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FOREWORD

Philippe Van Parijs
Université catholique de Louvain
Laureate of the 2001 Francqui Prize

When I was first told that part of the Francqui Prize I was awarded in June 2001 consisted in organising a major international scientific meeting, three things were immediately clear to me about how I wanted to use this opportunity. Two of them worked out. The other one did not.

Firstly, there was no doubt in my mind that I had to organise something in the spirit of my work and by the same token in the spirit of the activities I have been organising at the Chaire Hoover since its creation in 1991. It had to be an encounter that does not talk about inter-disciplinarity but practices it. It had to focus on a problem whose discussion cannot help being naïve without the collaboration of philosophers, economists and other social scientists. It had to gather scholars who do not only have an expertise to share with others, but also an ability to really listen to colleagues with a very different background. And it had to use a format that would encourage such mutual listening and learning. Hence the pretty elaborate format of the conference, reflected in the structure of this book: each session started with the brief presentation to two pre-circulated papers, followed by an extended prepared commentary on both papers and a more or less improvised briefer intervention by a discussion launcher. What had to be avoided was a juxtaposition of clusters of scholars from the same discipline or from the same country talking among themselves. Hence the deliberate effort to have at least three disciplines and three countries represented among the speakers of each session. This worked pretty well, I must say, and I am most grateful to the fantastic set of people, speakers or not, from graduate students to emeritus professors, who made these intense two days an exceptionally successful interdisciplinary dialogue.

My second intention, by contrast, proved a total failure. When I was told the Francqui Prize had been awarded to me, I had just returned from teaching in Kinshasa. This visit to the Congo was one of the most overwhelming ones of my academic life, above all because of the mind-boggling gap I discovered between the size of the problems the country faces and the paucity of the intellectual resources that could be mobilised to tackle them. Given the role played by Emile Francqui in drawing the boundaries of the Congo as we know it — and hence in creating the responsibilities from which I realised, when I was there, that even forty years after independence, we cannot be regarded as discharged —, my first impulse was to pro-

pose to use the resources available to organise a conference in Kinshasa. But I was soon persuaded to abandon this idea, both because of the formidable logistic difficulties involved and because it would have been odd to interpret the Foundation's mission (the promotion of higher education and research in Belgium) so expansively that it would encompass the territory of Belgium's former colony. I then lowered my ambition to making room at the opening session of the conference for a presentation of its central theme in the context of the Congo. But after a promising start, even this proved impossible in the end, in part for logistic reasons of the sort that would have been nightmarish had the conference taken place in Kinshasa, in part as a symptom of the very problem I hoped the conference could do its little bit to address, namely the local lack of empirical knowledge and analytical tools that are required to produce work that would both fit into a conference of this sort and provide a useful background for designing intelligent policies.[1]

I had far more luck with my third wish, which was to organise a conference on an issue I found both intellectually interesting and practically important, but on which I had not done a great deal of work myself. I have not lost interest in issues on which I have done a lot of thinking and working, for example those discussed in the set of critical essays on *Real Freedom for all*, including several by participants in the conference, that had just appeared at the time of the conference (Reeve & Williams eds. 2003). But I found far more exciting to gather people, including several previously unknown to me, around a theme that was fresh to me as a scholar, though not exactly as a citizen of Belgium, of Europe and of Brussels: the putative tension between on the one hand cultural diversity and its effective protection, and on the other economic solidarity and its sustainable institutionalization. To provide the conference with a clear focus, I formulated and circulated to all invited speakers and commentators the following background presumption: *Other things being equal, the more cultural (and in particular linguistic) homogeneity within the population of a politically defined territory, the better the prospects in terms of economic solidarity. Or, conversely, the more is done to preserve cultural (and in particular linguistic) diversity, the poorer the prospects, other things being equal, for a viable institutionalised solidarity embracing the whole population.* And I asked them to help us all think about the following three questions: *(1) Is there really such a trade off? (2) If there is one, what principles should guide us in the institutional choices to be made? (3) If there is one, what are the most promising experiments or proposals about how best to soften or handle it?*

The present volume contains most of the ingredients (in several cases, substantially revised afterwards) of our two days of

1. To (try to) compensate, when I was invited, as a somewhat less direct by-product of being given the Francqui Prize, to set up an annual "Ethical Forum" on behalf of the University Foundation, I proposed as theme for its first edition the potential offered by the shift to electronic scientific publishing for free access to knowledge in the higher educational institutions of the less developed countries — an issue whose crucial importance for developing countries my visit to the Congo made me acutely aware of. See http://www.universityfoundation.be/, and Van Parijs (2004).

intense joint thinking around these three questions. I certainly learned a lot from the encounter — including, in some cases, about how little was known, and in many cases, about how much I still had to learn —, and I hear other people did too. I wish to express my deep gratitude to all those who contributed, in very diverse ways, to the success of this exceptional interdisciplinary encounter: Crown Prince Philippe, who attended with great attention most of the sessions; Luc Eyckmans, executive director of the Francqui Foundation and Martine Steylemans, secretary, who were of great help from the earliest stage; Eric De Keuleneer, executive director of the University Foundation, and his staff, who kindly hosted the event; my wife and children, who helped organise the memorable concluding party; Thérèse Davio, secretary of the Chaire Hoover, who master-minded the logistics of the conference and steered the present volume to completion; and all participants in the conference, whether paper presenters, discussants, discussion launchers, chairs or none of these, each of whom contributed in her or his way to the stimulating impact and friendly atmosphere of the event.

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OPENING ADDRESS

Mark Eyskens

Former Prime Minister of Belgium
Chairman of the Francqui Foundation

The subject of this conference is rooted in a paradox: "the assertion of cultural identity, particularly within multicultural societies, is likely to weaken economic and social solidarity". Never mind, many would say. Indeed, most of us believe that the defence of our cultural identity is a stringent need, if one wants to avoid the alienation of citizens, of groups, of entire populations, if one wants to fight successfully what I called "the onitude", the rule of ONE, that most impersonal of all pronouns, the reign of dehumanizing structures and impersonal, almost abstract authorities, which control, manage and reign over our contemporary societies and which constitute a technocratic big brother without a face, without a profile, let alone a humane glance, although our citizens have the opportunity to contemplate every evening at the 8 o'clock news the faces of the ruling or opposing politicians. These decide, govern, administer above the heads of the citizens. I would like to coin this contemporary alienation: "the they-ification", a kind of frustration which the great sociologists of the XIXth and XXth centuries, like Karl Marx and Max Weber where unable to foresee; a frustration which obviously gives rise in many countries to populism and new forms of demagogic flattering of the voters.

The problems tabled by this conference were to a certain extent identified by the European authorities and those who negotiated and drafted the founding treaties of the European union. The Colombus egg was the introduction, in the Treaty of Maastricht, of "subsidiarity", a concept borrowed from the social teaching of the catholic church and more particularly from the papal encyclical Quadragesimo Anno (1931). Subsidiarity attempts to reconcile identitarian particularism with supranational harmonization and efficiency. But those who worry about the effectiveness and the coherence of the European Union also know that subsidiarity must be bi-directional: downwards and upwards. There is a subsidiarity towards the bottom which acknowledges decentralized competences. But there is also a subsidiarity towards the top which centralizes certain competences at a level that is inevitably more or less supranational. We know that it is not easy to find a point of balance between descending and ascending subsidiarity. The European Convention, currently in session in Brussels, wants to make an attempt at clarification by circumscribing competences. *Kompetenzabgrenzung* as it is called in eurocratic jargon.

In fact, the debate that this conference is launching relates to the limits of nationalism. When restricted to the defence of the economic and cultural interests of the community to which one belongs, there is in most cases nothing reprehensible about nationalism, providing no harm is done to other communities. The cultural promotion of a population or a people in general corresponds to this standard. This nationalism is comparable on a lesser scale with the assumption of responsibility in the defence of personal or family interests. The problems emerge when nationalism is implemented to the detriment of other communities or groups of people.

Take the case of Belgium. The total scission of our social security system, would reduce the rate of poverty in Flanders from 5% to 3% but would increase it in Wallonnie from 8% today to 16% tomorrow. This would constitute a "painful zero-sum game", in my opinion irreconcilable with the promotion of the common good, the public interest and solidarity among citizens. On the other hand when Flanders or Wallonnie, take advantage of their constitutional autonomy and develop their economies or their cultural flourishing, the other community will probably benefit from a spill-over effect. This would lead to a positive-sum game, where everyone would win. Cultural identity in a multicultural society should be taken care of in a way that promotes mutual respect, tolerance and cooperation.

The aim of this conference is to enable us to listen to each other and hopefully, to draw some useful conclusions. It is to promote more understanding, more humanity, and by doing so to help avoid many potential little and bigger clashes of civilization. Such a dialogue is the only way to cope with the major challenge of today and tomorrow: how to transform our increasingly multicultural societies into true, peaceful and fraternal intercultural communities.

1

Social justice in multicultural societies[1]

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1 • Introduction

This paper will examine obstacles to the pursuit of social justice posed by the multicultural character of virtually all contemporary liberal democracies. A society is multicultural, for present purposes, when its citizens belong to a number of distinct ethnic and/or religious groups, and membership of these groups is regarded as an important source of personal identity. Multiculturalism, in other words, requires more than just the co-existence in a single society of various religions, musical cultures, ethnic cuisines, and so forth. It requires that people see themselves as belonging to groups defined by one or more of these cultural markers, as having a special relationship with other members of that group, and as regarding their group identity as significant and valuable. In other words, we can legitimately speak of multicultural societies as made up of distinct cultural *communities*, while of course recognizing that the boundaries that exist between these communities are not always sharp — some people, by virtue of intermarriage, for instance, will see themselves as straddling two or more cultural groups.

The issue I want to address is the implications this has for the pursuit of social justice. One aspect of the question has already been dealt with quite extensively in the literature: what special claims, if any, can cultural groups make in the name of justice, especially groups that have hitherto fared relatively badly in the distribution of social resources? There have been-wide-ranging debates about the justifiability of special rights for disadvantaged groups, and about the legitimacy of affirmative action programmes, for instance. However my aim here is to tackle a different question, namely does the very idea of social justice still make sense when societies become multicultural in the sense just outlined? This might seem an odd question to ask. It makes some sense, however, if we make the following

1. An earlier version of this paper was presented to the Francqui Prize Conference on Cultural Diversity versus Economic Solidarity, Fondation Universitaire, Brussels, 28 February — 1 March 2003, and I should like to thank Anne Phillips for comments that I have tried to take on board while revising it. A distant ancestor of the present version was helpfully criticised by members of the departmental seminar, Department of Politics, University of York, and members of the Nuffield Political Theory Workshop. I should also like to thank Patti Lenard for her valuable advice on the literature on trust.

assumption about social justice: that for a society to be socially just, it is not sufficient that its basic social and political institutions should distribute resources according to valid principles of justice, but it is also necessary that these principles themselves should be a matter of reasonable agreement among the members. In other words, a just society is one whose members live together on terms of justice — they live according to principles that each has good reason to accept.

This assumption is of course prominent in the work of John Rawls, who makes it a condition for the validity of a theory of justice that it can become the subject of an "overlapping consensus" between people who hold different religious, moral and philosophical beliefs. Rawls doesn't assume that there will ever be complete agreement on principles of justice in the real world — this would surely be too strong a requirement. Instead he imposes the weaker condition that people can be given good reasons to accept the principles he proposes, so long as they are motivated to find terms of agreement with others, and so long as they are willing to accept certain provisos, such as the fact that people can reasonably disagree about the truth of religious claims. These points about Rawls are familiar. What needs to be underlined is the extent to which Rawls' conception of social justice rests on an implicit sociology, which is often obscured by the strain of Kantian rationalism in his thought. Behind his theory of justice stands a certain picture of liberal society, and it is this picture that multiculturalism threatens to disrupt.

The picture looks roughly like this. People belong to bounded societies within which the distribution of primary goods — "rights and liberties, opportunities and powers, income and wealth" — is governed by a single basic structure, a common set of economic, social and political institutions.[2] Such a society can for the purposes of developing a theory of justice be seen as closed: "we are to regard it as self-contained and as having no relations with other societies. Its members enter it only by birth and leave it only by death. This allows us to speak of them as born into a society where they will lead a complete life."[3] It is implicit here that the application of principles of justice within the society will not be blocked by external factors, for instance global economic forces or pressures from neighbouring states (it is this assumption that allows Rawls to draw a fairly sharp distinction between *social* justice — justice within bounded societies — and international justice, a distinction that has always been implicit in his work, but has recently been spelt out more explicitly in *The Law of Peoples*[4]). Furthermore, a society is not only "a co-operative venture for mutual advantage" it is also a "social union" in which people have shared ends and regard other members' success and flourishing as complementary to their own. To be sure, Rawls recognizes the

2. Rawls (1971: 90).
3. Rawls (1993: 12).
4. Rawls (1999: esp. section 16).

existence of many smaller social unions within the larger society, but he assumes that members regard the inclusive union as their most important engagement: "… the collective activity of justice is the preeminent form of human flourishing. For given favourable conditions, it is by maintaining these public arrangements that persons best express their nature and achieve the widest regulative excellences of which each is capable."[5]

In a social union, then, people are committed first and foremost to maintaining institutions that they can justify to one another in ways that everyone has reason to accept. Their other aims are to be pursued in private associations and smaller unions within limits set by shared principles of justice. The problem that confronts Rawls is to show that these private values and beliefs are at least compatible with his preferred principles of justice, if not positively supportive of them. With the passing of time, Rawls' appreciation of the seriousness of this problem deepened — he was particularly concerned about the possibility that people holding certain religious doctrines might not be willing to accept the liberal principles of justice that he favoured — but he still assumed that both people's sense of justice, and their reasons for wanting to live together with others on terms of justice, stemmed from their membership of the inclusive social union.[6] People were citizens first and foremost: what had to be shown was that the principles of justice they would adopt *qua* citizens were not in conflict with the goals that they might legitimately pursue as members of religious groups and other private associations.

Multiculturalism disrupts this picture because it suggests that for many people at least it is group membership and group identity that have the greatest significance. People's sense of justice will derive primarily from the culture of the group to which they belong, and we cannot assume that principles that emerge from this source will converge across groups. The social problem becomes one of finding terms on which different cultural groups can live alongside one another. It cannot be assumed that group members have an overriding commitment to search for common principles. One could say that the problem of social justice becomes more like the problem of international justice as Rawls understands it — the problem of how groups espousing different values and different conceptions of justice can live together in relative harmony.[7]

The question we must face is whether multiculturalism as it exists in the real world — as opposed to the way it is portrayed in multiculturalist texts — does in fact have the destructive consequences for social justice outlined above. This is of course an empirical question, but I make no apology for leading the debate in this direction, because I am convinced that theorising about justice, like political

5. Rawls (1971: 529).
6. Rawls grapples with this problem in Rawls (1993: especially Part 2).
7. For an argument supporting this picture, see C. Kukathas (2002).

theorising in general, is only fruitful when grounded in empirical enquiry. Rawls' sociology may be wrong, but he is not wrong to think that his theory of justice needs to be supported by a realistic sociology.

It is worth distinguishing two broad ways in which multiculturalism might disrupt social justice as a political ideal. The first is that it might turn out to be impossible to achieve agreement on principles of justice in a multicultural society. Because of their different cultural backgrounds, groups would be wedded to different principles of justice, and this would not just be a matter of group self-interest, or group prejudice that could be overcome by rational argument, but a consequence of the pervasive influence that culture has on the way people understand their relations to each other. The world would simply appear very different depending on the cultural vantage point from which one was looking. The second possibility is that cultural groups might be willing to practise justice towards insiders, but not towards outsiders. In other words, they would allow the scope of justice to be determined principally by the cultural group to which they belonged. They might acknowledge some duties of justice to non-members, but these would be relatively thin, perhaps no more than the duties they would acknowledge to human beings everywhere. This second potential problem, in other words, is a motivational one: in culturally divided societies, people might not be motivated to live with other people outside the group on terms that embody strong, substantive principles of justice. In Rawlsian terms, they would not see themselves as belonging to an encompassing social union, but simply as members of one culturally-defined union alongside others.

2 • Divergent conceptions of justice?

In this section and the one that follows, I shall take each of these problems in turn and see what we can learn by looking at empirical evidence about the impact of multiculturalism on prospects for social justice. I should say straight away that we are not to expect clear-cut answers to either of our problems. This is partly because much of the evidence we have is indirect: nobody (to my knowledge) has so far gone out into the field with the explicit aim of exploring the effect of multiculturalism on conceptions of social justice. It is also partly because of difficulties of interpretation with the evidence that we do have. Where we find cultural differences in the way people think about or practise justice, we want to know how deep or shallow these differences are. Are they, for example, differences of the kind that might be resolved through debate, or by

presenting additional evidence, or on the other hand are they deep-seated disagreements about the nature of justice itself?

To amplify a little, we might think of a person's conception of social justice as being built up in a series of steps. At the bottom level we find basic principles. Is justice to be understood in terms of *rights*, or *equality*, or *desert*, for instance, or perhaps some combination of these principles? Then there is the question of *scope*. To whom is justice owed, and does one have stronger obligations (or different obligations) to some people than to others — to fellow-nationals, for example, or co-religionists, or members of one's ethnic group? Next, and not entirely independent of the question of scope, there is the issue of *context*.[8] Assuming some degree of pluralism at the level of basic principles, in what circumstances does any particular principle apply? Should *need*, for instance, be a relevant consideration to be taken into account when deciding who should be hired for a job or how much they should be paid, or should need come into play only in contexts such as income support or medical care? Finally, there are questions about *application*: which practices and policies are mandated by justice, once basic principles, scope and context are all taken into account? This is a further step, because it brings into the picture large empirical questions about how the world works that are not resolved in the course of the first three steps. Suppose, for instance, that one believes that every citizen is entitled to an income sufficient to cover a range of his or her basic needs. Should this be provided in the form of an unconditional basic income, or should the policy be one of guaranteeing everyone a job and a wage that meets this condition? The decision may depend on whether one thinks that, as a matter of fact, unconditional basic income would result in large numbers of people who would otherwise work without complaint choosing not to, or on the other hand whether a workfare regime would result in many people having to take jobs that they bitterly disliked.

Because conceptions of social justice have this multi-level character, knowing what to make of the empirical evidence can be difficult. For instance, suppose we find a high degree of cross-cultural agreement at the level of basic principles: this might seem to bode well for agreement about social justice, but not if it was accompanied by sharp *disagreements* about scope, context and application. To take a simple example, we might find agreement at the basic level on a principle of equality, but then discover that in some cultures the scope of this principle was restricted in such a way that it did not apply across the two sexes — men should be treated equally, and so should women, but not men-and-women together. On the other hand, substantial disagreement at the level of application might turn

8. I have set out and defended the view that principles of justice must be seen as contextually specific in Miller (2002).

out to be less deep-seated than it initially appeared, if we can explain it in terms of factors that have nothing to do with justice itself. Take the case of affirmative action, which is one area of policy in which we have evidence about the effects of ethnicity, in particular, on people's judgements of what is fair. As one might expect, there are significant differences between ethnic groups in their responses to questions about affirmative action, with Black and White respondents being most likely to judge affirmative action fair and unfair respectively, and Latino and Asian respondents holding intermediate views.[9] This evidence, however, is far from being decisive if we are concerned about reasonable agreement on conceptions of justice. To begin with, it is noteworthy that although aggregate views about affirmative action differ between ethnic groups, there is also a good deal of overlap — a large minority of Whites supporting it, and a large minority of Blacks (sometimes even a majority, depending on how the question is put) opposing it. Second, it is reasonable to suppose that some part of the remaining difference is explained by the conflicting *interests* of the groups in question, rather than by cultural differences that shape ideas of justice. One would like to know what Blacks and Whites would say if they did not know how affirmative action would affect the prospects of their own particular group. Third, another factor that may help to explain the reported differences of view may be different *perceptions* of the social background against which affirmative action policies are going to be implemented — Blacks being more likely to see the obstacles to social mobility facing members of disadvantaged groups in the absence of these policies, for instance. So we cannot deduce from the fact of (some) disagreement about the justice of affirmative action and other such policy issues that different cultural groups could not reach agreement about social justice at a more basic level. We need to dig deeper.

Here we are handicapped to some extent by the absence of studies of conceptions of justice held by cultural groups *within* the same political community. By contrast, comparative studies *across* political communities are fairly common. I shall proceed on the assumption that cultural groups who belong to the same political community will exhibit less divergence in their basic principles of justice than groups who belong to different communities. This is because whatever effects culture has on people's sense of justice will be offset in the former case by the experience of living together under common social and political institutions. There is general evidence that conceptions of justice are shaped to some degree by the institutional framework that people live under — for instance beliefs about the size of fair income differentials are correlated to some extent with the existing degree of inequality in the society being studied.[10] The predominant direction of causation is hard to determine — is

9. See L. Bobo (1998).

10. I have discussed this evidence in Miller (1999: ch. 4) and in Miller (1995).

people's sense of fairness being guided by their perceptions of the status quo, or are existing income differentials the result of people implementing their principles of distributive justice? — but it seems unlikely that existing institutions have *no* effect, particularly when we consider justice-related policy questions. So I shall examine cross-cultural differences in conceptions of justice on the basis that the differences we find between political communities represent the outer limit of divergence; in multicultural societies with common institutions, the differences are likely to be smaller.

The most revealing comparisons are those involving Western liberal societies and non-Western, particularly Asian, societies, between which we are likely to find the sharpest cultural differences.[11] Most of the research in this field uses an individualism/collectivism framework to explain the observed differences over justice.[12] Individualistic cultures are those in which the self is seen as an autonomous agent pursuing ends of its own devising, and social groups are regarded as instrumentally valuable — membership is voluntary and contractually based. Morality is centred on individual rights, and there is no assumption that an individual's good and the collective good must coincide. Collectivist cultures, by contrast, are those in which individuals define themselves largely in terms of their membership of groups, which are regarded as having intrinsic value. Morality is centred on obligations and conformity to group norms, and individual and collective good are assumed to coincide. This contrast is broad brush, obviously, but there is evidence that it picks up one important respect in which Western liberal culture differs from most non-Western cultures. Our interest is in how, if at all, this cultural difference affects conceptions of justice.

It appears not to do so if we remain at the most basic level — at principles of justice interpreted in fairly abstract terms, and without specifying the context in which they are going to apply. If we focus on principles of distributive justice, there are three such basic principles.[13] The first is equality — everyone in the relevant universe of distribution should be treated in the same way, or receive the same quantity of resources. The second is need — it is fair to depart from equality by giving more to those with greater needs. The third is merit, understood for the moment in a very broad sense — those who have contributed more, or whose input into a collective project is greater, should receive more back by way of reward (social psychologists, whose work I shall be using here, usually refer to this as the equity principle). Comparative studies of cultural groups in contemporary societies show that all three principles are used by groups everywhere (it is an interesting speculation as to whether the same three principles would be found universally if we extended our search to

11. There have also been comparative studies between nations with different political backgrounds, especially between capitalist and ex-communist nations, but these tell us more about the impact of political ideology (and experience) on conceptions of social justice than about the impact of culture per se. See, for instance, Kluegel, Mason and Wegener (eds.) (1995); Marshall, Swift, Routh and Burgoyne (1999); Listhaug and Aalberg (1999).

12. This framework was formally introduced in Hofstede (1980: ch. 5) although there is of course a much longer tradition of categorising societies and their cultures along these lines.

13. I have sketched a theory of justice incorporating these three principles, and examined the evidence about the role that each plays in popular conceptions of social justice in Miller (1999: chs. 2-4).

take in pre-modern societies; in other words whether the three principles are fundamental components of all human social relationships, or whether they reflect more specifically human relationships as they exist in complex modern societies). However some differences emerge when we examine how people from different cultural backgrounds weigh these principles against each other, and also how the context in which the principle is going to be applied affects their choice.

One general finding is that members of collectivist cultures give greater weight to equality and need and less weight to merit than members of individualist cultures in circumstances where they have to choose between distributions representing each principle. Many studies ask people about how economic resources should be allocated in work settings — to what extent should the distribution of income or other benefits depart from equality on the grounds either of differential merit or differential need. An important finding is that people's sense of justice in such settings is predominantly meritocratic — they choose to give more resources to more productive workers, in line with the merit principle, and this holds across all cultures. But they also display *some* inclination to favour equality, and this tendency is usually stronger in the case of those whose background culture is collectivist. Thus an experiment in which Australian and Japanese subjects were asked to judge different ways of allocating a project bonus between two workers, one of whom had contributed twice as much to the project as the other, revealed that although both groups judged an allocation according to productivity as most fair, the Japanese subjects rated an equal allocation more highly than the Australian subjects.[14]

However this thesis about equity v. equality must immediately be qualified in one important respect, having to do with the scope across which either principle is applied. People from collectivist cultures draw a sharper distinction between others to whom they are connected in some way — their in-group — and those who are merely strangers, and tend to apply different distributive principles to in-group and out-group. Typical here is an experiment comparing fairness judgements made by Americans and by Hong Kong Chinese.[15] They were presented with a scenario in which two people had worked together on a task, one completing twice as much work as the other. Payment for the task could either be divided equally, or according to productivity (the equity principle), and either the more productive or the less productive worker could make the allocation. The subjects were asked to rate the fairness of each possible allocation. For both groups of subjects, the equity principle was strongly preferred to equality, though equality was judged fairer when it was

14. Kashima, Siegal, Tanaka and Isaka, (1988).

15. Leung and Bond(1984: 793-804).

used by the more productive worker. An interesting difference emerges, however, when the two workers were characterised either as friends or as strangers. "Chinese subjects regarded an equal allocation between friends as fairer than between strangers, whereas American subjects regarded an equal allocation between strangers as fairer than between friends. Symmetrically, Chinese subjects regarded an equitable allocation between strangers as fairer than between friends, whereas American subjects regarded an equitable allocation between friends as fairer than between strangers."[16] A second study using a somewhat similar scenario, though with the subjects themselves having to make the allocation of reward, found that high-performance Chinese were considerably more likely than their American counterparts to choose equal distribution when their partner was a friend, whereas low-performance Chinese were considerably more likely to favour equity (i.e. to take a smaller share themselves and reward their partner more highly).[17]

Belonging to an individualistic culture seems then to have two effects on the way people apply principles of justice, in this case principles of merit and equality. On the one hand, because relationships between people are viewed as primarily instrumental, the principle that has greatest force is the merit principle, which tells us that in situations of joint production people should get out the equivalent of what they put in; though there is some tendency towards favouring equality, it is relatively weak. On the other hand, individualists are not inclined to draw sharp lines between in-groups and out-groups, so their choice of principle is not much affected by the personal relationship in which they stand to the subjects of distribution — they are egalitarian in the weak sense that they wish apply the same criteria to everyone. Cultural collectivists, in contrast, care a great deal more about maintaining strong and harmonious relationships within whichever group they define themselves as belonging to, and this means that they tend to favour equality as a distributive principle within the group, except in cases where their own contribution is low, when they are inclined to be self-sacrificing. However they distinguish sharply between justice within the group and justice towards outsiders, and in the latter case some experiments show that they favour the inegalitarian equity principle even more strongly than individualists.[18]

Let us now consider some cross-cultural evidence about need as a principle of justice. The experiments I shall describe again involve subjects having to allocate monetary sums between individuals, where now one person is described as having greater needs than the other. American and Indian respondents were asked to allocate first a pay bonus and then a pay cut between two employees, one of

16. Leung and Bond (1984: p. 802).
17. Hui, Triandis, and Yee (1991).
18. These are discussed in Leung (1997).

whom was described as having an excellent work performance but no special needs and the other as having an average work performance but being in a poor financial situation with illness in his family.[19] The respondents could divide the bonus and the cut in varying proportions between the two workers. Not surprisingly, they gave greater weight to need when they were being asked about the cut, with Indian respondents strongly favouring the needy worker. In the case of the bonus, an equal split was the first choice of American subjects, followed by a meritocratic distribution in favour of the excellent worker. For the Indians, and especially the Indian women, a need-based distribution was most popular, followed by equality, with merit in third place.

