much of what we think we are comes from what we believe that others think we are, stigmatization also implies that stigmatized persons will find it very hard to construct or uphold a sense of self-esteem", thereby reducing his own efforts to become integrated. (Quoted in van Oorschot and Schell 1989).

An even more momentous change is unveiled by the studies of Doron (1989) and Sinfield (1989). Sinfield, reviving a seminal study of Titmuss, suggests that the evaluation of public or social expenditures solely on the basis of social transfers is deceptive. Titmuss (1962) proposed to include in the analysis, alongside the social transfers, (which he calls "social or public welfare") fiscal welfare and occupational welfare. Fiscal welfare is nowadays termed tax expenditure, following the proposal of Surrey (1973). This term, even though it does not cover all the social policy implications of taxation, has the advantage of bearing an analogy with public expenditure. Occupational welfare is provided through employment. It encompasses both the provisions for the health, safety and well-being of all the employees, and the advantages or fringe benefits reserved usually to a smaller or larger " ,lite" at the workplace.

According to all evidence, tax expenditure has largely increased in the recent years, especially in countries deliberately replacing public with private insurance schemes or housing schemes. It is usually the case that private arrangements are tax-deductible. Since better-off groups join more easily and more

willingly the private schemes, and since in a progressive tax system higher income groups usually profit more from tax allowances than lower income groups, tax expenditures are likely to result in invisible, but clearly negative redistribution in favour of the better-off groups (evidence and references in Sinfield, 1989).

There is also accumulating evidence about the growing importance of fringe benefits, although the evidence is - understandably - hard to collect. (Small et al., 1984) Fringe benefits are also conducive to tax expenditure. Indeed, one of the reasons of their proliferation is that they constitute untaxed income. Another reason for their increasing use is that in many cases they can be invisible. A further function of fringe benefits may be that they allow closer control over the employees. In many cases they are used selectively. There are pension schemes benefiting only the "most important" groups of the manpower. This practice is already sorting and labelling the employees. At the same time, it forces the employees to behave in a way which will merit the extra favours. Thereby it threatens the advantages of the former more impersonal work contract which did not ask from the workers personal allegiance, and did not create ties of dependency (Gorz, 1988).

Increasing tax expenditures and fringe benefits start to amount to, in Doron's term, a sort of "private welfare state."

Private welfare states (occupational welfare, etc.) benefits the most affluent. The private welfare states thus become distinctive status preserving systems which define the social and economic conditions of particular worker groups. The effect, in terms of working conditions, living standards, social status and prestige, has been one of the chief factors in the consolidation of the new class division which is emerging in the advanced industrial societies. The societal implication of this phenomenon is in an emerging refeudalization of modern society in which the workplace is replacing the feudal structure of the medieval world. (Doron, 1989)

Much more evidence is needed before we can make unambiguous assertions about the outcome of the reduction of universal public schemes and the increase of private schemes and fringe benefits. It seems, however, that the magnitudes involved are closely comparable. If this is the case, then it is doubtful that the present tendencies are really triggered by a clear intent to reduce government expenditures.

All in all, the tendencies of increasing segregation are related to the search for more economic efficiency and to the efforts to reduce budget expenditures. These efforts seem to transform the former welfare system.

It is increasingly difficult to preserve the visible budget expenditures. Hence the concentration of the shrinking resources on the poor who, by this move, become more visible. Their visibility irritates those who pay taxes, but profit less and less from the welfare provisions. Their hostility towards the poor may thereby increase.

Direct and visible budget expenditures are replaced by invisible tax expenditures and fringe benefits. The total sum of direct expenditures and the budget losses may not change significantly, but the structure of the outlays is changing.

To sum up: in the new redistribution visible and accountable state expenditures are more concentrated on the poor, while the invisible, less accountable "expenditures" are benefiting the better-off and stronger groups. The changes may not reduce public "social expenditure"; they only redistribute them in a different, socially more unequal way. The changes entail new forms of segregation and new relationships of personal dependency.

The changes are supposed to promote economic efficiency and growth. Whether they will have this effect or not is an open question. But they certainly are broadening the market, endeavouring to make it once more (as in the 19th century) the most powerful integrating mechanism of society, and weakening all other integrating mechanisms and principles. Ironically enough, the reason lies in the increased power of an integrative mechanism - the market.

One can draw several conclusions from the above argument. To make a short cut, I suggest that we should take pluralism rather more seriously than we currently do. Pluralism is important not only in politics. Why should we not think more seriously about the importance of pluralism in all other social spheres, including the mechanisms of social integration?

Footnotes

Table 4.1.
Unemployment, in 1000 and as a percentage of total labour force.

	1970	1975	1980	1985
Belgium 71	175 1.9	322 4.4	506 7.7	12.0
France 530	9901 2.5	1467 4.0	2442 6.3	10.2
FRG	149 .6	1075 4.0	889 3.3	2304 8.3
Ireland 65	84 5.8	91 7.3	226 7.3	17.4
Netherlands	47 1.0	260 5.2	326 6.0	634 10.9
UK	555 2.2	838 3.2	1513 5.6	3179 11.5

Source: OECD, Labour Force Statistics 1966-86. (Paris, 1988)
Table 5.1., p.30.

Table 4.2
Beneficiaries of social assistance, in 1000, and as an index @FC(1970=100)

	1970	1975	1979	1980	1982
Belgium			20 100		31 159
FRG	1508 100	2159 143		2266 150	
Ireland	188 100	230 122		229 122	
The Netherlands	299 100	429 143		166	495
UK	2740 100	2790 102		4270 156	

Source: van Oorschot and Schell (1989).

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