The authors of this study concede that although their findings can plausibly be explained by the more collectivist character of Indian culture (for which there is independent evidence), there is an alternative explanation that cannot be ruled out: although the sum to be allocated was calculated so as to represent the same purchasing power in both countries, much lower living standards in India might account for the Indian respondents' choice of the need principle. This could not apply, however, to a second experiment which compared Australian and Japanese subjects, two nations whose living standards are virtually the same.[20] Here again it was found that the Japanese respondents gave more weight to need (here represented by family size) when allocating income between workers, though not in cases where the worker in question was described as putting little effort into his job (here mirroring a well-supported finding in Western liberal societies, that people support giving more to those in greater need, but not in cases where the recipients could do more to meet their own needs by, for instance, finding work[21]).

There is evidence, then, that people whose cultural background is collectivist give somewhat greater weight to need differences when asked about fair distribution. But the differences are fairly small: most people, whatever their cultural origins, tend to balance merit and need considerations against one another so long as the needs in question are seen as legitimate, as the American subjects who chose to split the bonus between the more deserving and the more needy worker were presumably doing. Even in the case of cross-national comparisons, we find no reason to think that people use wholly different conceptions of justice when asked to resolve some distributive problem. Indeed the basic conceptions are very similar: the main effect of culture is to condition the way that people think about their group memberships, and their relationship to those who they see as belonging to the same social group, and this, as we have seen, may affect the way that principles of justice are used in

19. Murphy-Berman, Berman, Singh, Pachauri and Kumar (1984:1267-72).
20. Siegal and Shwalb (1985).
21. See my discussion in Miller (1999: 76).

practice. Culture, in other words, affects the way that a distributive problem is interpreted, but not people's understanding of what the basic principles of justice are, and how, in different contexts, they should be applied. So when, to revert to one of the experiments referred to above, an American and a Chinese person are asked what would be fair distribution of payment as between two people who have been carrying out some task — one having performed considerably more of it than the other — the answers they give are remarkably similar. And this presumably is because they both interpret the problem in a broadly similar way — they see it as a problem of how to reward people for carrying out a job that they are undertaking for instrumental reasons, with the allocator having no personal relationship to either performer, and so forth. Against the background of a market society (which is common to both)[22], these interpretative assumptions are familiar ones. Given a more richly described problem, however, we might expect their interpretations to begin to diverge — for instance, as we noted, the Chinese application of principles of justice is more sensitive to the question whether performer and allocator form part of the same in-group or are strangers to one another.

An objection that might be raised at this point is although people from different cultures appear to use the same principles of justice, abstractly conceived, in much the same way, this convergence disappears when we look more closely at what is meant by "merit" or "need". John Gray has put this argument with characteristic force.

> Conceptions of merit are not shared as a common moral inheritance, neutrally available to the inner city Moslem population of Birmingham and the secularized professional classes of Hampstead, but instead reflect radically different cultural traditions and styles of life. It defies experience to suppose that any consensus on relative merits can be reached in a society so culturally diverse... as ours... The objectivity of basic needs is equally delusive. Needs can be given no plausible cross-cultural content, but instead are seen to vary across different moral traditions.[23]

Any plausibility that this claim might be thought to have can largely be dispelled by distinguishing between conceptions of merit or need that are used internally to a particular culture and conceptions that are used to decide what is a fair distribution of resources in social settings generally. Religious cultures, for instance, have their own internal definitions of merit, in the sense that they use tradition-specific criteria to judge someone's spiritual status, and these will be used when deciding who should occupy high office in the priestly hierarchy, say. More generally, cultures are likely to embody standards of perfection that define what it means to be a good X, and these

22. Recall that the Chinese participants in the experiments under discussion were living in Hong Kong.

23. Gray (1983: 181-182).

will be used to assign higher or lower status to members of the cultural community. They may also have definitions of need that are internal to the tradition and which govern the allocation of resources within the group, as Michael Walzer has suggested in his discussion of medieval Jewish communities.[24] But this does not entail that the ideas of merit and need that are used to make judgements about social justice generally will vary as between cultural communities. Indeed the evidence reported above suggests the reverse: when people from different cultural backgrounds are asked questions about the distribution of resources within the workplace, for example, they endorse the same criteria — how productive someone has been, how hard he or she has worked, whether he or she has special needs such as dependent children or an ill relative. We may discover minor variations. In East Asian societies such as Japan and Korea, for instance, people tend to regard seniority as a form of merit independently of productivity, and the explanation suggested for this is that in a culture which emphasizes the value of group loyalty, long tenure of a post is seen as demonstrating commitment to the group.[25] However seniority is also widely used in Western societies as a distributive criterion, particularly to decide who should be promoted and who should be retained when lay-offs are required, and although there are several overlapping justifications for this practice, one of them is that "workers feel they ought to be rewarded for having devoted the best years of their life to the firm".[26] So perhaps the contrast here is not so much over whether seniority can in principle be regarded as a form of merit as over whether it is relevant specifically to income distribution, or only to other distributive decisions (such as whether someone should keep their job).

3 • Unwillingness to practise justice towards outsiders?

I suggested at the end of section 1 that there were two main reasons why multiculturalism might be thought to disrupt the pursuit of social justice, understood in broadly Rawlsian terms. The first was that people belonging to different cultural groups might be unable to agree on principles of social justice to regulate their common social and political institutions. My aim in section 2 was to discount that possibility. Taking some fairly extreme cases — conceptions of justice held by members of different national societies — we found that cultural differences appeared not to have a significant impact on basic principles of justice, though culture did matter to some extent when these principles were applied to concrete situations. But there

24. Walzer (1983: ch. 3).
25. See Leung and Stephan (2001: 382).
26. Elster (1992: 75).

is still a second potential problem, namely that cultural divisions may reduce or destroy people's desire to act on principles of justice towards others whom they regard as belonging to an alien culture. I want to explore this possibility in the present section.

The two problems are perhaps not quite as distinct as they might at first appear, since the second can be recast as a problem about the *scope* of principles of justice. The idea of social justice is the idea of a society all of whose members live under the same institutionally-embodied principles, whether these are principles of equality, desert, need, etc. The problem we are now facing is that in multicultural societies some groups may want to exclude others from the scope of these principles — they accept the principle in the abstract, but are willing to apply it only to their own members, or only to members of groups towards whom they feel an affinity. We have already seen evidence that the use of principles of justice is contextually determined — which principle you apply depends upon how you see the relationship between the parties in question — and so we should expect questions of scope to arise whenever the universe of distribution is sub-divided along group lines.

Culture matters here not for any intrinsic reason, but simply because cultural identities are a major source of social differentiation, and one that is often hard to bridge. As many psychological experiments have demonstrated, people can be induced to draw lines between in-group and out-group along almost any dimension, and once the division is in place they become less willing to deal fairly with members of the out-group. This does not matter much when the division is a temporary one, but cultural differences are often not only easily visible but also relatively permanent. Moreover cultural groups are likely to be unequally endowed with resources vis-à-vis one another, so "separate but equal" solutions, in which each group practises distributive justice among its own members but not towards outsiders, are not going to be acceptable from the perspective of social justice.

Group-based limits to the scope of justice are revealed most dramatically in studies of the limits of toleration. These ask subjects whether they would be prepared to extend basic civil and political rights, such as freedom of speech, the right to hold demonstrations in public places, and the right to teach in public schools, to groups they strongly dislike such as (in American studies) atheists, homosexuals, communists, militarists and racists. What emerges is that a significant proportion of respondents would be willing to withhold such rights, and this is true of both liberals and conservatives — liberals are somewhat more tolerant, on average, but nevertheless about a third would object to disliked groups being allowed to exercise rights such as

those listed above.[27] Extending rights to groups you disapprove of might seem the most fundamental way of including them in the scope of justice. However a complicating factor is that the groups in question may be viewed, rightly or wrongly, as posing a threat to the ongoing practice of justice, for instance as having the potential to undermine democratic institutions if allowed to exercise their civil and political rights, or as having the capacity to intimidate opposing groups. So this evidence, although a salutary reminder that many people are willing to narrow the scope of even the most basic principles of justice in the case of groups they regard with abhorrence, does not bear directly on the issue of multiculturalism *except* in cases where cultural minorities are perceived as posing a threat to democratic values. These cases, fortunately, are comparatively rare, though current attitudes towards asylum seekers show how easy it is for a group identified by cultural characteristics such as ethnicity or religion to be perceived as a political danger as a result of the behaviour of a small number of its members — and how willing people members of the cultural majority are to see basic rights withdrawn from the group in such circumstances.

Much more common is the case in which cultural groups regard one another not as threatening but simply as alien and different, and the problem stems from a failure of identification, which leads in turn to diminished motivation to practise justice towards members of the outgroups. Some suggestive evidence here is provided by empirical studies of helping behaviour — studies of the factors that increase or decrease people's willingness to go to the aid of others who are in need of help or rescue.[28] One factor that counts is whether the potential helper sees the person in need as similar or dissimilar to himself, and ethnic factors count here, as well as political beliefs and other sources of difference.[29] So for instance white people are less likely to help Blacks than they are to help other white people, so long as the circumstances allow them to justify their behaviour on grounds other than race.[30] This case is interesting because it shows that at one level people are committed to principles of equal treatment — they have a bad conscience about discriminating on racial grounds — whereas at the level of actual behaviour their identification with fellow Whites displays itself in a greater willingness to help.

But does this phenomenon of group identification have similar effects at the political level, in terms of people's willingness to support policies that extend justice across groups? It is helpful at this point to turn to the literature on *trust* and the effect of cultural heterogeneity on levels of trust towards members of other groups. It is easy to see the connection between trust and social justice: when we live with others on terms of justice, regulating our behaviour by principles that often

27. See, for example Sullivan, Piereson and Marcus, (1982); Sniderman, Tetlock, Glaser, Green and Hout, (1989).

28. I have looked at some of this evidence in Miller (2004).

29. See Piliavin, Dovidio, Gaertner and Clark (1981: 144-59).

30. See Dovidio(1984).

require us to forego advantages that we would have been able to grab in a free-for-all, we do so in the expectation that those others will practise similar restraint. For instance we fill in our tax returns honestly, or we appoint people to jobs and positions strictly on the basis of merit, on the assumption that by and large other people in our society will do the same. If we begin to think that most other people are cheating on their tax returns, or that appointments are being made nepotistically, then we will feel much less compulsion to act under the constraints of justice ourselves. A similar argument applies at the political level: supporting policies that represent a fair compromise between the claims of different groups makes sense only if one assumes that other people also wish to see justice done, and that depends on the level of trust within the political community in question.

It makes sense, therefore, to hypothesise a causal chain that leads from identification through trust to social justice. In the nature of things, decisive evidence to support the hypothesis is harder to come by, but the evidence we have certainly points in the right direction. Take first the link between identification and trust. One test of this is to look at the effect of ethnic diversity on people's willingness to respond positively to the question "Generally speaking, would you say that most people can be trusted or that you can't be too careful in dealing with people?" A recent study took the ethnic heterogeneity of the area a person lives in as one variable, and found a significant negative correlation between heterogeneity and trust — indeed a correlation that was stronger than that between income inequality and trust: "people are more likely to trust others in an unequal city than in a racially fragmented one".[31] However one should be aware that this overall effect conceals differences between the trust levels of different ethnic groups. Blacks, for example, exhibit very low levels of trust when compared with Whites, but these levels are not significantly affected by the homogeneous or heterogeneous character of the neighbourhood in which they live. It appears that the historical experience of discrimination and inequality is the main factor here, overshadowing the direct effect of interaction with people from other ethnic groups.[32]

Ethnic diversity appears to have a negative effect on generalized trust, but can we extend the hypothesis by finding evidence about its implications for policies of social justice? There are, for instance, several macro-level studies that find an inverse correlation between ethnic diversity and levels of expenditure on redistributive social programmes, some involving comparisons between countries and others comparisons between cities and states within a single country (the US).[33] In particular, explanations for American "exceptionalism" in this area — the strikingly low percentage of GDP that the

31. Alesina and La Ferrara, (2002: 222). Alesina and Ferrara use 'race' to refer to Whites, Blacks, Asians, Hispanics and native Americans, where I would use 'ethnicity'; they reserve 'ethnicity' for national origins.
32. See Marschall and Stolle (mimeo) for a helpful discussion.
33. See Soroka, Johnston and Banting (2004) for references to this literature.

US devotes to social welfare programmes — frequently highlight the effects of racial divisions, alongside other factors.[34] Soroka, Johnston and Banting have tried to test the implicit linkage between diversity, levels of trust and support for welfare state policies by looking at the attitudes of individuals living in neighbourhoods with different ethnic and linguistic compositions.[35] They find that living in an area with a higher proportion of "visible" — i.e. non-white — minorities does have a negative impact on interpersonal trust, and that levels of trust in turn have a complex but positive relationship to support for welfare programmes. Distinguishing between interpersonal trust and trust in government, they conclude:

> Trust is an attitudinal prop for the welfare state. Each form is more important for some parts of the welfare state than for others, and neither is important for all domains. Interpersonal trust is a factor in support for [employment insurance and welfare] and for health care, but not at all for pensions… Trust in government is important for pensions and health care but not for [employment insurance and welfare].[36]

Overall, however, the negative relationship they find between ethnic diversity and support for social programmes is quite weak. As they conclude, "the impact of ethnic diversity — or diversification — on both interpersonal trust and support for social programmes is conditional on the extent to which majorities and minorities overlap geographically. To the extent that minorities cluster geographically, they do not disturb majorities even as they enhance their own social capital endowments".[37] This last observation draws our attention to the fact that for generating trust or distrust, what matters is not ethnic or more generally cultural pluralism per se, but the form that inter-cultural relations take. There are three broad possibilities here: alienation, where cultural groups are intermingled on the ground, but there is relatively little contact between their members; segregation, where the various cultural communities live in separate locations and again interact mainly with their own kind; and integration, where group members live together and interact in cross-cutting associations of various sorts.[38] The first situation is most likely to breed mistrust, especially of people not from one's own cultural background. The second situation is likely to create high levels of trust towards other members of one's own group, and distrust towards others. The third is the most favourable for fostering generalised trust. From the point of view of support for social justice, the third situation is clearly the most favourable. The comparison between the first two is less clear.[39] If my general argument is correct, alienation will make people less inclined to support policies of social justice, and more inclined to act in a narrowly self-interested way. Segregation, on the other hand, is compatible with a strong sense of justice towards one's own group and indifference towards the rest. In a society in which groups were

34. See Alesina, Glaeser and Sacerdote (2001).
35. Soroka, Johnston and Banting (2004).
36. Soroka, Johnston and Banting (2004).
37. Soroka, Johnston and Banting (2004).
38. Soroka, Johnston and Banting (2004) measure interpersonal trust by asking respondents how likely it is for a lost wallet to be returned to them intact by, respectively, a neighbour, a police officer, a clerk at a local grocery store, and a stranger. This measure primarily captures the level of trust people have in other members of their local community. So one would expect it to go down as local communities became more culturally diverse. But this does not tell us how much trust respondents have in other members of the wider society to which they belong. The effect of increasing local diversity here might be either positive or negative, depending on whether the outcome is alienation or integration.
39. Compare here Putnam's (2000: ch. 22) discussion of the trade-off between 'bridging' and 'bonding' social capital.

roughly equally endowed with resources, so that the effect of implementing policies of social justice would be to redistribute resources within each group rather than between them, segregation might not matter. But in the opposite case, we can predict that groups will be reluctant to see their resources transferred to members of groups with whom they do not identify, and whom they are inclined to distrust.[40] Out-group aversion might become so strong that the second situation is actually worse than the first.

So we see that the impact of cultural diversity on social justice cannot be measured simply by counting up the number of cultural groups in a society, or the percentage of the population that belongs to cultural minorities. What is more important, at micro-level, is how the cultural groups are distributed in physical space, and the extent to which their members interact on a daily basis, in voluntary associations, and in political settings.[41] Cultural differences do create barriers to trust — there is no question about that — but given the right pattern of interaction these barriers can be overcome. At the macro-level, what matters is the availability of an inclusive identity that is accessible to members of all cultural groups. The debate here is about whether this needs to be a national identity in the normal sense, or whether a common loyalty to a set of political institutions — some form of constitutional patriotism — may give a sufficiently strong sense of shared identity. I have argued elsewhere for the first of these positions, and do not want to repeat myself here.[42] The problem is that it is fairly easy to find examples of multicultural societies that have successfully pursued policies of social justice, but less easy to determine whether this depends on the fact that most of their members continue to embrace a fairly "thick" form of national identity, or whether institutional loyalties would by themselves provide a sufficiently strong cement. One way to tackle this problem might be to look for connections at the individual level between sense of national identity, generalised trust in one's fellow citizens, and willingness to support socially just policies. Ongoing work by Anthony Heath and others on national identity in Britain may provide evidence of this kind in future.

4 • Conclusion

I have tried in this paper to steer a middle course between those who think that multiculturalism drives the final nail into the coffin of social justice (because there is no reason to think that diverse cultural groups will ever be able to reach an agreement on what social justice requires) and those who think that multiculturalism sim-

40. This prediction is supported by evidence that cities whose populations are more ethnically heterogeneous tend to spend less on collective goods such as education and roads. See Alesina, Baqir, and Easterly (1999: 1243-1284).

41. See Marschall and Stolle (mimeo) for supporting evidence.

42. Miller(1995: chs. 4-5); Miller, (2000: ch. 4).

ply requires us to enlarge our principles of justice so that they can embrace new demands made by cultural minorities. My argument at the beginning was that a theory of justice needs a sociology to go with it — an account of how social relations must be constituted so as to make the theory feasible — and that multiculturalism must make us rethink that sociology. The main problem, I have argued, is not that cultural differences translate into disagreement about justice at the most basic level; it is rather that culture shapes the contexts in which principles of justice are applied, and moreover that cultural division may effect people's willingness to allow these principles to be applied impartially to themselves and others. It is easy, but shallow, to say that the evidence I have presented simply reveals the limitations of most people's existing sense of justice. If social justice is to be what Rawls in his last book called a "realistic utopia", then it must take such evidence fully into account.[43] A more serious issue is that the evidence we have available often falls far short of what one would ideally like to have to test theoretical claims about the impact of culture on justice. So my paper concludes on a tentative note. We need to find out more about how different configurations of cultural groups affect trust and attitudes to justice, and we need more evidence about what part, if any, national identity plays in bridging cultural divisions. Calling for more interdisciplinary research in this area is a bit of a cliché, but it does seem to be the way forward.

43. Rawls(1999: Part I, section 1). Rawls applies the idea to both domestic and international contexts.

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2

Ethnicity, trust, and the welfare state[1]

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1 • Introduction

Contemporary democratic politics is multicultural politics. During the second half of the twentieth century, new patterns of international migration altered the demographic landscape of liberal-democratic countries, increasing the ethnic, racial, religious and linguistic diversity of their societies. These new forms of social difference have generated new political pressures and new policy issues. Governments must manage tensions between cultural majorities and minorities, and find their way through potentially explosive issues embedded in immigration and refuge policies, anti-discrimination programmes, and the integration of newcomers into the social fabric. But multiculturalism may bring an even broader transformation of political life and policy regimes. In particular, it may call the welfare state in question. New forms of social diversity spark debates about traditional conceptions of identity and community, and the rights and mutual obligations embedded in citizenship. Shifts in such broad orientations towards government and society have the potential to reshape the frame of reference within which basic economic and social programmes are debated, and to reconfigure the political constituencies that sustain them.

The social role of the state would seem particularly sensitive to such shifts (Banting 2000). Many commentators have wondered whether relatively diverse societies are less likely than relatively homogeneous ones to invest in redistributive and social insurance programmes. A growing body of evidence from a variety of settings points in this direction. For example, analysts have pointed to different levels of social diversity in explaining differences between US and European social welfare programmes (eg, Gould and Palmer 1988; Alesina, Glaeser and Sacerdote 2001). Studies comparing social expenditures across US cities and states find that ethnically

1. Earlier versions of this paper were presented at the conference on "Social Cohesion and the Policy Agenda: Canada in International Perspective" at Queen's University, Kingston, Ontario, August 19th-21st 2002, the Annual General Meeting of the Canadian Political Science Association, Toronto, May 30th-June 2nd 2002, and at the conference on "Conceptualising Trust: Interdisciplinary Perspectives" at Nuffield College, Oxford, May 10th 2002. We are grateful to conference participants for their comments. Special thanks are due to David Miller and Patti Tamara Lenard. The usual disclaimer applies.

heterogeneous states tend to spend less on redistributive programmes (Alesina, Baqir and Easterly 1997; Hero and Talbert 1996; Plotnick and Winters 1985). And development economists have found similar patterns across a wide range of countries, including the richest and poorest nations in the world: spending on private education tends to be higher in countries with considerable religious and ethnic diversity, and income transfer payments tend to be lower in such countries (James 1987, 1993; Easterly and Levine 1997). It is difficult, these studies suggest, to sustain strong social welfare programmes in the face of comparatively high ethnic diversity.

Why would this be the case? One theory starts from notions of community and mutual obligation. In this view, the expansion of the welfare state in the twentieth century was underpinned by a sense of community and collective responsibility of citizens for each other (Marshall 1950). These bonds of community seem more difficult to sustain as the population becomes more diverse. Logically, defection from a commitment to strong social programmes might come from two directions. Minorities, on the one hand, might argue that universal public services tend to reflect the norms of the dominant culture, and are insensitive to their distinctive needs and belief systems. In such circumstances, some minority groups might prefer private schools and social services rooted in their own religious and cultural community. On the other hand, cultural majorities may come to resent social programmes that they see as transferring resources to "outsider" minorities. For most analysts, this represents the largest threat to the social solidarity underpinning the welfare state, an hypothesis that is supported to a certain extent by research on the tension between immigration and support for social welfare in Western Europe, the United States and other countries (Kitschelt 1995; Banting 1999 and 2000; Carens 1988; Fullinwider 1988). Thus, the essential premise of this approach is that the redistributive state is rooted in a sense of community and collective responsibility, and that this solidarity becomes more difficult to sustain as a population becomes increasingly diverse.

The social capital literature provides a subtly different perspective, with an emphasis on trust as the solution to collective action games. The argument is best described by Miller (1995:90-99): Mutual trust facilitates solutions to collective action problems inherent in social welfare programmes, where citizens must trust each other to both take part as contributors and not take advantage as beneficiaries. Trust is aided by identification with fellow citizens. Identification with fellow citizens is easiest in ethnically and culturally homogenous societies, however, so it will be more difficult to foster identification with fellow citizens in societies that are ethnically or culturally

divided unless special steps are taken. More diverse societies are consequently more likely to find that support for social welfare programmes is lacking.

Miller's narrative is similar to the preceding "community"-focused explanation, but its particular appeal to social capital theorists is that it highlights *trust* as an important intermediary variable between diversity and support for social welfare. "Interpersonal" or "social" trust has been a central component in the study of social capital. A growing body of economic research, closely allied with social capital themes, explores the link between increased ethnic diversity and decreased trust, for example. Ethnic/ linguistic/ cultural diversity appears to be negatively correlated with growth rates (Easterly and Levine 1997; Zak and Knack 1998; McCarty 1993; Zucker 1986); there also appears to be a greater need for governmental mechanisms enforcing contracts and property rights in countries that are more ethnically diverse (Keefer and Knack 1995; Knack and Keefer 1997; Zak and Knack 1998). These studies feature trust as the explanatory variable, and suggest that Miller's work is particularly valuable in pointing to the potential importance of trust in explaining support for social welfare programmes.

Although several literatures propose that ethnic diversity affects support for social welfare, empirical discussions of this link must still rely on triangulation. In short, no empirical study exists of the connection between individuals' opinions and perceptions as affected by the experience of diversity, on one hand, and support for the welfare state, on the other. This paper seeks to fill this gap by examining these relations as they play out in the case of Canada.

Canada represents a good case for these purposes. First, although the Canadian welfare state has always been more limited than those established in northern Europe (Esping-Anderson 1990), its social commitments have been much more ambitious than those prevailing in the United States. As measured both by programme structures and social expenditures as a proportion of GDP, the Canadian welfare state has historically fallen mid-way between the US and European patterns. Second, Canada has high levels of multiculturalism. It has long been an immigrant society; it has one of the highest proportions of citizens born outside of the country among all OECD countries; and its official policies embrace multiculturalism as a defining feature of Canadian life. Moreover, its minority populations are quite concentrated geographically in certain regions and especially urban areas, making it easier to compare the views of people living in diverse as opposed to homogenous communities. Third, Canadian diversity may have competing dimensions, so to speak. At the same time as Canada has maintained a relatively open door to

immigration, it has all along been communally segmented on traditional European lines, between French and English linguistic communities. So the Canadian case poses the issues well. Although past work suggests no clear link between diversity and Canadians' trust in individuals, trust in government, or national pride (Johnston and Soroka 2001), these analyses were weakly specified in the key variables.

The empirical base of the paper is a unique body of Canadian survey data, the first wave of the "Equality, Security, and Community" Study. This survey brings together detailed evidence about household structure and income, about integration into networks of family, neighborhood, and organized group life, about trust and confidence in various persons, institutions, and policies, about perceptions of ethnic diversity, about sense of well-being, and about support for various elements in the welfare state. In addition to a main sample that is broadly representative, there is also a "metropolitan oversample" with strong representation from visible minorities. Merged with the survey data are demographic data from the 1996 Census. This work is thus well-equipped to examine the relationships between ethnic diversity, trust, and the welfare state.

2 • Modelling trust

As a first step in examining the link between ethnicity and support for social welfare, we consider the impact of individual and contextual variables on trust in individuals and trust in government. The importance of interpersonal trust has been outlined above — it is a critical intermediary variable between ethnic diversity and support for social welfare. Trust in government warrants further explanation.

Political trust ought to be a factor in support for the welfare state. The success of new regimes seems contingent on political support (e.g., Mishler and Rose 1995), and the logic ought to extend to consolidated systems. In this vein, Scholz and Lubell (1998:399) suggest that "vertical trust" between citizen and state can expand the range of collective problems that legal authorities are able to tackle." Their evidence indicates that trust in government (as well as trust in individuals) affects US respondents" compliance with tax laws. The implication is that individuals are more willing to pay taxes when they believe that the money will be spent appropriately. If taxes are the precondition for spending, then a similar dynamic should hold in support for the welfare state.

The two kinds of trust are quite different, especially, perhaps, in Canada. Trusting individuals operates on degrees of personal

acquaintance, and correspondingly on expectations of reciprocity. Trusting a government entails a much greater leap of faith, since we rarely know government officials personally and we cannot expect the government to reciprocate (Hardin 2000). Trust in government may embody history, where some groups have been political winners and other groups, losers for decades. Accordingly, there is considerable slippage between the two (Johnston and Soroka 2001; Newton 1999; Newton and Norris 2000; Orren 1997). In particular, the structural foundations of each can be quite distinct.

Although they are distinct mental states, the two types of trust should still have *some* positive empirical link, and ideally we should allow for it lest we risk an omitted-variables problem. But there is serious confusion about the causal *direction* of the link. Intuition suggests that political trust is a generalized form of interpersonal trust. This is an implicit assumption in Putnam's (1993) work linking high civic engagement with the success of new regional governments in Italy, for example. A growing body of evidence suggests that influence runs in the opposite direction, however. Muller and Seligson (1994) find that a country's years of experience with democracy is a powerful predictor of its average score on the interpersonal trust measure; Brehm's and Rahn's (1997) structural model of US GSS data also suggests that the direction of influence leads from trust in government to trust in individuals (see also Sztompka 1996). The implication may be that personal relations flourish under the shadow of Leviathan: mutual trust becomes possible when we already trust institutions to catch and penalize defectors. Of course, influence could be reciprocal.

The problem is that estimating the true interdependence of interpersonal and political trust is next to impossible. OLS setups that include one as an "exogenous" predictor of the other are under-identified. To unpack the simultaneity in the system, we might employ two-stage least squares (2SLS) estimation, where exogenous variables are used to create "instrumented" versions of the endogenous variables, instrumented variables are then used in place of the original variables, and the system is thereby purged, supposedly, of simultaneity bias. As is commonly the case, our attempt to find suitable instruments failed. We just present each in the estimation model for the other and accept the strong likelihood of simultaneity bias. Omission of the trust terms has very small effects on the remaining parameters, and structural differences between the trust forms will come out in divergence of parameters between estimations.

With this in mind, we examine trust in individuals and government with the following regression model:

$$Trust^1 = \alpha_1 + \varpi Trust^2 + (\beta_1 REth + \beta_2 CEth + \beta_3 REth \times CEth) + (\rho_1 RFre + \rho_2 Que + \rho_3 RFre \times Que) + \Sigma\delta Ind + \Sigma\gamma Con + \pi Vote + \varepsilon_1 \quad (1)$$

where $Trust^1$ and $Trust^2$ are one of trust in individuals and trust in government, *Ind* is a set of individual-level variables, *Con* is a set of contextual-level variables, *Vote* is respondents' vote in the most recent federal and provincial elections, α is a constant, and ε is an error term that subsumes all unmeasured variation.

The two terms in parentheses represent our test of the effects of ethnicity on trust. Ethnicity is represented here on two dimensions: French/English and "visible minority"/majority. The former is Canada's long-standing linguistic division — a division that may have mutated into a geographic one, between Quebec and the rest of Canada. We prefer to focus on the primordial contrast and to let Quebec enter the analysis as the marker for linguistic context; we return to this below. The latter dimension refers to visible markers as opposed to audible ones. Historically, Canada thought of itself as composed of two founding peoples, one British and the other French. As a result, while immigrants from Britain and France were not seen as different, people coming from other parts of the world, including western and central Europe for example, were seen as "other" and classified as "ethnic." In contemporary debates over multiculturalism, the focus has narrowed to people who are racial minorities, or what are often referred to in official discourse as "visible minorities." This study follows contemporary usage — "visible minority" is meant to connote all individuals who are non-Caucasian in race. The largest groups who fall into this general category are Chinese, South Asians, and Blacks.[2]

As for the variables themselves, *REth* corresponds to dummy variables representing whether or not the respondent belongs to a "visible" minority. *CEth* is the contextual equivalent: the proportion of visible minorities in each respondent's census tract (CT, in metropolitan areas) or census subdivision (CSD, in all other areas), as of the 1996 Census.[3] The *REth*CEth* interaction captures the possibility that ethnic context has a different effect on minority respondents than on majority ones. The second term in parentheses is the equivalent for francophone respondents: *RFre* is a dummy variable referring to francophone status;[4] the contextual variable is residence in or out of Quebec (*Que*).[5]

Vote variables are included in both estimations, although we conjecture that the *Vote* group pertains only to political trust. Trust in government should at least partly reflect whether respondents support the party in power. Two dummy variables are included, one for

2. Aboriginal/non-aboriginal relations constitute yet another dimension of social structure, of course, but our study is not well positioned to capture this line of division.
3. As of the 1996 Census, visible minorities constitute just over 11% of the Canadian population. Of visible minorities, 27% are Chinese, 21% are South Asian, and 19% are Black; the next largest categories are Filipino and Arab/West Asian (about 7% each).
4. Of course, francophones are not the linguistic minority everywhere, but then neither are visible minorities the ethnic minority everywhere.
5. Residence is coded as one in Quebec and zero outside. We also estimated the models with percentage francophone in the CT/CSD with substantially the same result. Of course, in one sense the critical thing about Quebec is its very preponderance of francophones. But is this preponderance mainly a matter of sociology, of contact frequency and the like, as our model presupposes for visible minorities, or is it rather a specifically political fact, where Quebec is not just a place but a *jurisdiction*, the only proto-national one in which francophones constitute the majority? Much of Canadian politics turns on the latter, of course, and this seems especially relevant to political trust. Concern for consistency between estimations for the two forms of trust inclined us to the dummy variable specification of linguistic context. And the dummy-variable setup just has more power, in two senses: it yields a larger R^2 in otherwise identical estimations; and linguistic context deploys no power whatsoever when the sample is split between Quebec and the rest of Canada. It seems pretty clear that the operative context is the province.

the federal and one for the provincial government; the variable is equal to 1 if the respondent voted for the party currently in power.

Additional individual-level variables (*Ind*) include most basic demographics: *gender*, *age*, *education*, *religion* (Catholic/Protestant/other), *immigration status*, and *health*. These variables are described more thoroughly in the Appendix, and are selected based in large part on previous analyses of trust, social capital, and/or welfare programmes.[6] We also include respondent's self-reported *household income* and *economic outlook*; the latter is measured using the following question: "What about the next twelve months? Do you feel your household's economic situation will improve, stay about the same, or get worse?" Again, coding details are listed in the Appendix.

There are also four additional contextual variables (*Con*), again drawn at the census tract (CT) or census subdivision (CSD) level from the 1996 Census. *Education* is measured using the proportion of respondents' CT/CSD with more than a high school diploma, *mobility* is measured using the proportion that have moved in the past five years, and *population density* is the population divided by the number of square kilometers (this last variable is heavily skewed to the right, so we use the log values). We use two measures of income: *median income* and *income diversity*, the latter measured using the proportion of households earning less than $10,000 plus the proportion earning more than $90,000 (this roughly translates to the 10th and 90th percentiles).

Now, at last, to our actual measures of trust. Where most work relies on the standard measure of interpersonal trust, "Generally speaking, would you say that most people can be trusted or that you can't be too careful in dealing with people," we employ an indicator unique to the "Equality, Security, Community" survey. The measure is based on responses to the following question: "Say you lost a wallet or purse with $100 in it. How likely is it that the wallet or purse will be returned with the money in it if it was found by a [neighbour]? Would you say it is very likely, likely, or not at all likely?" The question is repeated four times, for a neighbour, a police officer, a clerk at the local grocery store, and a stranger; our measure combines results from these four (equally weighted) questions into a measure where 0 is the least trusting and 1 is the most trusting.

In contrast with the typical trust question, our measure focuses on a specific set of individuals in a specific situation. By specifying individuals, two of whom are clearly part of a respondent's neighbourhood, we might expect that contextual variables (at the neighbourhood level) will play a more powerful role in our measure than in responses to the traditional trust question where the "radius of

6. The literature linking individual and contextual demographics to trust and social capital is large and growing. For work including a large number of independent (individual and contextual) variables, see Alesina and La Ferrara (2000), Glaeser *et al.* (1999), and Helliwell (2002). For work on specific independent variables, see Robinson and Jackson (2001) on age; Helliwell and Putnam (1999) and Nie *et al.* (1996) on education; Gee and Vevers (1990), Greely (1997a, 1997b), and Smidt (1999) on religion; Kawachi *et al.* (1997) on health.

trust" is less clear. By using a specific situation, on the other hand, our measure captures a "strategic" trust that may be lacking in responses to the typical trust question. Uslaner (2001) suggests that the traditional trust measure is a better indication of "moral values" than of considerations about whether to trust someone in a particular situation. The measure used here may tap more directly into the type of strategic considerations that are central to the argument linking trust to support for social welfare.

The trust in government measure combines (1) "How much do you trust the government in Ottawa to do what is right?" (2) "How much do you trust the government in [province] to do what is right?" (3) a feeling thermometer for federal government, and (4) a feeling thermometer for provincial government. Results are rescaled from 0 to 1, where 1 is most trusting. Trust in one governmental level is highly correlated with trust in the other level, so combining the two does not present a problem and helps avoid difficulties with collinearity.

Results are presented in Table 1.[7] Unsurprisingly, the two forms of trust *are* linked, although not all that strongly. There is a hint that political trust explains more of interpersonal trust than the reverse. More strikingly, the pattern for ethnicity and ethnic context differs sharply between the political and the interpersonal. For interpersonal trust, both racial and linguistic factors are implicated and context is key. For political trust, language matters a bit and context, not at all.

For interpersonal trust, the consistently striking relationship links the minority's local preponderance with the majority's reaction (where majority and minority are always defined in all-Canada terms). The larger is the visible minority's local share, the less trusting the majority is. Similarly, non-francophones respond to the local preponderance of francophones to about the same degree. Living in Quebec reduces a non-francophone's interpersonal trust about one-eighth the maximum possible distance. So trust, at least our strategically-defined variety, does respond to context.

At least it does for Canadians of mainly European ancestry in reaction to racial minorities and for anglophones in relation to francophones. What about groups on the other side of each contrast? For each such group, two coefficients are relevant. The "main effect" coefficient is the one attached to the ethnicity dummy variable. It purports to shift the intercept for that group relative to the reference group. As francophones and visible minorities are both singled out, the reference group comprises non-francophones of European ancestry. The "interaction effect" allows the slope of the contextual effect to differ between the named group and the reference group. The

7. All models are estimated using least squares regression. When the sample size for lower-level variables (individual-level) is much larger than that for higher-level variables (contextual-level), observations for the latter are not independent; standard errors for higher-level variables will tend to be biased downwards and we are more likely to make Type I errors. Multilevel modelling is inappropriate in this case, since the survey includes 2746 CT/CSDs, 64% of which include only one respondent. Accordingly, we use a regular OLS estimation with 'corrected' standard errors, calculated using the number of CSDs rather than the number of individuals. Both the number of respondents and the number of CSDs are listed at the foot of Tables 1 and 2.

TABLE 1

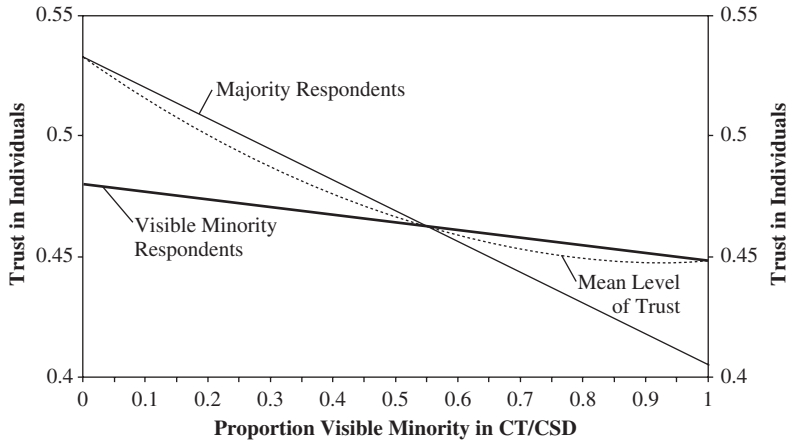
Modelling Trust

Independent Variables	Dependent Variable			
	Trust in Individuals		*Trust in Government*	
Trust				
Trust in Individuals	–		0.167***	(0.017)
Trust in Government	0.195***	(0.020)	–	
Ethnicity				
R is Visible Minority	-0.053[a]	(0.031)	-0.004	(0.025)
Visible Minority (prop)	-0.128***	(0.029)	0.013	(0.024)
Interaction	0.096[a]	(0.059)	0.065	(0.044)
Language				
R is French	-0.050[a]	(0.026)	0.053*	(0.022)
Quebec (dummy)	-0.117***	(0.020)	-0.005	(0.016)
Interaction	-0.037	(0.033)	-0.018	(0.028)
Vote Variables				
Voted for Govt Party (Fed)	0.008	(0.008)	0.030***	(0.007)
Voted for Govt Party (Prv)	0.000	(0.008)	0.044***	(0.008)
Economic Situation				
Economic Outlook	0.012	(0.013)	0.044***	(0.012)
Household Income	0.021**	(0.008)	-0.016*	(0.008)
Median Income	-1.079*	(0.473)	-0.437	(0.416)
Income Diversity	-0.025	(0.067)	-0.012	(0.063)
Other Contextual Vars				
Education (prop>HS)	0.180**	(0.052)	0.105*	(0.050)
Mobility (prop, 5yrs)	-0.079*	(0.036)	-0.097**	(0.035)
Population Density	-0.010***	(0.002)	0.003	(0.002)
Basic Demographics				
Female	0.025**	(0.007)	0.006	(0.007)
Age (30-49)	0.062***	(0.010)	-0.037***	(0.009)
(50-65)	0.087***	(0.012)	-0.069***	(0.011)
(66+)	0.105***	(0.015)	-0.055***	(0.014)
Educ (Finished HS)	0.020	(0.013)	0.023[a]	(0.013)
(Started Col/Uni)	0.012	(0.015)	0.040**	(0.014)
(Finished Col/Uni)	0.041**	(0.013)	0.048***	(0.012)
Religion (Catholic)	-0.008	(0.010)	0.034***	(0.009)
(Protestant)	0.005	(0.011)	0.021*	(0.010)
Immigrant	-0.013	(0.012)	0.039***	(0.011)
Health	0.036**	(0.012)	0.035**	(0.011)
Constant	0.533***	(0.026)	0.241***	(0.027)
N (CT/CSDs)		1950		1950
N (individuals)		3041		3041
Rsq		.235		.105

Cells contain coefficients from OLS regressions with standard errors (corrected, based on the number of CT/CSDs) in parentheses. Contextual variables are in italics. [a] p <.10, * p <.05, ** p <.01, *** p <.001. Coefficients significant at p>.10 are in bold. Results are based on combined First Wave and Metro Oversample, unweighted.

FIGURE 1

The Effects of Ethnicity on Trust



Trust = 0.533 – 0.053REth – 0.128CEth + 0.096REth • CEth

coefficient on the interaction term is the *difference* in slope between the named and the reference group. The slope for the named group itself is the sum of the contextual coefficients.

With slopes free to differ between groups, the negative coefficient on visible minority status indexes the majority-minority difference where, strictly speaking, no one belongs to a minority. And where the majority dominates, majority respondents are not just more trusting than their majority compatriots elsewhere, they are more trusting than the isolated band of minority respondents who live nearby. This is indicated by the negative sign on the "visible-minority" dummy variable. As the visible-minority percentage grows, however, the two groups reverse roles. Members of visible minorities are quite insensitive to context. This is indicated by the coefficient on the interaction, which is almost exactly equal in value but of opposite sign to that on the main contextual effect. This arithmetic suggests that the lines cross when the visible-minority percentage in the CT/CSD is about 54%, as illustrated in Figure 1.[8] Beyond that point, the typical minority respondent, now of course a member of the local majority, is more interpersonally trusting than his or her "majority" counterpart.

The story is not the same for the language contrast. Francophones adrift on an English sea are less trusting than members of the linguistic majority. This much is exactly like the situation of visible minorities. But unlike members of visible minorities, francophones are sensitive to context. They are so in essentially the same way as non-francophones: as the francophone percentage declines, franco-

8. This is derived by taking the coefficients in the "Ethnicity" block of the first column of Table 1 as a system of equations, one for the majority and one for the minority, and solving the equations.

phones also become less trusting. Indeed, there is a hint that they lose faith at a slightly faster rate than non-francophones.[9]

But none of these differences and none of these sensitivities is that impressive. First consider the absolute scale of impact. The initial difference between majority and minority individuals on each dimension is about 0.05 on a 0,1 range. The maximum effect of contextual shift for the majority on each dimension is about 0.12. That is, moving from a place where there are essentially no members of the minority to a place where there are essentially no members of the majority would reduce a "majority" respondent's trust by about one-eighth the total possible movement. Put another way, it would reduce trust about half a standard deviation.[10] In the real world of visible minorities and "invisible" majorities, variance like this would be outlandish. The median majority respondent lives in a census subdivision with a tiny visible-minority percentage, to be sure. But only about one in four lives in a tract or district where the minority constitutes more than one-sixth the local population. And visible minorities tend, unsurprisingly, to live where other minority persons concentrate, so that few find themselves in the situation implicit in the dummy-variable coefficient.[11] So their trust level will almost never actually be as far below that for the majority as implied by the main-effect coefficient. For language contrasts, contextual coefficients do capture something ubiquitous. Francophones do dominate Quebec locales as thoroughly as anglophones dominate non-Quebec ones, even as the number of anglophones dwelling in Quebec exceeds the population of several other provinces. Still, on both dimensions, the significance of the contextual and even of the individual ethno-linguistic structure is more theoretical than actual.[12] Coefficients describe what *would* follow if certain other things were true. But those other things are true for only a modest fraction of Canadians.

And there is hardly any ethnic story — even a theoretical one — for trust in government. Only French language affects trust in government, and this effect is the mirror image of that for interpersonal trust: francophones are *more* trusting than others. Strikingly, for all the angry talk around jurisdiction, Quebec residence makes no further contribution.

Other patterns will be noted only in passing. Both forms of trust increase with health, education, and educational context. Both decrease with the mobility of the local population.[13] Population density and gender matter only for interpersonal trust. Vote for election winners, the respondent's economic outlook, religion, and immigrant status matter only for political trust. Age and income have contrasting effects: each increases personal trust and decreases political trust.

9. Strictly speaking, Table 1 does not exhaust the possible contrasts in the ethnolinguistic domain. Omitted are interactions among region, language, and race. We did explore them, at considerable peril of collinearity and with small numbers of observations at some of the intersections. There is a hint that francophones outside Quebec are peculiarly sensitive to racial context. But francophones inside Quebec seem utterly like non-francophones, inside and outside Quebec, in sensitivity. Similarly, patterns among visible-minority respondents seems undifferentiated by language. Making these points in a table would have made interpretation of coefficients unwieldy. That fact combined with the absence of effects dictated presenting the simpler pattern in what is already a complicated table.

10. See Table A1 in the Appendix.

11. The text is necessarily vague on ethnic distributions as we do not yet have a full set of weights for the merged samples.

12. "Theoretical" is here used in the sense intended by Achen (1977). The rest of the discussion in this paragraph mixes what he describes as "level" and "dispersion" effects.

13. Mobility and education are closely related to the local visible-minority percentage.

3 • Modelling support for the welfare state

The degree to which ethnicity and ethnic diversity affect support for social programmes is tested with the following model:

$$\begin{aligned} Support = \alpha_2 + \varpi_1 Trust^1 + \varpi_2 Trust^2 + (\beta_1 REth + \beta_2 CEth + \beta_3 REth \times CEth) \\ + (\rho_1 RFre + \rho_2 Que + \rho_3 RFre \times Que) \\ + \Sigma\delta Ind + \Sigma\gamma Con + \pi Vote + \varepsilon_2 \end{aligned} \quad (2)$$

where *Support* is respondents' support for various social welfare programmes. We examine three domains of the welfare state separately. The domains differ subtly in rationale and in the degree to which they are vulnerable to arguments about moral hazard. Empirically, response is correlated much more weakly across than within domains. The final form for each index was reached by a combination of factor analysis and reliability tests.[14] In our measurement scheme, all dependent variables are scaled from 0 to 1, whether they are based on one item or several.

The first domain is ***Employment Insurance and Welfare,*** and employs the following questions:

Many unemployed persons could find work if they really wanted to." [Agree or disagree.] "How many do you think could find work: about one quarter, about one half, about three quarters, or almost all of them could find work?

In Canada today, do you think it is too easy or too hard to get unemployment insurance?

Is the unemployment benefit, that is the amount of money people receive when they are unemployed, too high or too low?

Which is closer to your own view: One, refusing welfare to single parents, is unfair to their children. Two, giving welfare to single parents rewards irresponsible behaviour.

Again, which is closer to your own view: One, people on welfare are usually there for only a short time and are unlikely to be on it again, two, once people get on welfare they usually stay on it.

Now I'm going to read some statements and ask if you AGREE or DISAGREE. The government must do more to reduce the income gap between rich and poor Canadians.

Now I'm going to read pairs of statements and ask, for each pair, which is closer to your own view: One, the government should see to it that everyone has a decent standard of living, OR, two, the government should leave it to people to get ahead on their own.

14. Details on reliability can be found in the Appendix.

What these questions all have in common is some notion of "decommodification" of labour, in the sense intended by Esping-Andersen (1990). Affirmative response as we code it indicates a concern that withdrawal from the labour force not unduly penalise a person. Generous access and benefits in the unemployment insurance system, for instance, should raise the reservation wage. Although classical welfare (whose targets are commonly single parents and unemployables) and EI have somewhat different rhetorical props, both address the matter of the price of not working. Both policy domains are similarly vulnerable to arguments from moral hazard. For EI the issue is centrally about voluntary withdrawal as opposed to involuntary imposition of joblessness. For welfare, the imagery of "welfare queens" taps the same logic as claims about voluntary unemployment, and the system also evokes rhetoric about bad personal behaviour. This domain seems absolutely central to the moral economy of capitalism. Yet it is also a magnet for arguments from trust in human nature.

The second domain is ***Health Care***, which we explore with a single item:

Which is closer to your own view: One, everyone should have equal access to health care, even if that means waiting for treatment, OR [TWO, if you can afford it you should be able to buy faster access to health care.] OR [Two, if you are willing to pay for it you should be able to buy faster access to health care.]"[15]

This item strikes us as getting to the core of current disputes over the Canadian system, equality of access versus length of queues. As a domain, health care strikes us as less susceptible to moralizing about fellow citizens than employment insurance and welfare. The moral hazard lies in frivolous visits to doctors and hospitals, and some of the anti-system rhetoric raises this spectre; it forms part of the argument for deterrence fees. If we had such a question, we would have tried it out as a possible companion for this question, but we do not. And all citizens worry about their own potential access to health care, even as they tend to see sickness and accident as essentially actuarial phenomena.[16]

Finally we consider support for publicly provided ***Pensions***. Here we deploy two items:

When it comes to saving for retirement would CANADA/CANADIANS/YOU be better off if the Canada Pension Plan was shut down and individual Canadians/Canadian/you were able to invest their money for themselves/yourself?[17]

Government pensions are the only way to ensure that all Canadians have at least some income in their old age.

15. The wording separated by a slash indicates a wording experiment. One half the sample received the first wording and one-half, the second, with assignment to treatment determined by a random number. This randomization was motivated by our sense that the claim for choice might seem stronger if it were motivated by intensity of preference rather than simple ability to pay. As it happens, the reverse seems true and the difference does not clear the minimum 5% threshold.

16. Our questionnaire has two other items about the system, but neither fits well with the one in the text. One question is about confidence in the actual availability of a bed when needed. This may be relevant to response to our core question, but it should be regarded as another variable in the estimation rather than as part of the definition of the dependent variable. We leave it aside here as something of a distraction from what is already a complicated argument. We also ask for perceptions of the system's essential fairness. Response to this question can go either way in its implications for the core issue, so we leave it aside as well.

17. The CPP question embodies a randomization on the wording of who would be better off. Ironically, the benefits are seen to be greater the more remote the beneficiary, and each contrast is statistically significant. Although the error in the measure is tied to treatment, the administration of the treatment is purely at random relative to all other covariance in the data matrix. Were we to use this item alone as our pension indicator, we would dummy out the randomizations. As we are pooling this items variance with that from the general pension item, we have elected to treat the randomization as measurement error.

The first focuses specifically on the CPP, a contributory scheme, as such amenable to arguments that the savings are better off in private hands. The second question covers the CPP, but also addresses by implication a general argument for public pensions, including ones funded out of general revenue. Our expectation is that this will be the least moralized area in the whole domain. There is a sense in which general-revenue pensions reward those who fail to save, and so could be described as a transfer not just between income classes but from the prudent to the imprudent. But this is not true for the CPP and, to the extent that all pay taxes is not true for the general scheme either. And if not all Canadians grow old, the alternative is worse.

Estimation proceeds in stages. In the first step we estimate welfare-state support without any trust indicator in the model. This allows us to see if there is any basic relationship between ethnicity or ethnic context and welfare-state opinion. We occasionally refer to this setup as the "reduced form." Then we enter both kinds of trust into the estimation. Obviously the effect of trust is interesting in its own right, and we do expect it to differ across domains. But it is also interesting as an intervening variable, as an account of the mental state whose variation helps explain the original ethnic/ethnic context relationship. This argument applies to interpersonal trust, in particular, as Table 1 indicates that political trust is not really implicated in ethnicity. A mediating role for trust will be indicated by *shrinkage* in ethnicity or ethnic context coefficients as estimation moves from stage 1 to stage 2. Results appear in Tables 2a-c.

Ethnicity or ethnic context is a factor in support for some programmes, but not for all, not with a consistent structure, and only at the margin. Support for public pensions is affected by none of the relevant factors. Language is implicated in support for employment insurance and welfare, but in a highly localized way. Francophones are more supportive than Anglophones, but Quebec residents are less so. Essentially, what the Quebec dummy is doing is switching off the effect for francophones. Strictly speaking, Quebec francophones are more supportive than non-francophones in the same province but not more supportive than anglophones living elsewhere. Only with health care is there a story much worth telling. Visible minority respondents and Quebec dwellers are less supportive of the equal-access option in health care than all others. The difference is almost identical in each case, about 0.13 (on a 0,1 scale) less supportive.

TABLE 2A

Modelling Support for Social Programmes EI/Welfare

Independent Variables	**Dependent Variable : Employment Insurance/ Welfare**			
	Without Trust		*With* Trust	
Trust				
Trust in Individuals	–		0.056**	(0.018)
Trust in Government	–		-0.017	(0.022)
Ethnicity				
R is Visible Minority	-0.019	(0.026)	-0.021	(0.028)
Visible Minority (prop)	0.013	(0.025)	0.027	(0.027)
Interaction	-0.033	(0.045)	-0.035	(0.049)
Language				
R is French	0.043[a]	(0.022)	0.045[a]	(0.026)
Quebec (dummy)	-0.030[a]	(0.017)	-0.015	(0.019)
Interaction	0.011	(0.028)	0.002	(0.032)
Economic Situation				
Economic Outlook	0.003	(0.012)	0.011	(0.013)
Household Income	-0.056***	(0.008)	-0.059***	(0.009)
Median Income	-2.063***	(0.485)	-2.040***	(0.526)
Income Diversity	0.018	(0.064)	0.018	(0.070)
Other Contextual Vars				
Education (prop>HS)	0.083[a]	(0.049)	0.079	(0.053)
Mobility (prop, 5yrs)	-0.108**	(0.035)	-0.113**	(0.038)
Population Density	0.004[a]	(0.002)	0.004[a]	(0.002)
Basic Demographics				
Female	0.045***	(0.007)	0.046***	(0.008)
Age (30-49)	0.036***	(0.009)	0.034***	(0.010)
(50-65)	0.035**	(0.011)	0.028*	(0.012)
(66+)	-0.03*	(0.014)	-0.024	(0.016)
Educ (Finished HS)	-0.014	(0.011)	-0.019	(0.013)
(Started Col/Uni)	-0.018	(0.013)	-0.020	(0.014)
(Finished Col/Uni)	0.010	(0.011)	0.003	(0.012)
Religion (Catholic)	-0.019[a]	(0.010)	-0.017	(0.011)
(Protestant)	-0.025*	(0.011)	-0.022[a]	(0.011)
Immigrant	-0.013	(0.011)	-0.013	(0.012)
Health	-0.037**	(0.011)	-0.043***	(0.012)
Constant	0.683***	(0.025)	0.657***	(0.029)
N (CT/CSDs)		2003		1870
N (individuals)		3196		2894
Rsq		.070		.072

Cells contain coefficients from OLS regressions with standard errors (corrected, based on the number of CT/CSDs) in parentheses. Contextual variables are in italics. [a] p <.10, * p <.05, ** p <.01, *** p <.001. Coefficients significant at p>.10 are in bold. Results are based on combined First Wave and Metro Oversample, unweighted.

TABLE 2B

Modelling Support for Social Programmes: Health Care

Independent Variables		**Dependent Variable : Health Care**			
		Without Trust		*With* Trust	
Trust					
Trust in Individuals		–		0.066[a]	(0.037)
Trust in Government		–		0.089*	(0.039)
Ethnicity					
R is Visible Minority		-0.126*	(0.06)	-0.121[a]	(0.065)
Visible Minority (prop)		-0.048	(0.047)	-0.038	(0.050)
Interaction		0.064	(0.111)	0.006	(0.116)
Language					
R is French		-0.043	(0.043)	-0.038	(0.047)
Quebec (dummy)		-0.125**	(0.043)	-0.099*	(0.046)
Interaction		0.032	(0.061)	0.023	(0.066)
Economic Situation					
Economic Outlook		-0.012	(0.024)	-0.028	(0.026)
Household Income		-0.05*	(0.02)	-0.058**	(0.020)
Median Income		-0.126	(0.994)	0.048	(1.028)
Income Diversity		-0.119	(0.123)	-0.131	(0.130)
Other Contextual Vars					
Education (prop>HS)		-0.122	(0.106)	-0.185[a]	(0.110)
Mobility (prop, 5yrs)		-0.098	(0.072)	-0.054	(0.074)
Population Density		0.001	(0.004)	0.002	(0.004)
Basic Demographics					
Female		0.059***	(0.015)	0.060***	(0.016)
Age	(30-49)	0.003	(0.019)	0.011	(0.020)
	(50-65)	-0.002	(0.023)	-0.001	(0.025)
	(66+)	-0.062*	(0.031)	-0.055	(0.034)
Educ	(Finished HS)	-0.041[a]	(0.023)	-0.049[a]	(0.026)
	(Started Col/Uni)	-0.047[a]	(0.026)	-0.057*	(0.029)
	(Finished Col/Uni)	-0.019	(0.023)	-0.015	(0.025)
Religion	(Catholic)	0.029	(0.020)	0.019	(0.021)
	(Protestant)	0.019	(0.021)	0.016	(0.022)
Immigrant		-0.025	(0.024)	-0.027	(0.026)
Health		-0.035	(0.023)	-0.049*	(0.024)
Constant		0.946***	(0.048)	0.885***	(0.056)
N (CT/CSDs)			2091		1950
N (individuals)			3368		3040
Rsq			.044		.050

Cells contain coefficients from OLS regressions with standard errors (corrected, based on the number of CT/CSDs) in parentheses. Contextual variables are in italics. [a] p <.10, * p <.05, ** p <.01, *** p <.001. Coefficients significant at p>.10 are in bold. Results are based on combined First Wave and Metro Oversample, unweighted.

TABLE 2C

Modelling Support for Social Programmes: Pensions

Independent Variables	**Dependent Variable : Pensions**			
	Without Trust		*With* Trust	
Trust				
Trust in Individuals	–		0.031	(0.028)
Trust in Government	–		0.061*	(0.031)
Ethnicity				
R is Visible Minority	0.012	(0.047)	0.022	(0.050)
Visible Minority (prop)	0.057	(0.038)	0.055	(0.041)
Interaction	-0.128	(0.087)	-0.148	(0.095)
Language				
R is French	0.006	(0.036)	0.008	(0.037)
Quebec (dummy)	0.001	(0.028)	0.015	(0.031)
Interaction	0.002	(0.047)	-0.010	(0.050)
Economic Situation				
Economic Outlook	-0.052**	(0.018)	-0.056**	(0.019)
Household Income	-0.040**	(0.011)	-0.040**	(0.013)
Median Income	-0.722	(0.708)	-0.813	(0.735)
Income Diversity	-0.119	(0.092)	-0.102	(0.097)
Other Contextual Vars				
Education (prop>HS)	-0.014	(0.077)	-0.032	(0.083)
Mobility (prop, 5yrs)	-0.087	(0.054)	-0.077	(0.057)
Population Density	0.003	(0.003)	0.003	(0.003)
Basic Demographics				
Female	0.058***	(0.011)	0.061***	(0.012)
Age (30-49)	0.091***	(0.015)	0.095***	(0.016)
(50-65)	0.176***	(0.018)	0.182***	(0.019)
(66+)	0.240***	(0.019)	0.254***	(0.021)
Educ (Finished HS)	-0.054**	(0.017)	-0.046*	(0.018)
(Started Col/Uni)	-0.030	(0.019)	-0.020	(0.021)
(Finished Col/Uni)	-0.052**	(0.016)	-0.048**	(0.017)
Religion (Catholic)	-0.017	(0.016)	-0.020	(0.017)
(Protestant)	0.006	(0.016)	0.000	(0.017)
Immigrant	-0.018	(0.017)	-0.020	(0.018)
Health	-0.006	(0.017)	-0.007	(0.018)
Constant	0.749***	(0.036)	0.704***	(0.043)
N (CT/CSDs)		2089		1948
N (individuals)		3361		3034
Rsq		.094		.096

Cells contain coefficients from OLS regressions with standard errors (corrected, based on the number of CT/CSDs) in parentheses. Contextual variables are in italics. [a] p <.10, * p <.05, ** p <.01, *** p <.001. Coefficients significant at p>.10 are in bold. Results are based on combined First Wave and Metro Oversample, unweighted.

Trust is an attitudinal prop for the welfare state. Each form is more important for some parts of the welfare state than for others, and neither is important for all domains. Interpersonal trust is a factor in support for EI/welfare and for health care, but not at all for pensions. In large, this pattern conforms to our expectations, as pensions seem to us to be the least moralized ground in the domain. Why health care should be more affected than EI/welfare is a mystery, however. Trust in government is important for pensions and health care, but not for EI/welfare. This strikes us as a reasonable complementarity to the pattern for interpersonal trust, in that the issue in both domains is more the government's ability to manage than individuals' propensity to abuse. That its impact is greatest in the health care domain also seems intuitively right.

What, then, of trust as a mediator of ethnic impact? The landscape is bound to be thinly populated. First, political trust cannot really be a mediator as it is scarcely affected by ethnicity or ethnic context. On pensions, there is no ethnic covariance to explain. This leaves a modest role for interpersonal trust in the domains of EI/welfare and health care. For EI/welfare, the positive individual-level effect of being francophone remains essentially unchanged but the negative contextual effect is reduced. For health care, the individual-level effect of being a visible minority is lessened only very slightly; as with EI/welfare, however, the contextual Quebec coefficient is smaller in magnitude. So there is some very mild evidence that the effects of ethnicity — or at least the effects of living in Quebec — are mediated somewhat by interpersonal trust. But this paper leaves most of the ethnicity-welfare state relationship unexplained.

4 • Discussion and conclusions

Is ethnic diversity an enemy of the welfare state? Evidence presented here suggests that it is not — at least not a particularly fearsome one. There is a link between ethnic diversity and support for social programmes, admittedly, but it does not operate in quite the way — and is certainly not of the magnitude — that previous research on other countries predicts. In short, while most aggregate-level work comparing countries or US states suggests a powerful, direct and negative link between ethnic diversity and support for social programmes, our individual-level evidence indicates that the link is weak at best.

In detail, our analysis seems to vindicate Miller (1995). Ethnicity affects interpersonal trust. At least as it is measured here, trust in individuals has an important contextual component, and ethnic

diversity appears to play a significant role. Figure 1 is particularly instructive — ethnic context affects strategic considerations of trust. The impact of ethnic diversity — or diversification — on both interpersonal trust and support for social programmes is conditional on the extent to which majorities and minorities overlap geographically. To the extent that minorities cluster geographically, they do not disturb majorities even as they enhance their own social capital endowments. In this sense, our findings reaffirm Forbes' (1997) reading of the literature on the "contact hypothesis." Just as Forbes does, we find a divergence in outcomes across levels of aggregation. Forbes argues that as you go from the individual to the ethnically-characterized context, the story gets worse. Our contextual analysis of trust, although not itself about ethnic attitudes as such, corresponds to his account. But as we make the next move, from the local context to the national arena as a whole, the news gets better.

Thus ethnicity affects interpersonal trust, and at the second stage, trust has a positive and significant effect on support for most social programmes. Miller's argument that social programmes present a collective action problem that interpersonal trust helps resolve is strongly supported by the powerful impact of trust on programme support. Anything that erodes trust therefore has the potential to erode support for the redistributive state. In our data, however, this does not add up to a strong, consistent relationship between the ultimate independent variables — ethnicity and ethnic context — and the ultimate dependent variable — support for the welfare state. Indeed, the impact is decisively small: based on coefficients in Tables 1 and 2a, moving from 100% majority to 50% majority leads to a decrease in aggregate support for unemployment and welfare of about .0025%.

From a policy perspective, this evidence suggests that Canadian governments can maintain expansive immigration programmes and promote multiculturalism without necessarily eroding national support for social welfare programmes. Policies suggest that Canadian governments have assumed this is true. This conclusion is by no means obvious, however. It runs counter to the growing body of literature describing the link between increased immigration and decreased support for social welfare in Western Europe (e.g., Kitschelt 1995; Carens 1988, discussed above). It runs counter to the experience in many other countries, including the United Kingdom and Australia, where residency periods for social benefits have been lengthened. And it runs counter to the role of social diversity in the politics of social policy in the United States.

Are Canadians exceptional in their ability to accept both diversity and an expansive welfare state? There exist no sufficiently

similar individual-level studies in other countries with which to compare our results. From what we can infer from aggregate-level studies, however, Canadians do seem to react differently — or at least less — to increasingly levels of ethnic diversity. Why is this the case? Our results point towards no clear answer, but a number of possible factors suggest themselves. One possibility is the high level of geographic concentration of immigrant minorities in certain regions and especially certain urban areas. The crucial question may be: If Canadian neighbourhoods were more ethnically diverse, would Canada reflect the same apparent acceptance of both diversity and a redistributive welfare state? We suspect that the answer is still yes. There appears to be no direct impact of ethnic diversity on support for social welfare programmes. To the extent that there is any impact at all, it is through interpersonal trust; and although, the impact of diversity on support for the welfare state is in the same direction as in other countries, the magnitude of that impact is decidedly small.

Other possible explanations present themselves. One is the structure of the Canadian welfare state itself. In comparison with continental Europe, social spending represents a smaller proportion of the Canadian GDP; and in comparison with countries such as Australia and the United States, Canadian social policy relies less on means-tested benefits, for which poor immigrants might qualify immediately on arrival. Another possible factor is the historical pattern of relatively rapid economic integration of immigrants in Canada, with the resulting short periods of dependence on social support. If this has been an important factor, it represents another reason why the poorer economic performance of immigrants during the 1990s is an ominous development. But perhaps the most intriguing possibility centers on the role of national identity in Canadian life. Our results do not represent a complete test of Miller's argument, neglecting as they do the extent to which national identity may moderate the divisive potential of social diversity by building trust across culturally distinctive groups. In discussing multinational countries such as Canada and Switzerland, Miller argues that the key issue is whether such countries nurture a common national identity alongside communal ones. There are several possibilities here. Perhaps a national identity that has from its inception encompassed different nationalities may be a critical component in Canadians' relative acceptance of increasing diversity. And perhaps Canadian immigration, naturalization and multicultural programs are particularly effective in building a sense of identity among new arrivals. We plan to extend our analysis to incorporate the role of national identity in the context of multicultural diversity in the next stage of this research.

The sources of Canadian distinctiveness remain elusive, but understanding them is of more than local significance. The viability of a multicultural welfare state is an international issue, and the implications of the Canadian experience go well beyond the country's borders.

Appendix

This appendix lists the details for each variable used in preceding analyses. Where necessary, question wording is included. The table that follows includes basic descriptives for these variables.

1. Ethnicity

Visible Minority: dummy variable, =1 if respondent is a visible minority, based on Census definition (includes all individuals except aboriginals who are non-Caucasian in race or colour).

Visible Minority %: % of respondents' CT/CSD who are visible minorities, based on the Census definition (as above)

2. Language

French: dummy variable, =1 if respondent is French

Quebec: dummy variable, =1 if respondent lives in Quebec.

3. Trust

Trust in Individuals: based on the following question: "Say you lost a wallet or purse with $100 in it. How likely is it that the wallet or purse will be returned with the money in it if it was found by a [neighbour]? Would you say it is very likely, likely, or not at all likely?" The question is repeated four times, for a neighbour, a police officer, a clerk at the local grocery store, and a stranger; the variable is =1 for very likely, =.5 for likely, and =0 for not at all likely. The Cronbach's alpha for the four-item measure is.661; the alpha decreases if any single item is removed.

Trust in Government: based on the following questions: (1) "How much do you trust the government in Ottawa [or province] to do what is right?," (2) a 100-point feeling thermometer for the federal government, (3) "How much do you trust the government in [province] to do what is right?," and (4) a 100-point feeling thermometer for the provincial government. The four variables are given equal weighting in a 0 to 1 variable, where 1 is most trusting. The Cronbach's alpha for the four-item measure is .806; the alpha decreases if any single item is removed. Strikingly, the alpha does

not change dramatically when calculated by province. The link between trust in federal and provincial governments is weakest is Alberta, but the alpha here is still.715. The Quebec and PEI alphas are second lowest, at .769; the highest is .866, in Saskatchewan. While the variance in alphas fits with what we might expect across Canadian provinces, however, these differences are minimal. In short, there is a remarkably strong link between support for federal and provincial governments in all provinces.

4. Political variables

Voted for Governing Party: dummy variable, =1 if respondent voted for the winning party in the last federal (or provincial) election.

5. Economic situation

Economic Outlook: based on the following question: "What about the next twelve months? Do you feel your household's economic situation will improve, stay about the same, or get worse?; =1 if respondent feels their household's economic situation will improve over the next 12 months, =.5 if they feel it will stay about the same, and =0 if they feel it will get worse

Household Income (100000s): household income (or, where appropriate, personal income) as reported by respondent, converted to $100,000s

Income Diversity: proportion of households in respondents' CT/CSD earning less than $10,000 and more than $90,000 (about the 10th and 90th percentiles for the majority of census subdivisions).

Median Household Income (100000s): median household income in respondents' CT/CSD, converted to $100,000s.

6. Other contextual variables

Education: proportion of individuals in respondent's CT/CSD with more than a high school diploma (started, but not necessarily finished, college or university).

Mobility: proportion of individuals in respondent's CT/CSD who moved in the five years previous to the 1996 Census.

Population Density: number of individuals divided by the number of square kilometres for individual's CT/CSD. This variable is heavily skewed to the right, so the log values are used.

7. Basic demographics

Female: dummy variable, =1 if respondent is female.

Age: dummy variables for 30 to 49, 50 to 65, 66 and over; residual category is <30 yrs.

Education: dummy variables for finished high school, started college or university, and finished college or university; residual category is did not finish high school.

Religion: dummy variables for Catholic and Protestant; residual category is "other".

French: dummy variable, =1 if respondent is French

Immigrant: dummy variable, =1 if respondent is an immigrant

Health: self-reported health, based on the following question: "Compared to others your age, would you describe your health as excellent, very good, good, fair, or poor?," rescaled from 0 to 1 where 1 is excellent and 0 is poor.

8. Social welfare policy measures

These measures are described in the text. The Cronbach's alpha for the EI/welfare measure is.540; the alpha decreases if any single item is removed. The alpha for the pensions measure is.309.

TABLE A1

Descriptives

Variable	N	Mean	SD	Min	Max
Female	5152	0.538	0.499	0.000	1.000
Age	5152	1.175	0.968	0.000	3.000
Education	5036	2.840	1.154	1.000	4.000
Religion	4657	1.037	0.755	0.000	2.000
French	5152	0.176	0.381	0.000	1.000
Immigrant	5093	0.222	0.415	0.000	1.000
Health	5096	0.552	0.329	0.000	1.000
Visible Minority	5152	0.131	0.337	0.000	1.000
Prop. Visible Minority	5142	0.140	0.163	0.000	0.519
Economic Outlook	4976	0.598	0.316	0.000	1.000
Household Income (100,000s)	3790	0.516	0.495	0.000	8.000
Median H'hold Income (100,000s)	5142	0.045	0.009	0.000	0.102
Income Diversity	5109	0.182	0.653	0.000	0.618
Education (Prop>HS)	5142	0.510	0.962	0.000	0.910
Mobility	5142	0.428	0.129	0.000	0.831
Population Density (log)	5143	5.827	2.715	-5.186	9.642
Wallet (all 4 combined)	4738	0.630	0.232	0.000	1.000
Political Trust (Fed & Prov)	4683	0.451	0.201	0.000	1.000
Voted for Govt Party (Fed)	5152	0.294	0.456	0.000	1.000
Voted for Govt Party (Prov)	5152	0.249	0.433	0.000	1.000
EI/Welfare	4784	0.580	0.208	0.000	1.000
Health	5136	0.729	0.428	0.000	1.000
Pensions	5109	0.700	0.333	0.000	1.000

Results based on combined First Wave and Metro Oversamples, unweighted.

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3

Comments on Miller and Soroka, Johnston & Banting

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It is, I take it, the shared hope at this conference that the commitment to social welfare will *not* prove incompatible with cultural and linguistic diversity: given that we live and will continue to live with the latter, it would be pretty disturbing if these turned out to be in conflict. On this score, the arguments from both papers are reasonably encouraging. Between them, they address three questions. Is there reason to think that cultural diversity makes it harder to achieve a consensus on principles of economic justice? Is there reason to think that people become less trusting of others when they live in societies that are ethnically and linguistically diverse? Is there reason to think that a high level of ethnic diversity correlates with reduced support for social programmes? In essence, the answers are no, yes, and no: no, cultural diversity does not mean major disagreement regarding principles of distribution; yes, there is a diminution of interpersonal trust as societies become more ethnically and culturally diverse; but no, this does not translate in any automatic way into reduced support for social programmes.

1 • Which differences?

David Miller's paper addresses the first question through a survey of literature on cross-national comparisons — Americans and Hong Kong Chinese, Australians and Japanese, Americans and Indians — and finds "no reason to think that people use wholly different conceptions of justice when asked to solve some distributive problem". On what he presents as the three basic principles of distributive justice — equality, need and merit — there seems to be no great divergence, even between countries thought to occupy significantly different positions on a spectrum of individualism through to collectivism. There is some indication that those in more collectivist (but

also poorer) societies prefer a needs- based distribution, and this tendency is particularly heightened for poorer individuals in poorer societies, like women in India. There is some tendency for those in Japan and Korea to link merit to seniority rather than productivity. But the variations are not enormous, and they provide no strong basis for thinking that "people belonging to different cultural groups might be unable to agree on principles of social justice to regulate their common social and political institutions".

This is encouraging, though it is not clear to me how far it goes in addressing what I take to be the main object of concern, which is cultural diversity *within* rather than between countries. It would be rather surprising, for example, if Indians living in Britain (who tend, on average, to be better qualified and working in better paid occupations than their white counterparts) continued to exhibit a preference for needs- based over merit-based distribution; it seems more plausible to imagine that conceptions of social justice will evolve in new directions when people find themselves in new social contexts. To put this more generally, the causal connection between values and institutions is not just one way. It is not just that people adhere to certain principles of justice and then design their institutions to reflect these, but also that the experience of living under certain social arrangements (legislation, work-practices, systems of payment) generates and sustains particular systems of value. If so, one would hardly expect people to retain in pristine form the conceptions of social justice that predominate in their countries of origin.

This anticipation is confirmed by a considerable body of evidence on generational differences within migrant communities, which indicates that the values espoused by older migrants are often at odds with the values of a younger generation born and brought up in the new country of residence. To give just one example, recent research carried out among Bangladeshi and Pakistani communities in London and Bradford on "Community Perceptions of Arranged Marriage" revealed a significant divergence between older and younger respondents (Samad and Eade 2003); and while the findings do not tell us much about views on *economic* justice, they still suggest quite a lot about individualist and collectivist values. The younger respondents are more overtly individualist than their elders in their attitudes towards marriage; while not particularly objecting to the role played by parents or grandparents in proposing suitable marriage partners, they are clear that marriage is ultimately a matter for the individual to decide. Equally interesting is that while the younger people mostly agree with the elders in their community that it makes sense to marry someone with the same religion or from a broadly similar ethnic group, they have little time for the idea that a marriage part-

ner should come from the same caste group or same area of origin in the Indian sub-continent; and they are thoroughly out of sympathy with what they see as their elders' confusion of culture with religion. They see their parents as seeking to rescue them from the corrupting influences of Western culture by persuading them into marriage with someone from back "home". For the younger generation, this is not a good basis for marriage. They define themselves as Muslim and Western, and no longer identify with the usually rural culture of their parents' birth place.

Two points emerge from this that are relevant to our discussions. The first is that cross-national comparisons may be of limited relevance in considering whether cultural communities *within* a given country espouse different conceptions of social justice; this is acknowledged in David Miller's paper, but not perhaps given enough weight. The second is that people may differentiate strongly between an "in-group" and "out-group" for one purpose (in this case marriage) without this implying anything very substantial about which groups they are inclined to trust. When the young people in question say it is better to marry someone of the same religion, and better to marry an Asian than a non- Asian, they could be said to be reflecting rather sensibly on the difficulties of marriage across religious and ethnic lines. But they are not saying they would not trust anyone outside that group as work colleagues or neighbours; they explicitly question the assumption that they are so different in "cultural" terms from their non-Asian contemporaries; they are just saying that it is better to restrict yourself when it comes to marriage. Note here that we don't usually think an unwillingness to *marry* "outsiders" necessarily translates into an unwillingness to support social programmes that will benefit them. We tend to think that the parochialism of most people's marriage choices — same class background, similar level of educational achievements, same ethnic group — can coexist with strong support for a welfare state; and I cannot call to mind any research that tries to link the tendency to marry within one's "group" with a resistance to welfare spending. Yet we do tend to think — we are indeed invited by the conference topic to consider — that some kinds of in-group/out-group division could have serious consequences for support of the welfare state. Before jumping too readily to this conclusion, we should perhaps reflect more on the underlying assumptions.

2 • Does trust matter?

The relationship between ethnic and linguistic diversity, levels of interpersonal trust, and willingness either to trust the government or support redistributive social programmes is challenged empirically by Soroka, Johnston and Banting, in research that seeks to put flesh on what are otherwise vague intimations of concern. The overall results are, again, reasonably encouraging. It does seem that levels of interpersonal trust drop as diversity grows: ethnic majorities are less trusting when their community is more ethnically diverse; while "(m)oving to Quebec reduces a non-francophone's interpersonal trust to about one-eighth the maximum possible distance." (It is also the case that levels of interpersonal trust are lower when the respondents are poor or male; and it would be interesting to see how economic stratification maps onto either ethnic or linguistic diversity; we don't get this in the paper but it can presumably be teased out from the data.) But "there is hardly any ethnic story — even a theoretical one — for trust in government"; and the only story "worth telling" on the relationship between ethnic diversity and support for social programmes is that visible minority respondents and Quebec dwellers are less likely than others to support equal access to health care. The authors can trace "no direct impact of ethnic diversity on support for social services".

The suggestion in the paper is that the Canadian story may be unusual, so that while levels of interpersonal trust do decline with ethnic diversity, this is being countered by the development of a "multicultural" national identity that continues to sustain support for public programmes. This offers one possible line of enquiry, and fits in with David Miller's suggestion that cultural barriers can be overcome if we have access to an inclusive national identity that is not founded on cultural homogeneity. But I am worried about the potential circularity in an argument that starts with the presumption that interpersonal trust is an "attitudinal prop" for the welfare state, discovers no very close correlation between levels of interpersonal trust and either trust in the government or support for the welfare state, and concludes that there must therefore be something else at work sustaining the welfare state. An alternative conclusion might be that the importance both papers attribute to interpersonal trust is over-stated. Maybe levels of interpersonal trust are no more a key indicator of support for social welfare than the willingness to marry outside one's ethnic/religious/class group? Maybe the capacity to identify with others — not, after all, hugely strong in class-ridden Britain even at the height of public support for the welfare state — is not such an important element in explaining attitudes to the welfare state?

The other optimistic story that is sometimes told of ethnic diversity is that people living in ethnically and culturally mixed neighbourhoods become more willing to perceive the ethnically different "others" as like themselves than those who live in more homogeneous communities. But we cannot really get at this from the otherwise very interesting evidence presented in Keith Banting's paper. As it stands, the influence of individual trust is measured through a "wallet test" that implies geographically contained neighbourhoods, with the proportion of visible minorities within these neighbourhoods seen as a possible trigger for change. But if the underlying issue is majority reaction to ethnic diversity, we would also want to get at the impact on majority individuals of living in a *country* with a high proportion of visible minorities, but not in a *neighbourhood* with a high proportion. It is surely possible that majority individuals living in localities that contain very few minority members might continue to show high levels of interpersonal trust, but still live in a state of profound "distrust" in relation to real or imagined communities elsewhere, seen perhaps on television or glimpsed on visits to metropolitan centres. This more generalised feeling of "distrust" seems to have no outlet in either of the two measures of trust constructed in the article.

3 • Culture and "race"

We need, in my view, to ask why some forms of "otherness" are more readily accommodated than others; and whether there is a danger of mistaking racism for cultural unease or mistrust. Miller notes interesting research that indicates that white people are less likely to help black people than they are to help other white people — but only when they can justify their behaviour to themselves as not about race. Presumably the story they tell themselves is that black people are more likely to be criminals, or more likely to be violent; nowadays, the story may also be that black people are culturally incomprehensible. As "culture-racism" increasingly substitutes for the biologisms of an earlier period, people are less willing to say they see people as different because of the colour of their skin, and more likely to stress the barriers of culture, ethnicity, language. The language of "diversity" may then help make the racial component less visible. It may encourage us to think we are addressing a common human phenomenon of identification (that we identify more easily with those most like us) rather than relations of power. Much of the general literature referred to at the beginning of Keith Banting's paper seems to be about the relationship between levels of immigration and support for the welfare state. Yet if there is, as suggested, a

depressingly inverse relationship between these two, this may have less to do with perceptions of cultural or ethnic difference, and more with cruder perceptions of "race".

The starting point of any enquiry builds in certain presumptions. In this case, it encourages us to focus on culture and language as the main axes of difference — overshadowing for the moment divisions by class, gender or "race" — and to anticipate that cultural diversity will undermine relationships of economic solidarity. When the anticipations (the worst fears) are not borne out, we then turn to something else to explain why not. In both these papers, the suggestion is that there may be some new kind of inclusive national identity that holds what otherwise might tear us apart. I am not wholly out of tune with this as a conclusion, but there is a circularity in the arguments that causes me concern.

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4

Do multicultural policies erode trust in redistributive programs? Questions for Miller and Soroka, Johnston & Banting

Andreas Follesdal

Does multiculturalism pose new threats to the welfare state? Soroka, Johnston and Banting, and Miller, address important and contested issues within this broad question. In light of what I take to be the focus of this Francqui Prize Conference — and Philippe Van Parijs own concerns — I want to address the authors' contribution to a somewhat narrower question, namely whether multicultural *policies* (MCP in the broad sense explored by Banting and Kymlicka) pose *additional* threats to the *redistributive* institutions and programs characteristic of welfare states.

The authors explore alleged claims that multiculturalism threatens or breaks existing causal mechanisms crucial to the long term stability of the welfare state:

Common national culture	→	common identity	→	(interpersonal or political) trust	→	support for redistributive programs

Soroka, Johnston and Banting provide much needed empirical research on the relation between individual attitudes regarding diversity in a multicultural society and support for redistributive welfare arrangements, including those that pose moral hazard, — in the case of Canada. In addition to the methodological stringency of the research, I particularly want to stress the distinctions and connections they explore between interpersonal trust and political trust in government — for instance, that it is not obvious that political trust is best conceived as (or created by) generalized interpersonal trust. The role of institutions in creating and maintaining trust — a long standing concern of political philosophers — deserves close attention also

when exploring the impact of multiculturalism on the welfare state, especially regarding MCP and redistributive institutions.

Soroka, Johnston & Banting's overall finding seems to be that ethnic diversity is not a strong threat to trust and welfare arrangements. Yet ethnic context, especially geographically overlapping populations, has some impact on interpersonal trust. And there are clear correlations between interpersonal trust and support for welfare programs. Among the interesting hypotheses they hint at, is that MCP may continue to pose little of a threat to redistributive policies if the welfare institutions are carefully crafted. For instance, they note that the expenditures are lower in Canada than in Europe, less means-tested than in the US, and that the institutions secure rapid economic integration of immigrants. All these features may remove grounds for suspecting abuse, hence facilitating widespread trust that the arrangements are not abused.[1]

David Miller explores implications of multiculturalism in the sense of individuals regarding themselves as belonging to distinct cultural communities. Multiculturalism poses a challenge to Rawlsian normative theories of distributive justice under pluralism. These theories require citizens to share a sense of justice: each individual must be prepared to act on principles P toward all other persons within domain D. The real challenge as he sees it is not whether there is or can be sufficient overlapping consensus across such communities regarding P, the terms of fair coexistence, for there seems to be room for such consensus on the substantive content of a sense of justice. Instead, the main challenge is that members of each cultural community will only include their fellow community members within D, instead of including the whole citizenry. The lack of a shared national identity in this sense hinders trust in the general compliance with redistributive arrangements.

Four observations on the two stimulating papers may identify areas for further research:

The definitions of "culture" and "identity" are somewhat underdeveloped, making it at times difficult to grasp the argument and assess the evidence cited. For instance, some of the evidence adduced draws on studies of ethnic groups or "visible minorities", where the extent of shared culture and the impact of unjust discrimination may make the findings inappropriate for the causal arguments made.

Miller's command of the empirical cross-cultural research on norms is a great asset in this field. However, his measured optimism regarding the existing overlapping consensus on social justice norms should perhaps be even more measured. He cites studies on the

1. For elaboration of such considerations, *cf.* Bo Rothstein. (1998).

weight of need, merit and equality in one-shot acts of distributing goods, across "individualistic" and "collectivistic" societies. Leaving aside my worries concerning whether prominent normative theories fit well into either of these categories, it is not clear that these findings shed light on the extent of actual agreement regarding the distributive principles for institutional allocation of certain goods — particularly since the relative weighting of the three principles in different areas of application seem to differ drastically.

It is not clear in Miller's paper that the challenges to the actual existence of, or maintenance of, a shared sense of justice only arise under multiculturalism: they would seem to exist within any population with subsets sharing philosophical/religious views or conceptions of the good life. Wouldn't the same — possibly flawed — response be available, namely that yet the significance of such membership for the individuals' sense of a meaningful life is unproblematic as long as it does not prevent a sense of justice regarding shared social institutions among the citizenry as a whole? Is the worry that such constraints sap all significance from such communities? Again, the challenge would not be new, it seems, since similar worries have been raised by communitarians?

While we may agree about the causal chain sketched above, it remains to be argued more convincingly that the requisite trust cannot be maintained by other means that a "national culture", which would seem to be one of Miller's central claims Firstly, each person may well share in several, overlapping cultures, including some based on ethnicity, religion, profession, region, and shared institutionalized practices. Indeed, one might argue that most people "will see themselves as straddling two or more cultural groups". Therefore, the content of a requisite shared (political) culture deserves close attention. Secondly, there may be other mechanisms for securing the requisite trust in general conditional compliance than membership in a common culture. The roles of institutions in this regard deserve further attention. This also suggests that "culture" must be defined more precisely (for elaboration, *cf.* Follesdal (2000).

These observations do not detract from what I regard as important and plausible implications of the findings and arguments presented by Soroka, Johnston, Banting and by Miller regarding multicultural policies, namely the role of institutions in creating and maintaining necessary forms of trust among citizens. This concerns both the policies addressing multiculturalism and those regarding redistribution. We should consider the need to create trust when crafting multicultural policies, for instance worry about setting up special institutions for groups if the result is to prevent day to day interaction and hence understanding and respect, among ordinary

citizens and elites. And we must consider carefully whether to economize on trust when crafting redistributive arrangements.

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5

Solidarity in heterogeneous communities

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1 • Introduction

The relationship between individual heterogeneity and economic development is a complex and arcane one. In what follows I will focus on one particular aspect of this relationship, namely the impact of heterogeneity on economic solidarity, intended in the special sense of willingness to share a common good and to contribute resources for its provision. I will start by reviewing some of the extensive work on individual incentives to contribute to local public good provision within existing communities, i.e. when the composition of the beneficiaries is exogenously given, and will then move to recent contributions in which the set of people joining a group or community is endogenously determined. Most of the existing economic literature on the subject considers economic heterogeneity, e.g. income inequality, but this can be a useful departing point for understanding other forms of social diversity, to the extent that the latter are associated with different costs and benefits from collective action in a similar way as are income or wealth differences. The results on economic heterogeneity will not always extend to other forms of heterogeneity (e.g., ethnic), as the two are often but not always correlated. Obviously, any such association will be at the expense of more subtle analyses of the cultural and psychological dimensions of heterogeneity, but those go beyond the scope of the current analysis.

2 • Theoretical framework

2.1 Heterogeneity and public good provision

The traditional literature on public goods has looked at the impact of economic heterogeneity on aggregate contributions,

hence on efficiency in public good provision. The so called "neutrality theorem" by Bergstrom *et al.* (1986) shows that under the assumption that everyone consumes the public good in the same amount and that individual contributions are perfect substitutes in its production (i.e., in the case of a "pure" public good), and provided that the set of people contributing to the good does not change, small redistributions of income should not affect the aggregate provision of public goods. The reason for this "neutrality" of redistributive policies is that individuals should change their contributions accordingly so that aggregate provision is unchanged.

A well-known argument by Olson (1965) poses that in the more general case of "collective" goods, when the extent to which individuals benefit from the good depends on their initial endowments, the effect of increased inequality on collective action may indeed be positive. For given group size, when the share of the benefits is positively related to individual wealth, richer members have more incentives to contribute resources and/or to monitor others. Higher inequality would in this case alleviate the free rider problem and lead to increased public good provision.

Recently, Baland and Platteau (1997) have shown that the assumption that the group providing the collective good remains stable through time is crucial for the above result to hold. If members are allowed to quit, increased inequality may worsen the free rider problem for the poor and lead to *less* collective action because the set of contributors may shrink substantially.

Dayton-Johnson and Bardhan (2002) propose a noncooperative model of conservation of common pool resources in which next period's payoffs depend on current exploitation of the resource by heterogeneous players. They show that the relationship between asset inequality and economic efficiency is U-shaped. At very low levels of inequality, no one has an incentive to over-exploit the common resource, conditional on other people not over-exploiting it, because everyone's share in next period profits is high enough. As inequality increases, more and more poor people will find it convenient to over-exploit the resource because their claims on future profits would be too small. As inequality increases further, the shares of rich players become so high that they will conserve regardless of poor players' behavior, with the extreme result of full efficiency when one player owns the whole resource and free riding is eliminated.

In a recent contribution Bardhan, Ghatak and Karaivanov (2002) examine a context in which there are market imperfections in inputs that are complementary to the collective goods: production involves a private and a public good and the marginal gain from

contributing to the public good increases with individual endowment of the private good (e.g., with wealth). In this case only people whose wealth exceeds a given threshold will contribute to the provision of the public good, so when assessing the impact of heterogeneity it is important to distinguish between redistributions that occur *within* the group of contributors and those that occur between contributors and non-contributors. Redistributing wealth from some poor who do not contribute to richer players who do should increase aggregate provision of the public good, in line with Olson's argument. However, if individual contributions are a concave function of wealth, then joint surplus is maximized by *equalizing* wealth within the group of contributors.

While the above models provide a rather in depth analysis of the ambiguous relationship between collective action and economic inequality, it is not clear to what extent the same conclusions can be generalized to other types of heterogeneity. The most straightforward extension would be to view each income or wealth category as a separate "type" and ask whether changes in "type heterogeneity" can be viewed as changes in income or wealth inequality. Unfortunately the translation is not straightforward. Think for example of a society in which there is one very rich player and N-1 equally poor ones. This situation is associated with a high degree of inequality, and according to Olson would lead to a relatively high provision of the public good. However, the above society would not be considered as very heterogeneous in terms of types: out of N people, N-1 are exactly equal and there is only 1 member of the minority group. Suppose that heterogeneity is measured by the fragmentation index

$$F = 1 - \sum_i s_i^2 \qquad (1)$$

where s_i is the share of type i in the total population. Then the above setting would be associated with a very low, not a very high, degree of heterogeneity. On the other hand, to the extent that types (e.g., racial groups) matter for public good provision only through their contributing capacity, then the inequality framework remains generally applicable.

A theory for linking directly "heterogeneity in types" to public good provision has been proposed by Alesina, Baqir and Easterly (1999). The authors propose a model in which the population is divided into several types that have to share the same public good but have different preferences over the kind of good to be provided. The good is financed through a lump sum tax that is the same for everybody, and decisions on the kind and the amount of public good to be provided are taken by majority vote. In this setting the amount of

public good chosen in equilibrium is decreasing in the average distance from the type of good preferred by the median voter, which is an indicator of preference heterogeneity. Compared to previous models of public good provision, the main innovation is the role played by preferences, which makes this model widely applicable to a variety of contexts. Two aspects are left unexplained in the model of Alesina *et al.* (1999). One is why preferences over public goods differ for different types, e.g. for different ethnic or racial groups. The second is the fact that the size and composition of the community is taken as given, hence people cannot respond to increased heterogeneity simply by quitting the community or joining another one.[1] In what follows we turn to models that allow for this latter possibility.

2.2 Heterogeneity and community formation

How is heterogeneity related to individual decisions to form a community or a group? Roughly speaking, one can think of two reasons why an individual may join a group. First, he or she may derive utility from participating per se: I will refer to this as the *preference* approach. Second, the individual may derive utility from consuming a good which the group provides to its members, something that may go under the label of *consumption* approach.[2] In both approaches, it is likely that the individual decision to join the group is affected by the heterogeneity of the other potential members of the group, but for different reasons. According to the preference approach, heterogeneity should enter the individual utility function directly, and the impact of increased heterogeneity on an individual's decision to join depends on whether he or she likes or dislikes diversity. According to the consumption approach, on the other hand, heterogeneity will affect participation if and only if it affects the quantity or quality of the good provided by the group and/or the cost borne by the individual.

La Ferrara (2002a) presents a model in which heterogeneous individuals can choose to join a group which provides an excludable good to its members, and derives predictions on the equilibrium composition of the group and on its size under two alternative access rules. The first is one of "open access", by which anyone can join provided he or she pays the cost. The second rule instead allows the members of the group to exclude someone by majority vote. She shows that an increase in income inequality has an ambiguous effect both on group composition and on aggregate levels of participation, and that the type of access rule is key in determining what income categories are represented in the group. In particular, open access groups will be formed by relatively poor individuals, while the composition of restricted access groups will be unbalanced in favor of the relatively

1. This aspect is common also to the collective action models reviewed above.
2. This approach is closest to the models of public good provisions described above. However, in the models of group formation outlined below it will be assumed that non-members are excluded from the consumption of the (impure) public good.

rich. The impact of increased inequality on participation is ambiguous and depends on the access rule and on the shape of the income distribution. In particular, aggregate membership decreases under open access when heterogeneity increases in the lower part of the distribution, while participation can actually *increase* under restricted access if the upper part of the distribution is sufficiently skewed.[3]

Turning to the "preference" approach, Alesina and La Ferrara (2000) consider a setting in which individuals prefer to interact with others who are similar to themselves in terms of income, race or ethnicity.[4] Even in this setting, it is not obvious that total participation in a mixed group decreases if fragmentation increases. Consider the effect of a decrease in the share of majority type in the population, and an increase in the share of the minority type, i.e., an increase in the fragmentation index (1). The effect on total participation depends on whether the loss of majority type participants is more than compensated by the increase in minority participation. The implications of an increase in heterogeneity are also complicated by the possibility of sorting into homogeneous groups. If sorting has some costs, for instance transportation costs, then even when multiple groups are possible more fragmentation may lead to less participation.

Alesina and Spolaore (1997), study the effect of heterogeneity on the number and size of communities (countries). They explain the formation of a country as a compromise between the advantages of having a larger "scale" and the costs associated with increased preference heterogeneity resulting from a larger population. Benefits of size include larger internal markets, economies of scale in the production of public goods, internalization of policy externalities, and regional insurance schemes. The costs of heterogeneity arise because in large and diverse countries individuals with different preferences have to share common policies, so the average distance between the policy preferred by each individual and that chosen by the median voter increases with heterogeneity.

I now turn to some empirical evidence on the relationship between heterogeneity and public good provision, first, and then between heterogeneity and community formation.

3 • Empirical evidence

3.1 Heterogeneity and public good provision

The U-shaped relationship between inequality and collective action suggested by the theories outlined in section 2.1 has been val-

3. The key difference between the "explicit" restricted access regime in La Ferrara (2002a) and the "implicit" restrictions generated by the numerous papers in the multi-community literature (e.g., Epple and Romer (1991)) is that while in those models the residents of a community have to stand the same tax rates (or levels of public goods) they set to keep out somebody, in the model of La Ferrara (2002a) there are no "negative externalities" for group members deriving from the process of exclusion. This can lead to more segregated groups or communities.

4. If preferences are correlated to these characteristics, then this assumption is equivalent to saying that people prefer to join groups composed of individuals whose preferences are similar to their own.

idated by several empirical studies. Using data on 48 Indian water irrigation communities, Bardhan (2000) finds that land inequality is generally associated with lower cooperation in water allocation and in the maintenance of the canals, but there is also evidence of a weak U-shaped relationship between these variables. Dayton-Johnson (2000) finds similar results for irrigation projects in Mexico. In particular, he finds that canal maintenance[5] is worse the higher is social heterogeneity (proxied by the number of different farming communities represented in the same maintenance unit) and the more unequal is the distribution of land. He also finds that the choice of the distributive rule matters. Recent work by Khwaja (2000) sheds further light on this issue by using original data on 132 community-maintained infrastructure projects in Northern Pakistan, the complexity of which ranges from simple irrigation channels to sophisticated electricity units. He finds that both land inequality and inequality in realized project returns have a U-shaped relationship with project maintenance. Furthermore, "social heterogeneity" — measured as the fragmentation into different clans, political and religious groups — is negatively associated with project maintenance. The "message of hope" in Khwaja's empirical results is that good task design seems able to (potentially) compensate for fragmentation in allowing heterogeneous communities to succeed in collective action.

A recent paper by Miguel and Gugerty (2002) suggests a specific mechanism through which heterogeneity may harm public good provision in poor countries, namely social sanctions. Their focus is on ethnic as opposed to economic heterogeneity. In areas with weak legal enforcement, most informal transactions rely on the availability of "self-enforcing" mechanisms related to repeated interaction and reputation, as well as on the imposition of social sanctions on deviant members on behalf of their communities. Miguel and Gugerty assume that such sanctions are more effective if imposed *within* ethnic groups than *between* groups. They find support for this hypothesis in their data, collected in rural western Kenya, where primary school committees exert less pressure and impose fewer sanctions on parents who do not pay school fees and generally do not contribute to school needs, compared to committees in more homogeneous areas. Their key finding is that local ethnic diversity is associated with lower school funding (especially at public fundraising events) and lower school facilities.[6]

La Ferrara (2002b) studies the role of heterogeneity in the context of production cooperatives using a unique dataset on "self-help" groups with income generating activities collected in the informal settlements of Nairobi in 1999. Although these groups do not provide a pure public good to the community, the high degree of

5. Canal maintenance is measured by three indicators: the state of repair of field intakes, the degree of definition of canal side-slopes, and the amount of water leakage around the canals.

6. To account for the potential endogeneity of household sorting among schools, they measure ethnic diversity through residential composition in the surrounding areas (which has remained fairly stable in Kenya since the nineteenth century).

interdependence among the members (often in the form of cost and profit sharing arrangements) makes them an interesting application for the purposes of the present analysis. Furthermore, for people who do not have access to the formal labor market and whose options in the informal market are relatively unattractive, the possibility of pooling resources and working in groups constitutes an important employment alternative, hence understanding the performance of such groups seems quite relevant for developing areas. The main feature of the data collected by La Ferrara (2002b) is that information is available on each and every member of the surveyed groups, which allows to construct exact measures of group composition in terms of income, education, age and ethnicity. The advantage of this methodology, compared one that infers within-group heterogeneity from the heterogeneity of the population at large, is that it accounts for the possibility that people sort into groups that are more or less heterogeneous than the whole population. By having a "census" of the entire group, the matching between group composition and individual or group outcomes can thus be estimated more precisely. One of the main findings of the analysis is that ethnicity matters for gaining access to group resources, especially in the form of cheap loans: members who share the same ethnicity as the chairperson are 20 to 25 percentage points more likely to borrow from the group or from other members. Furthermore, earnings inequality has a negative effect on the likelihood of borrowing, and this effect is particularly strong in groups that experienced financial losses, suggesting that when the available capital to lend is particularly scarce and members are not remunerated "uniformly" it may be difficult to reach consensus on who should get a loan.[7] Ethnic heterogeneity also seems to influence the organization of production: members of more ethnically heterogeneous groups are less likely to specialize in different tasks and more likely to all do the same job. Also, ethnically fragmented groups more often adopt remuneration schemes in which every worker gets the same fixed amount, rather than being paid on the basis of the amount of work put in. Again, this may be due to the relative difficulty of reaching consensus in heterogeneous groups. Finally, as in Miguel and Gugerty (2002), the ability to sanction members who free ride on contributions to the group is also lower in more fragmented groups.

Overall the above studies point to a problem of heterogeneous communities in facilitating collective action and good performance in the provision of common goods, which seem more severe the poorer the context of study. This constitutes and important obstacle to the process of economic development. But the evidence of a negative relationship between heterogeneity and collective action is not limited to developing countries.

7. This interpretation is reinforced by the fact that when loans from the group as a whole and loans from individual members are examined separately, earnings inequality has a negative impact on the former but not on the latter.

Alesina, Baqir and Easterly (1999) test the significance of racial fragmentation as a determinant of expenditure on public goods in US cities, combining Census and local governments expenditure data. They find that more heterogeneous areas spend a smaller share of their budget on roads, public education, and welfare: all goods that may be seen as "different in quality" from the goods that a homogeneous constituency would have selected. For the specific case of education, Poterba (1996) finds that government per child spending on K-12 education decreases with the fraction of the population aged 65 and above, and that this effect is strengthened when the difference between the fraction of nonwhite population aged 5-17 and the fraction nonwhite aged 65+ is included among the controls. This suggests an interplay of demographic and racial composition effects, as if older citizens were less inclined to spend on public goods that benefit younger generations when these generations belong disproportionately to a different race.

The next question to be addressed is whether there is evidence that, on top of harming public good provision by existing communities, economic or social heterogeneity harms the formation of such communities in the first place, especially for groups or communities whose special function is that of providing shared benefits to their members, with a high degree of interaction among them.

3.2 Heterogeneity and community formation

Using survey data from rural Tanzania, La Ferrara (2002a) examines the relationship between community heterogeneity and individual incentives to join economic, social and political groups within the village. She finds that villages where the distribution of assets is more unequal have lower participation rates, even after accounting for the potential endogeneity of inequality.[8] More interestingly, inequality acts differentially on rich and poor people: when inequality increases, it is the relatively richer who drop out of groups, possibly because they have less to gain. As predicted by the theory sketched in section 2.2, however, the impact of inequality on participation depends on the shape of the distribution of wealth and on the access rule to the group. By exploiting the different sensitivity of several inequality indexes to different quintiles of the income distribution, La Ferrara (2002a) shows that inequality *decreases* participation in open access groups when there are wide disparities at the bottom of the distribution, while it *increases* it in restricted access groups when the disparities are around the middle and top part of the distribution. Finally, this study also suggests that group functioning in more unequal communities displays the following features: decisions

8. Local rainfall data is used to instrument for inequality, given the sensitivity of agricultural production to mean precipitation rates and to rainfall variability.

are less often taken by vote; members tend to sort into homogeneous income and ethnic groups; they more often report poor group performance and misuse of funds; they interact less frequently, and in general they feel less encouraged to participate.

Using survey data for the US in the period 1974-1994, Alesina and La Ferrara (2000) estimate the determinants of individual propensity to join groups as a function of individual characteristics as well as community variables such as income inequality, racial fragmentation, and heterogeneity in ethnic origin in the metropolitan area where the respondent lives. All these three indexes of heterogeneity turn out to have a negative and significant effect on participation, and the reason can be traced back at least in part to the "preference approach" outlined in section 2.2. In fact, thanks to the availability of direct data on individual preferences regarding racial mixing (e.g., survey questions on whether one opposes mixed marriages, or would send his children to school with children of the opposite race, etc.), the authors can estimate the effect of racial fragmentation separately for the respondents who favor inter-racial interactions and for those who do not. Interestingly, the negative effect of fragmentation only holds for people relatively averse to racial mixing, as the theory would suggest.

While the above paper looks at the role of racial fragmentation in affecting participation in socio-economic groups such as parent-teacher associations, sports clubs, church groups, political groups, and others, the work of Alesina and Wacziarg (1998) addresses a related question at a more macro level, looking at the determinants of country size. They show that larger countries have a lower share of government consumption in GDP, and a lower share of education related expenditures. They interpret their findings in the light of the tradeoff between heterogeneity (which is generally increasing in country size) and economies of scale, as formalized in the model by Alesina and Spolaore (1997).

Finally, Alesina, Baqir and Hoxby (2000) study how several dimensions of heterogeneity affect the formation of jurisdictions in the US, focusing on school districts, school attendance areas, municipalities, and special districts. They do not find significant tradeoffs between religious or ethnic heterogeneity and economies of scale, while they do find significant evidence of such tradeoffs for income and —especially- racial heterogeneity.[9]

9. In the most recent version of the work, to take into account the potential endogeneity of racial heterogeneity with respect to jurisdiction formation, the authors exploit exogenous changes in racial composition generated by internal migrations during the two World Wars.

4 • Concluding remarks

In the face of theoretical models that predict an ambiguous impact of heterogeneity on public good provision and on the formation of groups that produce such public goods, the empirical studies surveyed above seem to consistently point in one direction: more unequal and more racially fragmented communities end up providing fewer public goods to their members (or goods of lower quality), and even the likelihood that mixed groups or communities do form seems negatively affected by heterogeneity. However, a number of important questions remain to be addressed.

The first is the degree to which heterogeneity can be considered as an *exogenous* attribute of a society, as opposed to a variable that becomes more or less salient depending on economic conditions. Socio-cultural identity is not inherited once and for all: it is transmitted through social interactions in which the nature of the participants and of the social norms that emerge in equilibrium is likely to respond to economic conditions. The often acclaimed notion of "ethnic identity" is itself often manipulated by political groups to include smaller or broader sets of people depending on what is convenient at a given moment. A better understanding of when and why heterogeneity becomes more or less salient is certainly among the very next research questions to be addressed. A first step in this direction seems to be the recent work by Caselli and Coleman (2002), who formalize ethnicity as a device that allows to enforce membership in well defined coalitions. In homogeneous countries, members of the losing coalition can easily defect and join the winning one without being "easily recognizable"; this is more difficult in heterogeneous countries, which makes them more prone to ethnic conflict. How the salience of ethnicity varies with the economic fundamentals, however, remains to be understood.

Related to this point is the question of how exactly heterogeneity should be measured. Alesina *et al.* (2002) provide several measures of fragmentation, in particular linguistic, religious, ethnic (which includes both linguistic and racial elements) and find that these measures do not all bear the same relationship to many variables of interest (e.g., quality of institutions). Recent work by Nopo, Saavedra and Torero (2002) takes an innovative approach by using survey data in which every respondent is assigned a score from 1 to 10 for each of the four main racial groups in Peru: White, Indigenous, Black, and Asian. This way heterogeneity can be measured through a multidimensional index of "racial intensity". Again, neither race, nor language or religion can be thought to be the universally relevant dimension over which collective action problems emerge. A better

understanding of how to measure heterogeneity in a meaningful way depending on the issue under study is in order.

Turning to theoretical issues, almost all existing models have emphasized the *costs* of heterogeneity, but it is conceivable that heterogeneity may also bring about economic gains. In a recent study, Baland, Dagnelie and Ray (2002) suggest that there can be complementarities among heterogeneous agents and study public good provision under different specifications for the production function of the public good. Their focus in on how the distribution of shares in the benefits of the joint production is related to the efficiency of public good provision, so it is not directly applicable to more general contexts. However, they reach the interesting conclusion that, contrary to the Olsonian prediction (according to which efficiency is maximized when one individual receives the full share of the benefits), when there is high *complementarity* among the inputs of rich and poor members higher disparities in income may lead to less efficiency. Preliminary empirical evidence by Ottaviano and Peri (2003) on a sample of US cities in the period 1970-1990 suggests that labor productivity, as measured by wages, increases with cultural diversity.

Finally, heterogeneity may play a strategic role in group formation. In their analysis of risk sharing groups, Genicot and Ray (2003) require that, in order for a group to be stable, no individual or *coalition* of individuals within the group should have an incentive to split. It would be important to study how an increase in members' heterogeneity affects the possibility to form "deviant coalitions", hence the stability of groups themselves.

The issues still open are many and important, but the challenge is worth taking, also for the profound policy implications that research in this area could have: if heterogeneity is credibly found to be associated with improved or deteriorated economic outcomes, the scope for economic policies that directly target heterogeneity (e.g., affirmative action, redistribution, etc.) is significantly increased.

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6

The Co-evolution of love and hate

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Abstract

Experimental and other evidence demonstrates that many individuals willingly give to strangers, reward good deeds and punish violations of norms by others even at a significant cost to oneself, and favor fellow group members over others. These behaviors exhibit aspects of both *altruism* — benefitting other group members at a cost to oneself— and *parochialism*, conditioning one's behavior towards others on the degree of similarity in ascriptive characteristics.

Both altruism and parochialism are puzzling from an evolutionary perspective as both would appear to reduce individual payoffs (whether fitness or material well-being) by comparison to other members of one's group who eschewed these behaviors. Lower payoffs, in turn, are expected to result in the elimination of these behaviors in a population governed by any dynamic in which lower relative payoffs result in a declining frequency of the behavior. The view advanced here is that altruism and parochialism co-evolved, each providing an environment favoring the evolutionary success of the other, and neither being singly capable of proliferation in human populations under conditions approximating those experienced by our Late Pleistocene ancestors.

The plausibility of this view is suggested by extensive simulations with an agent-based model of individual-level and group-level selection representing the long term evolution of human behaviors. Altruistic behaviors are modeled at both the individual and group level (groups practice varying degrees of resource sharing), while parochialism is captured by small group size, within- group social segmentation, group boundary maintenance resulting in limited inter-group migration, and hostility towards out group members.

> ...Selfish and contentious people will not cohere, and without coherence, nothing can be effected. A tribe possessing... a greater number of courageous, sympathetic and faithful members, who were always ready to warn each other of danger, to aid and defend each other... would spread and be victorious over other tribes...Thus the social and moral qualities would tend slowly to advance and be diffused throughout the world.
>
> Charles Darwin (1873), *The Descent of Man*, p. 134

> Whether.. the extra-group struggle.. takes the form of actual warfare or of still keener competition for trade and food supply, that group in which unchecked internal competition has produced a vast proletariat with... no "stake in the state" will be the first to collapse.
>
> Karl Pearson (1894), *Socialism and Natural Selection,* p. 17

1 • Introduction

Far from being uniquely modern, the welfare state is just the most spectacular example of a virtually ubiquitous aspect of society over the entire life course of anatomically modern humans, namely, the sharing of food, information, and other valued resources among genetically unrelated members of a group.[1] The frequent electoral endorsement of this process of sharing suggests that the altruistic predisposition to help those in need and to contribute to the pursuit of common goals is quite widespread.[2] Equally ubiquitous, both in modern society and over the millennia, is a predisposition to favor one's own kind in friendships, economic activities, mating, and coalitions, and to hold an unfavorable evaluation of "outsiders" and even a willingness to inflict severe harm on them.[3] These parochial predispositions are often manifested in and heightened by institutions governing residential patterns, access to resources, sexual reproduction, and inter-group warfare.

Both altruism and parochialism are puzzling from an evolutionary perspective, as both would appear to reduce individual payoffs (fitness or material well-being) by comparison to other members of one's group eschewing these behaviors. Lower payoffs, in turn, are expected to result in the elimination of these behaviors in any population governed by any dynamic in which lower relative payoffs result in a declining frequency of the behavior. The view advanced here is that altruism and parochialism co-evolved, each providing an environment favoring the evolutionary success of the other, and neither being singly capable of proliferation in human populations under

1. Presented at the Francqui Price Conference— Cultural Diversity vs Economic Solidarity — honoring Philippe Van Parijs, Brussels, 28 February -2 March, 2003. This paper draws on our joint work with Astrid Hopfensitz (Bowles, Choi, and Hopfensitz (2003)) as well as Bowles (2003). We are grateful for her contributions. We would also like to thank the MacArthur Foundation and the Santa Fe Institute for their support in this research. Author affiliations: Santa Fe Institute and University of Siena, University of Massachussets.
2. See Fong (2001) and the literature surveyed in Fong, Bowles, and Gintis (2003).
3. See Lazarsfeld and Merton (1954), Thibaut and Kelly (1959), Homans (1961), Tajfel, Billig, Bundy, and Flament (1971) and the literature summarized in Bowles and Gintis (2000). Yamagishi (2002), however, shows that negative evaluations of outsiders need not motivate expermimental subjects to treat outsiders in disadvantageous ways.

conditions approximating those experienced by our Late Pleistocene ancestors.

The plausibility of this view is suggested by extensive simulations with an agent-based model of individual-level and group-level selection representing the long term evolution of human behaviors. Altruistic behaviors are modeled at both the individual and group level (groups practice varying degrees of resource sharing), while parochialism is captured by small group size, within-group social segmentation, group boundary maintenance resulting in limited intergroup migration, and hostility towards out group members.

The evolutionary mechanisms involved in this account are multi-level selection processes with the novel features (adapted from Bowles (2001)) that both genetically transmitted influences on individual behaviors as well as culturally transmitted group-level institutional characteristics are subject to selection, with intergroup conflicts playing a decisive role in group-level selection. The model is thus an example of a gene-culture evolutionary process (Cavalli-Sforza and Feldman (1981), Boyd and Richerson (1985) and Durham (1991)).

It has been long recognized that in populations composed of groups characterized by a markedly higher level of interaction among members than with outsiders, evolutionary processes may be decomposed into between-group and within-group selection effects (Lewontin (1965), (Price (1972), Crow and Kimura (1970), Uyenoyama and Feldman (1980)). Where the rate of replication of a trait depends on the frequency of the trait in the group and where group differences in trait frequencies are substantial and persistent, group selection contributes to the pace and direction of evolutionary change. But most who have modeled evolutionary processes under the joint influence of group and individual selection have concluded that the group selection pressures cannot override individual-level selection except where special circumstances (e.g. small group size, limited migration) heighten and sustain differences between groups relative to within-group differences (Eshel (1972), Boorman and Levitt (1973), Maynard Smith (1976)).

Beginning with Darwin, a number of evolutionary theorists have suggested that human evolution might provide an exception to this negative assessment of the force of multi-level selection. Among the distinctive human characteristics which may enhance group selection effects on genetic variation is our capacity for the suppression of within-group phenotypic differences in reproductive or material success, our patterns of social differentiation supporting positive assortation (non-random pairing), and the frequency of intergroup

conflict. Thus, the two key features of our model will be intergroup conflicts and culturally transmitted group differences in institutional structure. We stress intergroup conflicts for empirical reasons: the central role of war and the extinction or reduced fitness of loser populations in the spread of behavioral traits. The institutions we model are the commonly observed human practices of resource sharing among group members including non-kin and patterns of residence and social differentiation that result in a greater likelihood of like types interacting (positive assortation). Our model could easily be extended to study other group level institutions that, like resource sharing, reduce the within group variance of material and hence reproductive success. Included are information sharing, consensus decision making, and monogamy.

Group differences in institutional structure persist over long periods of time due to the nature of institutions as conventions. A convention is a common practice that is adhered to by virtually all group members because the relevant behaviors — for example sharing meat, or not engaging in extra-pair copulations — are mutual best responses conditional on the expectation of similar behaviors by most others (Young (1995)). We do not here model the reasons why the behavior prescribed by the institution is a mutual best response, but plausible accounts are not difficult to provide. Those violating sharing norms may bear fitness costs of ostracism, for example (Boehm (1993)). The conventional nature of institutions accounts for their long term persistence and also their occasional rapid demise under the influence of shocks. We study institutional evolution in ways analogous to the evolution of individual traits. Just as the individuals in our model are the bearers of genes, groups are the bearers of institutions, and a successful institution produces many replicas, while unsuccessful ones are eliminated. The inheritance of group-level institutions results from a cultural transmission process based on learned behaviors: as new members of the population mature or immigrate, they adhere to the existing institutions, not due to any conformist predisposition, but because this is a best response as long as most others do the same. The resulting behavioral uniformity in adherence to a group's institutions permits us to treat the institution as a group-level characteristic.

By contrast, the group beneficial individual traits in our model are replicated by a standard fitness-based mechanism in which the above pressures for uniformity are absent. We consider a single individually costly but group-beneficial trait relevant to dyadic interactions among group members. Those behaving in this way are termed altruists or A's. Other formally altruistic traits could be modeled in a similar manner. Included are individual contributions in an

n-person public good interaction (common defense, insurance, or the punishment of those who fail to contribute in such situations, and other ways that cheating is sanctioned (e.g. Clutton-Brock and Parker (1995), Boyd, Gintis, Bowles, and Richerson (2003) and Bowles and Gintis (2003).

Our simulations explore the causal relationships among the individual and group-level measures of altruism and parochialism mentioned above. Our findings for a parameter set approximating Late Pleistocene human environments may be summarized. First, the evolutionary success of a genetically transmitted predisposition to contribute to the wellbeing of others at a cost to oneself is favored by small group size, within-group segmentation, limited between group migration, extensive within group redistribution of resources and frequent between-group hostilities. Second the conditions that foster the proliferation of altruism also favor the evolution of group level institutions implementing significant levels of egalitarian redistribution and social segmentation within groups. Specifically over the empirically relevant range, increases in the frequency of between group conflicts fosters higher levels of within group redistribution. Third, when the group level institutions — segmentation and resource sharing — and the individual trait — altruism — are all endogenous, they co-evolve: each influencing the movement of the other. This co-evolutionary dynamic is sufficiently strong that under empirically plausible parameter values, the evolution of altruism does not occur if social segmentation and egalitarian redistribution are precluded; and correspondingly the evolution of segmentation and resource sharing does not occur if altruism is precluded.

The fundamental causal processes at work in these results are the following. Group level selection favors the A trait because groups with a higher faction of altruists win wars. But within group selection always works against the A's, so the multi level selection dynamic is a race between the two levels of selection: only if the group level predominates can the A's proliferate. This is more likely to occur when between-group conflicts are more frequent. The within-group institutions — segmentation and resource sharing — effectively slow the pace of within-group selection against the A's, for two reasons. First, in a more segmented society the A's are less likely to encounter the non-A's (called N's). The second reason is that egalitarian resource sharing reduces the A's relative payoff disadvantage when they do encounter N's. Finally, the strength of group selection pressures depends on the between group variance in the frequency of A's relative to the average within group variance in this frequency, and small group size and low between group migration rates tend to elevate the between group variances.[4]

4. Random migration among groups is a form of population mixing that will reduce differences between groups. Small size contributes to between group variance because when successful groups fission and successor groups are created by a random draw, the expected absolute value of the difference in the means of the successor groups is greater for smaller groups.

2 • Variance reduction, segmentation, and conflict

The idea that the suppression of within-group competition may be a strong influence on evolutionary dynamics has been widely recognized in eusocial insects and other species (Smith and Szathmary (1995), Frank (1995), Michod (1996), Buss (1987), Ratnieks (1988)) and Frank (2003). Christopher Boehm (1982) and Irenaus Eibl-Eibesfeldt (1982) first applied this reasoning to human evolution, exploring the role of culturally transmitted practices which reduce phenotypic variation within groups.[5] Examples of such variance-reducing practices are leveling institutions, such as monogamy and food sharing among non-kin, namely those which reduce within-group differences in reproductive fitness or material well-being. Monogamous or polygamous mating systems, distinct systems of resource sharing, and the like may be termed institutions, by which we mean a uniformity in the structure of human interactions, that is characteristic of a group but may differ among groups. Such structures may have attenuated within-group selection operating against individually-costly but group-beneficial practices, resulting in higher group average fitness or material success. If so, groups adopting these variance-reducing institutions would have had advantages in coping with climatic adversity, intergroup conflicts and other threats. A group's institutions thus constitute a niche, that is, a modified environment capable of imparting distinctive direction and pace of evolutionary change (Laland, Odling-Smee, and Feldman (2000), Bowles (2000)). According to this view, the evolutionary success of variance-reducing social institutions may be explained by the fact that they retard selection pressures working against in-group-beneficial individual traits coupled with the fact that high frequencies of bearers of these traits reduces the likelihood of group extinctions (or increases the likelihood of a group's expanding and propagating new groups).

A common form of variance reduction, widely practice among mobile foraging bands, is within-group sharing of meat, honey, and other large-package forms of nutrition. To be concrete, suppose, some fraction of the resources an individual acquires — perhaps specific kinds of food as among the Ache (Kaplan and Hill (1985)) — is deposited in a common pot to be shared equally among all group members.This sharing institution may be modeled as a linear tax, $t \in [0,1)$, collected from the members payoffs with the proceeds distributed equally to all members of the population.

In addition to resource sharing, most groups are characterized by what may be termed assortative meeting. so that in the pairing

5. Boehm (2002) surveys the recent literature.

process within groups that determines who interacts with whom at what frequency, one's likely partners are conditional on ones own type. Thus if there are two types, tin the population — Altruists (A's) and Non-altruists (N's) — A's are more likely to interact with A's and N's with N's than would occur by random matching. Suppose that the probability that an A-member of group j is matched with an A is not p_j, the fraction of group j who are A's, but $s_j + (1- s_j)p_j > p_j$ and the probability that a N-member of group j is matched with an A is $(1- s_j)p_j < p_j$. Then we define $s_j \geq 0$ as the degree of segmentation in group j, or the difference in the conditional probability of an A meeting an A and an N meting an A in the within-group pairing. A transparent interpretation of s_j is that it represents the fraction of interactions that take place with one's own type for reasons such as common residence and the like, the remaining $(1-s_j)$ pairings being random. But it could arise for other reasons, deliberate but imperfect attempts by the A's to avoid interactions with the N's, for example, or a preference to interact with people with ones own ethnic markers, coupled with a difference across ethnic groups in the distribution of traits.

Segmentation by type favors the evolution of the A-trait, because A's confer benefits on those with whom they interact, and by enhancing an A's likelihood of interacting with a fellow A segmentation thus increases the expected payoffs of the A's. For analogous reasons the expected payoffs of the N's are reduced. For sufficiently high levels of s, the expected payoffs to the A's will exceed the payoffs to the N's. In this case the within group selection process will favor the A's. We restrict the possible values of s to those for which this is not the case.

The model shows how group level institutions may retard individual level selection and thus facilitate the proliferation of an otherwise unviable trait by means of group selection. But the analysis is incomplete. The Price equation gives the stationarity condition for p, but it does not account for the movement of the variances upon which the movement in p is based. For most species, the between-group variance-enhancing mechanisms (mutation, genetic drift) are weak and tend to be swamped by the homogenizing effects of selection itself, along with migration among groups. This is the reason why group-selection pressures among non-human animals are thought to be weak. However, among humans, where effective group size is small (e.g. the members of a foraging band) and where groups frequently divide either in response to increased size or to interpersonal tensions within the group, a process of even random (rather than associative) division will increase between-group variance.

Thus small group size and frequent group division coupled with social institutions that attenuate the within-group selection

against the A-trait constitute an environment favorable for multi-level selection pressures to support the evolution of the A-trait. For any model even minimally faithful to the empirical circumstances of human evolution, the only practical way to determine if these between group variance-enhancing effects and withing group attenuation of individual level selection are strong enough to make group selection an important influence on evolution is to simulate a group-structured population under reasonable parameter values.

3 • Simulating the co-evolution of love and hate

We simulated an artificial population living in 20 groups. For each simulation, total population size is given and group size is approximately constant, modified only by random migration among groups and by the outcomes of group conflict, as explained below. In the model above, groups with a high frequency of A's produce more offspring and thus grow in size. In the simulations to follow, a group's size is restricted by its site, and a high frequency of A's contributes to the group's success in intergroup conflicts, allowing it to occupy a new site and thus to increase in size.

Reflecting the effect of payoffs on fitness, an individual's expected share of the group's next generation's offspring is equal to the individual's share of the group's total payoffs.We assume that each individual has access to material resources from sources other than the interaction we are modeling and set these "baseline payoffs" at 10 units. Because offspring are produced in proportion to the individual's share of the group's total material payoffs and the expected difference in payoffs is c = 1 (in the absence of segmentation and resource sharing), the N's produce ten percent more offspring than the A's. Individual replication is subject to mutations, such that with a small probability, *e*, the offspring of an A will be an N or an A with equal probability and conversely.

The institutions represented by *s* and *t* differ among groups, and they also evolve. When conflict occurs between groups, the group with the higher total payoff wins. The losing group's members die and the winning group populates the site occupied by the losers with replicas of themselves.[6] The new inhabitants of the site adopt the institutions of the group from which they descended. Institutions are also subject to stochastic variation, increasing or lowering *t* and *s* by chance each period. Both segmentation and resource sharing impose costs on the groups adopting them. More segmented groups

6. An alternative formulation would have the losing group survive as a subject people with less access to resources and hence reduced fitness. We have modeled group conflict in this way elsewhere but will not pursue it here.

TABLE 1

Key Parameters for the Simulations

	Benchmark Values	Range explored
Mean group Size (n/g)	20	7 to 47
Migration Rate (m)	0.2	0.1 to 0.3
Probability of conflict (k)	0.25	0.18 to 0.4
Mutation rate (e)	0.001	0.01 to 0.000001

Note: Total population size is n, and there are g groups; m, k and e are per generation. Other Parameters: Benefit (b): 2; Cost (c): 1; Baseline payoffs: 10. We varied group size by varying n. For reasons explained in the text, we restricted s to not exceed 0.5 while $t \in [0,1]$ The costs imposed on the group by these institutions are 0.5 ($s^2 + t^2$).

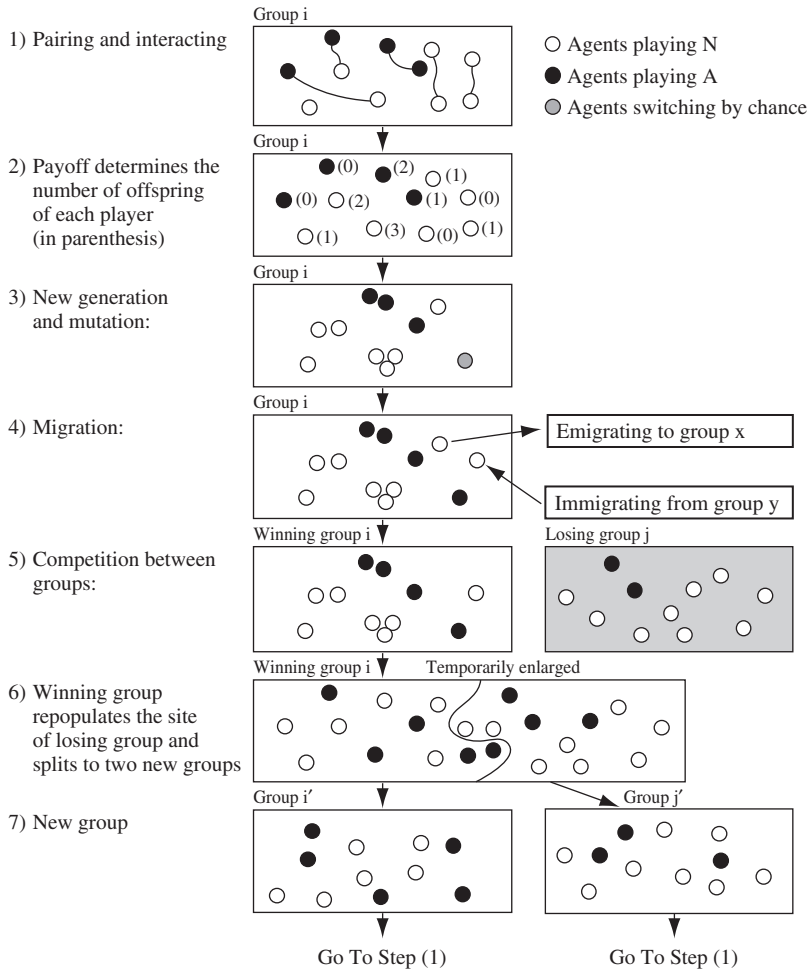
may fail to capture the benefits of diversity or of economies of scale, and resource sharing may reduce incentives to acquire the resources to be shared. Neither of these costs are modeled formally, but to capture their impact, group average benefits are reduced by an amount that is rising and convex in both s and t. Unlike many institutions, both s and t may be introduced at low levels, so the initial emergence of resource sharing and segmentation could readily take place through the extension to an initially small number of unrelated individuals of the practice of within-family resource sharing or a preference for interaction with individuals sharing common traits, proximity, or other similarities.

The benchmark values of the parameters in the simulations, and the range of alternative values that we explored appear in Table 1. The structure of our simulation is described in Figure 1 and its notes. (Additional details are available at http:\www.santafe.edu\~bowles\artificial_history). The key parameters concern the rate of (random) migration among groups, group size, and the probability in any period that a group will engage in a between-group conflict.

Because our group conflicts are lethal for the losers, we have chosen a benchmark probability of conflict giving an expected frequency of a single war every four generations. Of course group conflicts more commonly result in fitness differentials between winners and losers without group extinctions. Our benchmark likelihood of an extinction is chosen to reflect the long term consequences of plausible values of differential reproductive success between adjacent stronger and weaker groups engaged in on going conflict. The other benchmark values were also chosen on grounds of empirical plausibility, the evidence for which we review in the penultimate section.

FIGURE 1

Individual and group-level selection in the simulation



Note: We assign n individuals to g groups. At t=0 all are N. 1. *Pairing*. In each period, each member of a group is randomly paired to play the PD game once, with another member with payoffs given in the text (in some runs modified by the resource-sharing rule). With segmentation, the member interacts with a similar type with probability s and is paired randomly with probability 1-s. 2. *Reproduction*. Replicas of the current generation constitute the next generation. They are produced by drawing (with replacement) from the current group membership with the probability that any member will be drawn equal to that member's share of the total payoffs of the group. 3. *Mutation.* With probability e a member of the next generation is not a replica of its parent, but is A or N. with equal probability. 4. *Migration.* With probability m each member of the new generation relocates to a group randomly selected from the other groups. 5. *Group competition.* With probability k each group is selected and among those selected competition takes place between randomly paired groups. The winning group is that with the highest total payoff (net of the costs of sharing and segmentation, if any). 6. *Repopulation and fission.* The members of the losing group are replaced by replicas of the members of the winning group, and the resulting (temporarily enlarged) winning group splits with members assigned randomly to two new groups. (In simulations with resource sharing or segmentation, the two new groups adopt the institutions of the winning group.)

We initiated each simulation with altruists and institutions absent at time zero, to see if both the individual A-trait and the group level institutions would proliferate if initially rare (the individual and institutional mutation process will introduce some variability in the population). To explore the effects of varying parameter values, we ran at least ten simulations of at least 10,000 generations for each parameter set investigated, as indicated in the notes to Figure 6.

4 • Artificial histories

The early generations of a typical simulation appear in Figure 2.The rise in p is supported by the chance increase in both s and t (between periods 100 and 150). When p reaches high levels (periods 532 to 588, for example) both s and t decline, typically leading to a sharp decline in p. The subsequent rise in s or t occurs by chance. This pattern emerges for the following reason. When the population is evenly divided between A's and N's, many groups are also approximately evenly divided. From equation (6), we know that the beneficial effects of institutions — the retarded within-group selection gained by higher levels of t or s — are maximized in this region. When p is well above 0.5, the benefits of the protection of A's offered by the institutions is of less value. But the institutions are costly to bear, so when p is high, groups with substantial levels of segmentation or resource sharing are likely to lose conflicts with other groups, and the sites they occupied are then populated by the descendants of winners, who typically bear lower levels of these institutional variables. As a result, both s and t fall.

To explore further the impact of institutions on the within group selection process, we estimated the pace of within group updating while constraining s, t, both, or neither to zero. Recall that the expected effect of both segmentation and resource sharing is to attenuate the within group selection against the A's. Using data from four simulations of 10,000 generation each, we found just this. The combined effect of resource sharing and segmentation is to reduce by half the extent of within-group selection against the altruists.[7]

Between-group conflicts play a key role in supporting both group-level institutions and individual-level altruism. In the simulations reported, the expected frequency of conflict was $1/k$, where k is the probability that a group is drawn for a conflict in every generation. It seems likely that over long historical periods, the frequency of conflict varied considerably, perhaps in response to the need to migrate in times of climatic variability. To explore the sensitivity of the simulations to the frequency of conflicts, we varied k stochasti-

7. The details of these estimates are given in Bowles, Choi, and Hopfensitz (2003).

FIGURE 2

The dynamic interaction between group institutions and individual behaviors.
The figure presents a 1000 period history of a run using the benchmark parameters from Table 1. The population average frequency of altruists is p, while t and s give the average across the 20 groups of the level of resource sharing and segmentation. Altruism and both group-level institutions are initially rare. The particular time frame shown in Figure 4 was selected because it clearly reveals this dynamic, which is observed over long periods in many runs.

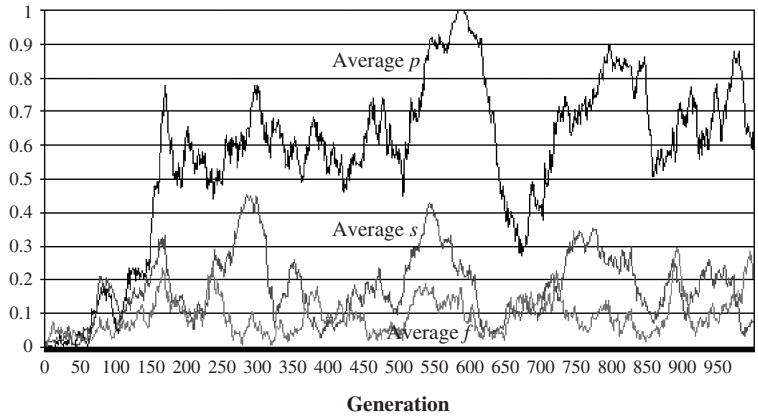
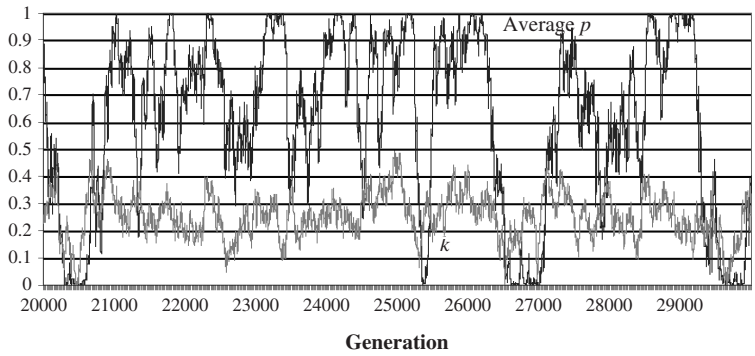


FIGURE 3

High frequencies of group conflict favor altruism.
The figure shows a thousand generation period from a run in which both intitutions evolved endogenously, and in which k the frequency of between-group conflict varies over time according to $k_t = k_0 + \rho k_{t-1} + \partial_t$ where $\rho = 0.99$, ∂_t is randomly drawn from the uniform distribution [-0.02,0.02], and k_0 is selected so that the mean of k_t is the same as the baseline k namely, 0.25.

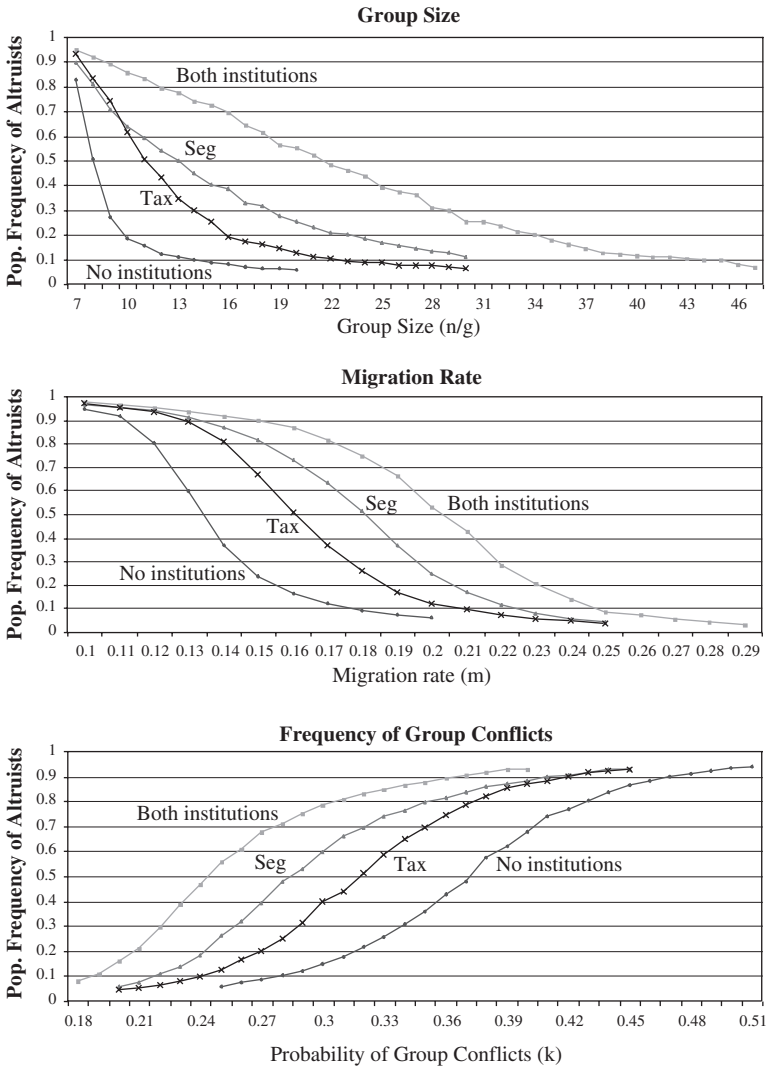


cally using the auto-regressive system described in the notes to Figure 3. During periods in which conflict was frequent (e.g. around the 21000th generation), high levels of altruism were sustained, but periodic outbreaks of relative peace among the groups (around the 25300th, 27000th and 29600th generations) led to sharp reductions in the fraction of A's in the population. The 500-generation period following generation 28500 illustrates the strong path dependency in the model The high level of p induced by the sharp rise in the frequency of intergroup conflict around 28500 persists even as the frequency of conflict sharply declines in subsequent generations. But the "lock-in" is not permanent: when k remains below 0.2 for a number of periods, p crashes.

We sought to answer two other questions as well. Could altruism have evolved had group level institutions not co-evolved with individual level altruism? And how sensitive are our simulations to

FIGURE 4

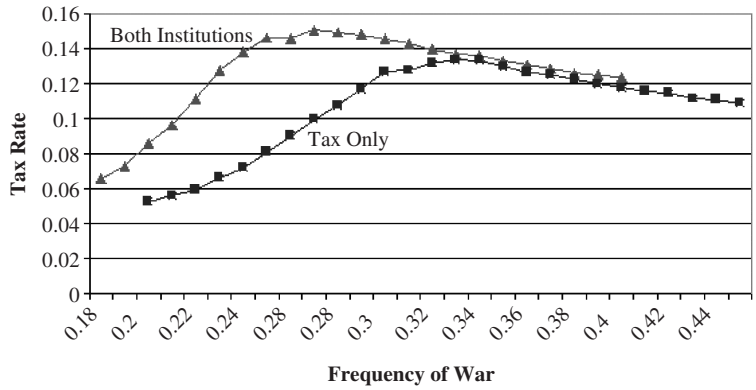
Group-level institutions increase the size of the parameter space for which altruistic behaviors are common.



Note: Each data point is the average frequency of altruists in the entire population over 10 runs of 50,000 periods each for the parameter value indicated on the horizontal axis. In each panel the other parameters are the benchmark values shown in table 1. Each run began with p, t, and s set equal to zero. The curve labeled "none" gives the results for runs in which t and s were constrained to zero; the other curves indicate runs in which one or both of the institutions were free to evolve. ("Tax" refers to resource sharing.) The horizontal distance between the curves indicates the enlargement of the parameter space made possible by group level institutions. The vertical distance between the curves shows the impact of institutions on average p.

variations in the key parameters? To answer these two questions, we varied group size from 7 to 47, and for each size ran 10 simulations of 50,000 generations, with the other parameters at their baseline values.

FIGURE 5



Warfare, redistribution and segmentation are complements. Each data point is the average tax rate over 10 runs of 50,000 periods each for the frequency of war on the horizontal axis. In this figure the other parameters are the benchmark values shown in table 1. Each run began with p, t, and s set equal to zero. The curve labeled tax only gives the results for run in which s were constrained to zero; the other curve indicates runs in which both of the institutions were free to evlove.

We did this with both institutions constrained to not evolve, with each singly constrained to not evolve, and with neither constrained. We performed the same operation for variations in the migration rate from 0.1 to 0.3, and the probability of conflict (k) from 0.18 to 0.51. The results appear in Figure 4.[8] The top panel shows that with both institutions constrained not to evolve, a group size of 7 supports high levels of altruism, but group sizes greater than 8 result in a frequency of altruists of less than 0.3. Taking as a benchmark the group size for which $p>0.5$, we see that with no institutions, the critical size is 8, while with both institutions, $p>0.5$ for all group sizes less than 22. The results for the migration rate are similar. Without institutions, sustaining $p>0.5$ requires a (per generation) migration rate of 0.13, but with both institutions free to evolve, the critical migration rate is 0.21.

The bottom panel shows that institutions also allow the evolution of substantial frequencies of altruism with significantly fewer between-group conflicts. A "vertical" reading of the figure is also illuminating: for example, the bottom panel shows that for $k = 0.3$, p is less than 0.2 without institutions, but is greater than 0.8 with both institutions free to evolve.

Further study of our simulations reveal another relationship: as we suspected, war and within-group redistribution are institutional complements, at least over a substantial parameter range. We have just seen that when we increase the frequency of wars, k, the long term fraction of the population that are A's rises. Figure 5 shows that the extent of within-group redistribution (as measured by the average tax rate, t, among groups) also rises with the frequency of intergroup conflicts, at least up to values of k around 0.25. For higher levels of k, the fraction of A's in the population is high enough that the group benefits of redistribution (retarding the selection against A's) is more than offset by the cost of this institution. As a result, the average level

8. We also investigated whether the institutions would evolve if p is constrained to zero. They do not, because institutions are costly and where there are no altruists in the population they perform no group-beneficial function, thus leading groups that by chance adopt a high level of sharing or segmentation to lose any conflicts in which they are involved.

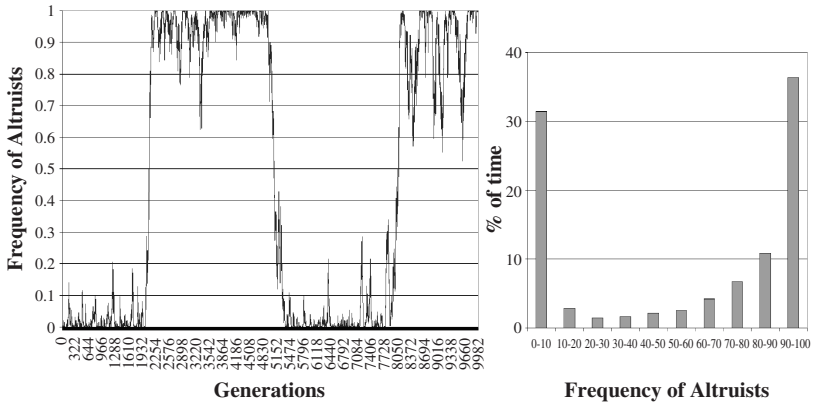


FIGURE 6

The co-evolution of altruism and war.
In this simulation k was endogenized by $k(t)=0.1+0.36\,p(t\text{-}1)$. Panel (a) shows the average p of each generation during the first 10,000 generations. Panel (b) shows the fraction of the time for which p was range of values indicated on the horizontal axis. The average value of p over 50,000 generation was 0.58.

of redistribution falls at higher levels of k. Notice, also, that segmentation and redistribution are also complements: when segmentation as well as redistribution is permitted to evolve ("both institutons"), the level of taxation is higher than in the absence of segmentation, at least for levels of $k < 0.32$.

Thus far we have varied the frequency of war exogenously or purely stochastically. A more plausible approach would take account of the fact that the group-oriented behaviors that facilitate cooperation for mutual benefit also make large-scale lethal warfare possible. If this is the case, war, altruism, and redistribution may all co-evolve. In this case, two long term steady states of the model are likely: a highly altruistic population with frequent wars, or a non-altruistic population with infrequent wars. To explore this possibility we let the frequency of intergroup conflicts vary with the fraction of A's in the population. Figure 6 shows that our dismal expectations were confirmed.

5 • Conclusion

We have explored the complex evolutionary relationships among a nexus of individual and group characteristics: altruism, segregation, egalitarian redistribution, group size, warfare, and group openness to migrants. We think that a strong case can be made that all of these aspects of human social structure and behavior co-evolved, each contributing to the evolutionary success of the others. Some studies of the modern the welfare state in the English speaking nations (e.g. Semmel (1960) Skocpol (1992), and Luttmer (1998)) provide further evidence for an intimate association of altruism and parochialism. While not surprising, there is something disturbing

about the possibility that some of the most admirable aspects of human behavior could have evolved in a symbiotic relationship with some of the most despicable.

The joint provenance of these traits, however, does not mean that they are inextricably linked today. Nor does a comparative study of modern welfare states suggest that they are so linked empirically. The most generous welfare states, for example, are found in nations that contribute comparatively high fractions of their income to foreign aid (Fong (2003) and Fong and Weibull (2003)). Generosity towards one's fellow citizens does not appear to be linked to indifference toward "outsiders."

The contemporary project of building societies that are at once solidaristic economically and diverse culturally is proceeding in settings vastly different from the late Pleistocene environments we have modeled. Nor would the project embraced by this workshop — and exemplified by the work of Philippe Van Parijs, who we honor today — be doomed if it were to be the case that human predispositions for both altruism and parochialism had a genetic basis. The project may be more effectively advanced, however, if one recognizes that in the absence of a culture actively promoting the values of economic solidarity and cultural tolerance, loving one's neighbor may seem vastly different from loving a stranger.

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7

Questions for La Ferrara and Bowles & Choi

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The Francqui Prize conference aimed at investigating whether there is a tension between cultural diversity and economic solidarity. The papers by La Ferrara and Bowles & Choi provide a contribution to answering this question, by focussing on the empirical evidence that one needs to be aware of when investigating this possible tension. All normative theories of inequality or justice always have (whether implicitly or explicitly) an underlying sociology, and underlying assumptions on human nature. La Ferrara and Bowles & Choi offer us some insights into these empirical observations on human nature and social interactions.

The claim on human nature in the paper by Bowles & Choi is well summarised in their conclusion: "loving one's neighbour may seem vastly different from loving a stranger". The authors argue that both altruism and parochialism are widespread and pervasive features of human behaviour that co-exist. They offer an evolutionary model that provides support for the idea that altruism and parochialism (or: love and hate) have co-evolved, that is, both provided an environment favouring the evolutionary success of the other.

Obviously, not everyone will find such an evolutionary model attractive, as some would regard it as rather speculative and of limited use to think about present-day societies. But irrespective of whether one does find it attractive, there is also other empirical evidence that supports the empirical claim that people have different attitudes with respect to altruism and redistribution when it concerns their kin/neighbours, versus strangers.

Suppose now we accept this empirical claim, and in addition we endorse the normative arguments in many contemporary theories of justice, which advocate a reduction of inequality at both the national and the global level. First, what are the consequences for the level and forms (e.g. charity vs. governmental aid) of global redistribution? Second, what are the consequences for national social policy

and the possibilities and limits of social engineering, such as creating mixed neighbourhoods and schools? This links up with the paper presented by Keith Banting and Will Kymlicka. Would the empirical claim (supported by the evolutionary model) lead to the suggestion that in order to generate more support for redistribution, people need to become more of a neighbour and less of a stranger? If that were the case, would we need some multi-cultural policies that specifically aim at reducing parochialism, in order to reach a more egalitarian society?

La Ferrara's paper neatly summarises the economic literature on the effects of heterogeneity on individuals' contributions to public goods (and the supply and quality of public goods), and on the formation of communities. The empirical work that La Ferrara surveys shows that "more unequal and more racially fragmented communities end up providing fewer public goods to their members (or goods of lower quality)". Again, this is an empirical claim that normative theories of inequality and distributive justice might be wise to take on board in their theory building. However, some questions might need further explanation.

First, how big are the effects of heterogeneity on the contributions to public goods? In other words, what is the economic or social significance of the results, in contrast to the statistical significance?

Second, the empirical studies in La Ferrara's survey are either on poor countries (often rural areas in Africa or the Indian subcontinent) or on the impact of racial diversity in the USA. One could ask to what extent the conclusion would also hold for affluent communities that do not have the same history of slavery and deep racial discrimination and segregation as the USA.

Finally, one could ask to what extent results from one type of heterogeneity can be extrapolated (at a theoretical level) to other types. The underlying explanations of racial, caste, class or ethnic inequalities might be vastly different. Is it enough for these types of diversity to correlate highly in order for them to be modelled in a similar way, or should different models be used for different types of diversity? While this may perhaps not be very important when *measuring* the impact of diversity on economic solidarity, it may perhaps be crucial when we move to policy design.

8

Institutional design, cultural diversity and economic solidarity: A comparison of South Africa, Brazil and Nigeria[1]

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Abstract

Democracy is widely recognised as important for redistribution, and cultural diversity is often considered inimical to democracy (although astute institutional design might be able to deal with the problem). Does cultural diversity affect redistribution, not simply through impeding democracy but also perhaps through defining acceptable limits of social or economic solidarity? This paper compares three "new democracies": South Africa, Brazil and Nigeria. The South African case suggests that an extraordinary denial of economic solidarity, due to cultural diversity, *can* accompany an exceptional level of redistribution from rich to poor. If there is a substantial overlap between class and cultural group (race, in the South African case) then cultural diversity might strengthen feelings of defensive cross-class and cross-group solidarity among the rich, making a redistributive compromise more likely than in a more culturally homogeneous setting. Brazil illustrates this latter possibility: less cultural heterogeneity accompanied by less solidarity and less redistribution. Elites (and non-elite vested interests) are unwilling and the poor are unable (i.e. lack the power) to secure a redistributive compromise. Brazilian society is not culturally homogeneous, but the politicisation of its cultural differences and the weakness of egalitarian solidarities are the products rather than the cause of Brazil's institutional design. Nigeria is a case where cultural diversity might appear to underpin the powerlessness of the poor and the limited reach of democracy. But a closer inspection suggests that institutional design and the political economy of oil might have more of an effect than cultural diversity per se. The conclusions are that any effects that cultural diversity might have on egalitarian policies are highly conditional on a range of other factors, and that federal institutional design is a crucial factor undermining redistributive politics and policies.

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1 • Solidarity and social citizenship in the North

What determines the extent to which citizenship has a "social" or economic dimension? How important is some sense, among a country's citizens, of social or economic solidarity with their fellow citizens? What produces such solidarity? Does cultural diversity limit the scope of social or economic solidarity, and hence also impede the private practices or public policies that redistribute resources and secure social citizenship? To answer these questions adequately would require detailed data on redistribution, both public and private; on attitudes and prejudices; and on the political mechanisms that link these. The full range of this data is not even available for the countries of the North, let alone those of the South.

We do have data for the advanced capitalist democracies of the North showing that the state serves as a mechanism for substantial redistribution from rich to poor. Cross-national comparisons are difficult because of the generally poor comparability of data, but a series of studies indicates the broad patterns. Korpi and Palme (1998), using data on direct taxes and cash transfers from the Luxembourg Income Study (LIS), estimate that the Gini coefficient for disposable income is between one quarter and one half lower than the Gini coefficient for market incomes (i.e. net of direct taxes and cash transfers). Redistribution was smallest in the USA and Switzerland, and greatest in Sweden. Przeworski and Gandhi (1999), using data from the much-criticised Deininger and Squire dataset, found that the bottom quintile's share of total income rose by between 1.4 and 5 percentage points in a sample of seventeen countries (with "corrective redistribution" greatest in Israel and lowest in Switzerland). Milanovic (1999), also using LIS data, broadly confirmed Korpi and Palme's findings. In twenty-four democracies, government transfers and direct taxes reduce income inequality by an average of 14 percentage points, as measured by the Gini coefficient. But he found that the bottom two deciles benefited much more than Przeworski and Gandhi had found — by, together, about 10 percentage points on average. Country-specific data goes further, analysing the incidence of indirect taxes and even government spending. Data for Britain suggests that the Gini coefficient falls from 0.53 to 0.38 for post-tax income (i.e. taking into account indirect taxes) (Harris, 1999). I estimate that taking into account benefits-in-kind (public education, health care, and so on) reduces the Gini by another 8 percentage points in the U.K., so that the combined effect of taxes, cash benefits and benefits in kind reduces the Gini by almost one half. These various studies might dis-

agree on the precise extent of redistribution, but the general picture is clear: inequalities are reduced substantially.

In a very real sense, then, these states do recognise a range of social or economic rights, i.e. the social dimension of citizenship. "By the social element", Marshall wrote so eloquently in 1949, "I mean the whole range from the right to a modicum of economic welfare and security to the right to share in the full in the social heritage and to live the life of a civilised being according to the standards prevailing in the society" (Marshall, 1949/1992: 8). The equality of citizenship served to mitigate the inequalities of class. If economic "solidarity" is understood as an outcome, akin to the social (and economic) dimension of citizenship, then solidarity appears to be strong in most of these Northern welfare states.

There is an extensive literature on the origins of these redistributive welfare states. Some explanations focused on the class compromise between the industrial working-class and the bourgeoisie: empowered as citizens but falling short of a majority of the electorate, the working-class concedes capitalist organisation of production in return for redistribution through the budget (Korpi, 1983; Przeworski, 1985; and implicitly, Marshall, 1949). Other explanations emphasised the importance of broader coalitions: between workers and small farmers (Esping-Andersen, 1985; Luebbert, 1991), between workers and the middle classes (Baldwin, 1990; Korpi and Palme, 1998), and even including sometimes capital itself (Swenson, 1999). As Esping-Andersen (1990) showed, different political alignments led to distinctive forms (or "worlds") of welfare capitalism (see also Baldwin, 1990; Huber *et al.*, 1993). The establishment of welfare programmes creates new constituencies of beneficiaries, as became evident when conservative parties sought to dismantle the welfare state (Pierson, 1995).

Each of these explanations implies two kinds of attitudes that might usefully be thought of in terms of economic "solidarity". On the one hand, there is a strong intra-group solidarity among prospective beneficiaries. On the other hand, elites have a weak (or reluctant) inter-group solidarity in that they are willing, under actual or threatened pressure, to agree to a compromise on social citizenship in return for a compromise on inequality-generating markets. (Given that the impetus comes from fear, "solidarity" is perhaps a curious word to describe this; whatever the cause, however, the outcome is clearly a form of economic solidarity). Spreading benefits broadly means that strong solidarity is maximised and weak solidarity in turn becomes more likely. As Baldwin (1990) emphasises, orienting welfare toward the management of risk can generate a broader coalition than emphasising redistribution from rich to poor. And, as Korpi and Palme (1998) argue, universal welfare programmes might be more

redistributive than targeted ones and social insurance more redistributive than social assistance if they allow the middle class to buy into bigger spending programmes.

The overall map of redistribution in most Northern societies has reflected the contours of socio-economic class. Poorer and some middle classes have typically combined to pool risks in such a way that the middle class are protected against ill fortune at the same time as there is significant redistribution to the poor. Solidarity has its limits: some individuals are typically considered to be "undeserving poor" — i.e. undeserving of public support — on grounds of behaviour (including an unwillingness to perform the "obligations" of citizenship) or non-citizenship (i.e. being citizens of some other state). And there is always dispute over who should pay and how. But solidarities were generally not fragmented by sub-national ethnic or religious differences. Only relatively recently has it been argued that growing cultural diversity in these Northern societies, and especially a growing emphasis on "multi-cultural" policies, is eroding the kinds of solidarities that sustained redistribution. White working-class Canadians might be unwilling to see non-white working-class Canadians (perhaps immigrants) benefiting from public largesse, whilst richer tax-paying Canadians might be unwilling to see their taxes redistributed to non-white Canadians. In their contributions to this volume, Banting and Kymlicka examine some evidence on the relationship between multi-culturalism and redistribution.

2 • Solidarity and social citizenship in the South

We might expect that cultural diversity is a much stronger impediment to economic solidarity and redistribution in the countries of the South. There is, unsurprisingly, much less data on redistribution for countries in the South than there is in those of the North. Data on the incidence of taxation and public spending in the South is patchy, uneven and rarely comparable. Lecaillon *et al.* (1984) summarise a set of studies conducted between 1963 and 1973 (in Hong Kong, India, the Philippines, Sri Lanka, Chile, Columbia, Panama, Puerto Rico and Iran) and there are more recent studies of Chile (Foxley, 1979; Mujica and Larrañaga, 1993; Engel *et al*, 1998), Columbia (Selowsky, 1979) and Malaysia (Meerman, 1979), the Philippines (Devarjan and Hossain, 1995), Peru (Escobal *et al.*, 1993), Venezuela (Márquez *et al.*, 1993), the Dominican Republic (Santana and Rathe, 1993), and Brazil and South Africa (see below). Foxley (1979) and,

more recently, the Inter-American Development Bank (IADB, 1999) have collated evidence on Latin America. In general, as in the North, taxation is not in itself a mechanism for reducing inequality (which means that studies of expenditure incidence are valuable even without studies of tax incidence). Rather, it is the incidence and level of public expenditure that is important (the latter being affected by the level of taxation). Because expenditure is so often captured by non-poor groups, Gini coefficients are not reduced by anywhere near as much as in the industrialised democracies of the North. Even taking into account social spending (especially education and health), almost all studies suggest that Gini coefficients are reduced by between 0 and 7 percentage points; the only exception — which we shall examine further below — is South Africa.

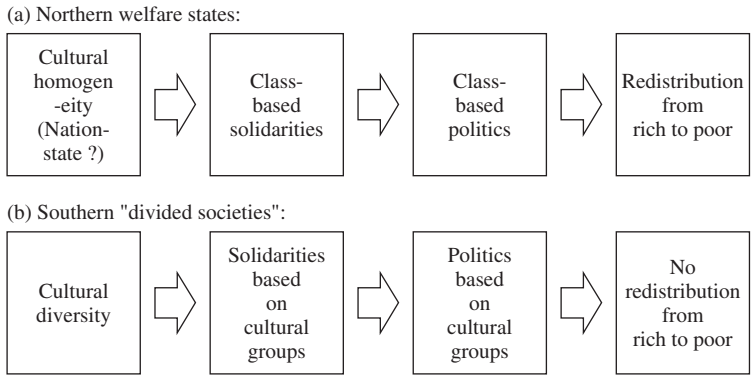
In the South, social citizenship might entail a greater emphasis on policies and activities that are hard to measure, such as land reform, exchange rate policy and price-setting for agricultural produce, as well as labour market and other policies affecting the growth path. Evidence on these tends to suggest much the same pattern as for tax, cash transfers and social policies: few benefits accrue to the poor.

There are two prominent explanations for the general lack of redistribution in the South. The first blames the powerlessness of the poor relative to elites. In crude political economy accounts, the International Monetary Fund (IMF), World Bank, international capital and their local collaborators ride roughshod over "the people". This argument underestimates the importance of politics, especially once democratisation has resulted in citizenship having at least some political content. The argument assumes that the power of capital is so overwhelming that citizenship is rendered meaningless or inconsequential. How or why is never explained.

The second argument takes citizens more seriously and is more germane in a supposedly democratic context. It focuses on culture, and especially cultural (i.e. racial, ethnic, religious or linguistic) divisions that divide the poor. Solidarity occurs along vertical rather than horizontal lines: within the family, community or group. Loyalties lie with cultural leaders (who are probably also economic patrons), not with peers. In the extreme case of "divided societies", there appears to be strong solidarity within cultural groups but none between them — but the winners tend to be the elites within each group; in practice, social rights are rarely enjoyed even within the group. This argument assumes that cultural boundaries are so impervious that the "median voter" is meaningless or inconsequential. If citizens can only act in political blocks based on cultural groups, then the mechanisms of representative democracy render governments

FIGURE 1

Ideal types of solidarity and redistribution



accountable at best to cultural groups *en bloc*, meaning — in practice — the dominant elites within each group, or at worst to the dominant elites in the dominant cultural group(s).

Figure 1 juxtaposes the political model implicit in the "divided society" argument against the ideal type model of Northern welfare states. We might expect that societies would line up somewhere between these two ideal types. As attitudes and solidarities become more class-based, then a redistributive class compromise becomes more likely.

Collating comparable data for Southern countries is not easy. Data on each of "cultural diversity", solidarities and political cleavages (i.e. the first three boxes in Figure 1) is more available than data on redistribution (i.e. the final box). One measure of cultural diversity is the index of ethno-linguistic fractionalisation, originally calculated by Soviet researchers and reported by Mauro (1995). The index measures the probability that two randomly-selected members of the population do not belong to the same ethno-linguistic group. Countries such as India, Indonesia and Canada have high scores; countries like Germany, Japan and Egypt low scores. Solidarities might be measured using survey data on identities, but only as long as respondents are given a choice between different kinds of identity or are asked to compare their relative importance (and all survey data on identity begs questions about what the respondents understood the question to mean and what was the perceived context). Data from Afrobarometer surveys provide some evidence on how Nigerians and South Africans choose between cultural group identities and class identities, but I have no comparable data for Brazil. Political cleavages might be measured in terms of the relationship between voting behaviour and class or income. Do some parties draw disproportionate support from the poor, and others from the rich, or do they have cross-class constit-

	South Africa	Brazil	Nigeria
Per capita incomes (GDP per capita in US$, adjusted for purchasing power parity, 2000)	Middle-income ($9401)	Middle-income ($7625)	Poor ($896)
Income distribution (Gini coefficient)	very unequal (.59*)	Very unequal (.61)	Unequal (.51)
Cultural diversity (index of cultural-linguistic fractionalisation)	High (0.88)	Low (0.07)	High (0.87)
Class-based solidarity (ratio of class to cultural group solidarities)	No (1 :5)	Yes (?)	No (1 :2.5)
Class-based politics (correlation income and party support)	Yes	No	No
Public expenditure on education as % of GNP	High (7.6 %)	Medium (5.1 %)	Negligible (0.7)
Redistribution through budget (estimated decrease in Gini in percentage points, taking into account taxes, cash transfers and benefits in kind)	Considerable (24 percentage points)	Meagre (?)	Meagre (?)

* It is unclear what precisely the World Bank data is measuring, hence difference between this figure and figures cited in the text.
Sources: rows 1, 2 and 6 UNDP, *Human Development Report* 2002; row 3 Mauro (1995); row 4 Afrobarometer data (Logan and Machado, 2002: 40), combining ethnic, linguistic and religious identities as "cultural" ones, occupational and class identities as "class" ones.

TABLE 1

Summary data on South Africa, Brazil and Nigeria

uencies (probably defined along cultural lines)? Further research would provide precise and comparable data on this, from studies of voting behaviour, but at this point I have had to resort to my own judgement calls. Table 1 presents in very summary form the findings for three Southern countries — South Africa, Brazil and Nigeria — together with data on the per capital level and distribution of income as well as on redistribution.

Table 1 suggests that the relationship between culture, solidarity and politics might be more complex than the ideal type for divided societies represented in Figure 1 (b). Taking these three countries, there is no obvious relationship between cultural diversity and the salience of class-based solidarities, nor between the salience of class-based solidarity and the political salience of class. When we add estimates of the scale of redistribution in each country, the picture gets more muddled still. In South Africa, as I shall show below, there is an extraordinary level of redistribution despite, or perhaps even because of, the country's past cultural barriers. In Brazil, almost no redistribution occurs despite cultural homogeneity. Only in Nigeria is there the predicted coincidence of cultural diversity and no redistribution from rich to poor. Taking all three cases into account,

there appears to be a relationship between the salience of class in politics and redistribution (as predicted) but not between cultural diversity and either political patterns or redistributive outcomes.

The following sections explore the three cases of South Africa, Brazil and Nigeria as case-studies of the relationship between culture, politics and redistribution. I shall argue for the importance of institutional design in shaping the political salience of class and for the importance of both class and path dependence in shaping redistribution.

Before proceeding, it is necessary to clarify what is meant by "cultural diversity". No society is culturally homogeneous. All societies with any degree of social stratification will have some cultural differences between rich and poor. The English novelist and politician, Benjamin Disraeli, coined the phrase "two nations" to describe the cultural gulf between rich and poor in mid-nineteenth century Britain. The rich and poor, he wrote, comprised "two nations between whom there is no intercourse and no sympathy; who are as ignorant of each other's habits, thoughts and feelings, as if they were dwellers in different zones, or inhabitants of different planets; who are formed by a different breeding, are fed by different food, are ordered by different manners, and are not governed by the same laws". This kind of cultural difference is rooted in economic inequality. It is very different to the kinds of cultural difference that are independent of economic position (or which may — in the case of apartheid South Africa, most obviously — be used to determine economic position). The phrase "cultural diversity" is used in this chapter to refer to these latter forms of cultural difference, i.e. differences based on race, ethnicity, religion or language. These are sometimes referred to as "vertical" cultural cleavages, as opposed to the "horizontal" ones of class. "Divided societies" are societies divided by vertical cleavages, including South Africa, Malaysia and Fiji (race), the Congo and Nigeria (language and ethnicity), and Lebanon and India (religion). As we shall see, the Brazilian case is interesting because Brazil is not a divided society in terms of racial, ethnic, religious or linguistic division. But nor are cultural differences limited to those of class. Regional identities are important in Brazil. Below I shall argue that these regional differences are in significant part the product of institutional design, and thus that it is institutional design rather than ascriptive cultural identity that inhibits the emergence of class-based politics and redistributive policies.

3 • South Africa

South Africa has been infamous in the comparative literature for two related reasons. First, apartheid rendered it an apparently extreme case of a "divided society", i.e. a society in which racial divisions supposedly render inappropriate the standard institutions of liberal democracy (see Horowitz, 1991; Lijphart, 1985). In divided societies, power-sharing between ethnic and/or racial groups may be considered more democratic than "winner-takes-all" majoritarianism, because voters do not cross racial/ethnic lines, election results are therefore pre-determined ("racial censuses", as Horowitz (1985) put it) and governments cease to be accountable in the way that Schumpeter considered essential to democracy. Secondly, apartheid contributed to South Africa having a very high level of inequality in the distribution of income (perhaps even, as is often claimed, the highest in the world).

Being a "divided society" might affect inequality and redistribution in two ways. Insofar as cultural diversity is fundamental to popular political attitudes, one might expect that demands for redistribution would occur along racial/ethnic rather than socio-economic class lines. And insofar as institutions entail power-sharing, demands for redistribution might be frustrated by institutional constraints. Political elites would operate within these parameters through necessity not choice. Cultural diversity would determine patterns of economic solidarity, but the ensuing demands would be held in check by institutional design.

Is this pattern observable in South Africa? Hardly. Let us start with a number of stylised facts about distribution and redistribution in South Africa (see further Seekings and Nattrass, forthcoming):

1. In the first half of the apartheid period there was a close relationship between race and class, but the relationship weakened in the later apartheid years and has continued to weaken rapidly after the end of apartheid. The relationship has weakened not because of growing numbers of poor white people, but because of rising intra-racial inequality within the majority black population. At the top end, the black middle-class and elite has been growing rapidly. At the bottom end, unemployment confines many to chronic poverty in a society without significant subsistence agriculture (see Crankshaw, 1997; Whiteford and van Seventer, 2000; Nattrass and Seekings, 2001a; Bhorat *et al.*, 2001).
2. Tax revenues were redistributed from rich to poor and across racial lines, through social spending, to an extraordinary

extent even under apartheid, and even more so after apartheid. By 1993, taxes, public welfare and the value of free or subsidised public education, health care and other services reduced the Gini coefficient for the distribution of "income" from 0.68 to 0.5 (McGrath *et al.*, 1997). By 1997, just three years after the country's first democratic elections, the Gini coefficient was reduced to an estimated 0.44 (Van der Berg, 2001a, 2001b). The scale of these reductions is almost certainly unmatched in the South.

3. This redistribution rests on three main pillars: a system of taxation that revolves around the efficient collection of income tax, very high enrolment rates in primary and even secondary school, and a public welfare system focused on generous and wide-ranging social assistance (including, especially, non-contributory and effectively universal old-age pensions). All three of these pillars were constructed prior to the transition to democracy, each on its own is unusual in the South, and the combination is exceptional.
4. Inequality persists despite this redistribution in part because government policies, both under and after apartheid, promote an economic growth path based on productivity (and wage) increases rather than job creation. In other words, government policies with respect to the growth path (including labour market policies) tend to worsen inequality whilst social policies mitigate it.

Perhaps the most important question to be asked of South Africa is not the standard "why don't the poor get more?" but rather "Why do the poor get so much?" in terms of active *re*-distribution. The progressive incidence of social expenditures is not because the poor exercised their power as voters to extract resources from the better off, nor because they joined with better off citizens in support of policies that protected them against the risk of poverty. In South Africa, the poor did not have the vote until long after redistributive social policies were put in place. South Africa is a case of, primarily, redistribution from above. The history can be divided into four periods:

(i) In the pre-1940 period, public welfare was established for white and coloured people through a combination of immigrant white working-class power (through both direct action, in the 1922 Rand Revolt, and the ballot box) and the social and economic solidarity present in emergent Afrikaner nationalist politics (support for 'poor whites', mostly people who had been displaced from the countryside, lacked competitive skills in urban labour markets, and whose families had fragmented reducing the possibility of private support).

Unusually, and probably because of the latter factor, the welfare system entailed a hefty dose of social assistance alongside social insurance.

(ii) In the 1940s, this racially exclusive system was extended to black (and Indian people), through a combination of the power of ideas (including some multi-racial solidarity) among some elites, in the context of war, and concern among administrators and major industrial employers (notably, the mines) over the consequences of what they saw as the collapse of peasant production and hence agrarian society in the black "reserves".

(iii) After the election of the National Party to government in 1948, the state toyed with the idea of undoing the multi-racial public welfare system, but the politics of retrenchment proved different to the politics of expansion. For two decades, the apartheid state resorted to minimising redistribution through widened racial discrimination in benefit levels.

(iv) From around 1970, the National Party sought to appear non-racial and slowly removed racial discrimination in benefit levels, finally achieving parity in 1993. In neither this nor the preceding, early apartheid period was there evidence of cross-racial solidarity on the part of either the white electorate or the state.

The story of taxation is not very different: an efficient state relied on income taxes and taxes on gold production through most of the twentieth century. Income tax revenues grew fast, in relation to GDP, in the First World War, and again in the war years of the early 1940s (jumping from less than 2% to more than 6% of GDP). In the early apartheid period income tax revenues actually declined somewhat, but then rose rapidly again from the mid-1960s. By the time of the transition to democracy, income tax had come to account for 14% of GDP (Lieberman, 2001). The provision of public education is rather different. Here there was — in 1976 and again in the mid-1980s — dramatic evidence of pressures from below for reform. The expansion of schooling reflected the combination of these pressures from below with the growing needs of employers for a more skilled workforce.

South Africa is exceptional today primarily because it was exceptional *before* 1994. It is very unlikely that South Africa's tax and welfare systems could be put in place from scratch today, in a democratic polity. This is not to downplay the leverage that democracy has brought to poorer citizens. Social policy is the most visible area of government policy, and the governing party (the African National

Congress, ANC) has used the construction of schools and clinics in rural areas to good political effect — especially in those areas where it has faced real political competition (for example, parts of the Eastern Cape in the 1999 general election, in the face of a challenge by a new party co-led by a former ANC leader). Nor does emphasising the importance of path dependence mean that the attitudes of the post-apartheid rich are irrelevant. White South Africans might be ambivalent about policies of affirmative action (promoting the black middle class) but are generally supportive of a range of measures to redistribute to the poor. Since 1994, the political parties representing most white South Africans have consistently supported the social policies that entail active redistribution.

The analysis by Lieberman (2001) of the history of taxation in South Africa provides a possible explanation of social policies also. Lieberman focuses on intra-racial solidarity. He argues that upper-income white people were willing to pay high income taxes because the state was "their" state. Tax revenues could legitimately be used to finance war or to address poverty among "poor whites". It was racial "glue" that bound rich, white taxpayers to the state, allowing income taxes to be hiked repeatedly. Intra-racial white solidarity might similarly explain the construction of a welfare state for white South Africans, financed by the taxes paid by a white elite.

Lieberman's thesis invites two lines of criticism. First, was the assumed solidarity on the part of the richer white tax-payers the strong kind of within-group solidarity or the weaker kind of concessionary solidarity? To what extent were rich white tax-payers paying up because they recognised the need for intra-white political compromise, in the face of the political or industrial power of poorer white classes, and to what extent were they forging a united front with poorer white classes against the *swart gevaar* (i.e. black peril)? The class, regional and ethnic divisions within the white population should not be ignored so readily. Secondly, Lieberman overlooks the importance, at least in political rhetoric, of a more inclusive concept of the nation at key moments, notably the war-years of the early 1940s. The state was quite open in acknowledging that its reforms of social policy entailed redistribution from white to black people, recognising that black South Africans had some social rights in a common society. Both the self-interest and the moral rhetoric of white elites sometimes cut across racial lines. The complexity of tax-payers' "solidarity" becomes more apparent when we consider the late apartheid period, when the state began to commit very substantial funds to education, health care, housing and welfare for black people. Inter-racial redistribution surely reflects a class-cum-racial com-

promise: fear of expropriation (including crime), guilt, recognition of past inequity and a sense of justice may all be bound up together.

The ways in which cultural diversity shape solidarity and redistribution in South Africa are clearly determined by the country's specific history of racial politics. White elites are unusually willing to concede redistribution and strike a social democratic compromise because of the close relationship between race and class. At the same time, there is strong solidarity among black South Africans — spanning growing intra-racial class differences and continuing intra-racial ethnic diversity — because race remains fundamental to political attitudes. Racial politics also makes it easier for the ANC to play an integrating role, preventing the fragmentation of a "nationalist" movement into competing ethnic, regional or class-based factions.

Why don't the poor get more? Redistribution in South Africa is no more constrained by power-sharing than it is by cultural diversity. After a brief period of power-sharing under an interim constitution (lauded by the high priest of power-sharing, Arend Lijphart (1994)), South Africa has not had recognisably consociational institutions. Minority groups have no right to sharing power in the executive, nor any corporate veto over policies affecting them. The dominant party — the ANC — might be a broad church, but it is not so inclusive as to accommodate most members of the minority racial groups. Would power-sharing have inhibited redistribution? Probably not. The experience of power-sharing in 1994-96 does not suggest any limitation on redistribution: the National Party, then part of the Government of National Unity, supported the ANC's Reconstruction and Development Programme. The Democratic Alliance, which was the largest opposition party after 1999, implemented redistributive policies in the provinces and municipalities under its control.

The major obstacle to redistribution to the poor in post-apartheid South Africa is probably not the rich white elite as much as the black middle class and perhaps even the black organised working class because these classes seek to capture the benefits of inter-racial redistribution. Inter-racial redistribution does not mean that benefits reach the truly poor. Indeed, the available data on post-1994 trends suggests that the black middle-class has enjoyed huge gains whilst the black poor have, if anything, grown poorer still (Whiteford and Van Seventer, 2000; Seekings and Nattrass, forthcoming). The black middle and working classes are both powerful within the multi-class coalition represented by the ANC. It serves the ANC leadership to play the race card, to maintain a coalition with its own internal strains, but the rhetoric of politics should not be misconstrued as an analysis of the politics of public policy-making.

Political institutions do potentially inhibit redistribution in other ways. The electoral system (combining closed-list proportional representation with just ten very large electoral districts) together with restrictions on "floor-crossing" (i.e. on Members of Parliament defecting from one party to another) concentrates awesome power in the party leaderships. This centralisation renders largely irrelevant the provisions in the constitution for weak federalism and the separation of legislative and executive powers. The centralisation of power within the ANC allows the executive to resist demands for redistribution. In a constituency-based electoral system, or one where power in political parties is more dispersed, the poor might exercise greater leverage over legislators and hence the executive. For this reason, conservative commentators sometimes voice approval of the system. The importance of the centralisation of power was evident in recent debates on welfare reform, focused on the proposed introduction of a universal, non-contributory, "basic income grant". The recommendation by an official commission of inquiry that a basic income grant be introduced was supported widely within the ANC, but the top ANC leadership suppressed serious debate and kept the issue off the real policy agenda.

In fact, however, demands for redistribution appear to be relatively muted. Contrary to scholars' expectations (e.g. Herbst, 1993), the available evidence suggests that the poor themselves have limited (or "realistic") expectations of change (Charney, 1995; Johnson and Schlemmer, 1996; Nattrass and Seekings, 1998). Elsewhere I have argued that a key factor constraining demands for redistribution is the opacity of public policy. Poor citizens can see, and oppose, self-enrichment by officials, incompetence or corruption in the administration of old-age pensions, and even the government's tardiness in increasing welfare payments in line with inflation. But it is less easy to see how the government is responsible for what people see, rightly, as the major cause of poverty: unemployment. Surveys of public opinion routinely find that unemployment is identified as the most important problem facing the country, and that an overwhelming majority of the electorate (including the ANC's own supporters) assess negatively the government's performance. But they don't hold the government responsible, and do not seek to punish the ANC electorally. The people holding high expectations — and potentially therefore disappointment — are not the poor, but rather the relatively privileged urban industrial working-class and black middle-class. The poor don't get more in part because they are not demanding more (Nattrass and Seekings, 2001). To what extent these attitudes are the product or outcome of the political system — in that a different system might foster more critical attitudes at the local level — is unclear.

4 • Brazil

In at least two respects, Brazil is very similar to South Africa. First, there is a high level of inequality in the distribution of income. The Gini coefficient for disposable income has been estimated consistently at about 0.6 for the past twenty years. As in South Africa, inequality (of disposable income) might have worsened somewhat since the transition to democracy in the mid-1980s (Psacharopoulos *et al.*, 1997). Secondly, the country's first fully democratic presidential election was held as recently as 1989, just five years before South Africa's first democratic general election; in the elections held in periods of civilian rule up to 1964, many citizens had failed to satisfy a literacy qualification. Unlike South Africa, minimal redistribution from rich to poor is effected through the budget in Brazil, and democratisation has been slow to have a major effect on this. The lack of redistribution in Brazil cannot be attributed to the country being a "divided society", but seems to reflect overwhelmingly institutional design.

In Brazil, as in South Africa, the rich are super-rich, with the top income decile accounting for over one half of total Brazilian income, and the top two deciles together accounting for two-thirds of total income (Psacharopoulos *et al.*, 1997: 144). Also as in South Africa, the poor live disproportionately in rural areas. Brazil is a society that has undergone massive urbanisation over recent decades, with rural areas left far behind in developmental terms. Poverty is most acute in the North-east region (home to one-third of the population but two-thirds of the poor). But the causes of poverty in Brazil are not the same as in South Africa. The Brazilian poor are poor not so much because they are unemployed as because they are working for very low earnings in the informal sector. Brazil's unemployment rate is, in the bottom income quintile, only 10% in urban areas and 1% in rural areas, compared to an aggregate 70% in South Africa. Informal sector employment stands at 73% of the labour force in the bottom quintile in Brazil. A second difference between Brazil and South Africa is the importance of education. In South Africa, school enrolment is high, even in the poorest areas, and the returns to school education are generally low. In Brazil, enrolment rates are low, and there are high returns to each additional year of schooling. Inequality in the distribution of income in Brazil is closely related to inequity in the distribution of human capital (Lam, 1999). The adult illiteracy rate in the bottom income quintile is about 43%. In this quintile, as many as one in three children aged 7 to 14 are not attending primary school and as many as 95% of 15 to 19 year-olds are not attending secondary school (Camargo and Ferreira, 2000: 20).

Brazil's growth path in the twentieth century was not unlike South Africa's. As in South Africa, the Brazilian state promoted a growth path that concentrated benefits in specific, mostly non-poor social groups. Deliberate import substitution industrialisation ensured higher incomes for employers and workers in protected sectors, including public administration and public utilities. As in South Africa, organised urban workers secured minimum wage and social security programmes before the Second World War. Unlike South Africa, however, these had the objective of maintaining the incomes of urban workers and their families should the bread-winning worker become unemployed, sick, disabled or die, and in his (and occasionally her) retirement. Social security was focused on corporatist social insurance, on the German model, not universal social assistance; coverage was intentionally limited to exclude most of the poor (Malloy, 1979). Public education and health care was also expanded slowly from urban middle classes to urban working class, and public housing targeted on urban working class. In 1963 and 1970 reforms extended some benefits to rural workers also. Despite these limited reforms, social policies continue today to be very poorly targeted on the poor. Social policies absorb two-thirds of government spending and (in 1998) about 21% of GDP, but benefit the middle classes and rich disproportionately.

The three pillars of redistribution in South Africa are all absent in Brazil. First, and crucially, education in Brazil is highly unequal. In contrast to South Africa, enrolment rates in public schools remain low in poor areas. Most of the beneficiaries of public secondary schooling are in the third and fourth quintiles, and almost all of the beneficiaries of the massive public spending on tertiary education are in the top quintile (Von Amsberg *et al.*, 2000; see also Camargo and Ferreira, 2000). The shares of public expenditure on primary and secondary schooling going to the bottom quintile is about 20% and less than 10% respectively in Brazil (*ibid*), compared to an aggregate figure of almost 30% in South Africa by 1997 (Van der Berg, 2001a: 148). Secondly, social security programmes, with the exception of some minor programmes such as the free milk and school lunch programmes, are highly regressive. Pension benefits are linked to lifetime earnings and concentrated heavily on formal sector workers. The Constitution itself guarantees generous benefits to civil servants, set at 100% of salary at retirement. These pensions are contributory in that only past contributors are eligible, but most benefits are paid for from general revenues and therefore pose a huge and rapidly rising burden on the fiscus. Huge benefits are paid to the relatively well off, but less than 20% of pensions are paid to households in the poorest three quintiles. Unemployment insurance reaches the second and third quintiles, but the bulk is captured by the rich and

the poorest quintile barely benefit (Von Amsberg *et al.*, 2000: 34-5; see also World Bank, 2000). Overall, social spending is regressive across quintiles (IADB, 1999: 191), in contrast to South Africa. Von Amsberg *et al.* (2000: 36) calculate that some 13% of all social expenditure in 1995 went to the bottom quintile, rather less than the 33% estimated for South Africa by Van der Berg (2001a: 148). Thirdly, only 18% of tax revenues come from taxes on income or profit (World Bank, 2002: 36). Information on Brazilian taxes is hard to come by, but in Latin America as a whole, tax systems are regressive because income tax rates are low, loopholes abound, and indirect taxes are high (IADB, 1999).

Attitude surveys suggest that there is, in Brazil as in Latin America as a whole, strong support for the redistribution of income, public health care, and public assistance for the elderly and the unemployed (Latinobarometer data, cited in IADB, 1999: 180). Data from the World Values Survey suggests that support for equality-enhancing state policies is lower than in South Africa, but is nonetheless strong (see Table A3 in the Appendix). Indeed, some surveys suggest that Brazilians are unusual in the extent to which they prioritise equality over democracy (see Turner and Elordi, 1995: 474). Lower classes are more egalitarian than higher ones (*ibid*: 483). But even among elites there is "great sensibility to the problems of poverty and inequality" (Reis, 2000: 183). Poor education and high levels of poverty and inequality are seen by elites as major obstacles to democracy and as the object of key national goals in the medium term (*ibid*: 184-5).

Since democratisation in 1985, successive federal governments have sought to reform social policies and the associated taxation system. Weyland (1996) provides a detailed study of reform initiatives between 1985 and 1994, i.e. before the election of Fernando Henrique Cardoso as president. In each of three areas — taxation, social security and health care — reforms were initiated primarily by progressive technocrats and were frustrated by powerful vested interests. This pattern repeated precisely the politics of reform prior to 1964 (see Malloy, 1979). In the case of social security reform after 1985, opposition came from conservative bureaucrats, defending the existing rules and procedures, the Finance Ministry, fearful of increased budgetary demands; and, above all, sectional pressures. Trade unions were opposed to any curbs on their privileges under the existing system — that benefited them handsomely — and even opposed the extension of non-contributory or subsidised benefits to people poorer than themselves. The rural poor were themselves divided, with the rural workers' unions agreeing to a compromise with employers whereby social security provisions were extended to

salaried rural workers (a reform that was subsequently shelved). The rural and urban poor lacked effective voices in the political arena. The federal Congress was dominated by clientelist politicians who sought to maximise the resources available for discretionary patronage, and had little interest in reforms that meant that benefits would be non-discretionary entitlements. In 1991 higher wage rural workers were brought into the social security system. Almost immediately, fiscal crisis required massive cuts in benefits. The federal government proposed that benefit cuts (for the privileged) be combined with making low benefits universal, for the first time. Vested interests forestalled this reform, as they did also reforms of the tax and public health systems.

In 1994, Cardoso was elected on an explicitly progressive ticket. In his inaugural address he emphasised that social justice would be the "number one objective of my administration". He claimed a mandate "from those that have been excluded" and warned that, if necessary, he would "do away with the privileges of the few to do justice to the vast majority of Brazilians". The great challenge would be to decrease inequalities and do away with the "patronage, corporativism and corruption [that] drain away the taxpayer's money before it reaches" its rightful beneficiaries (Cardoso, 1999). Rhetorically, Cardoso was similar to his contemporaries in the ANC leadership in South Africa. The Cardoso governments did attempt a series of reforms of social policy. Constitutional amendments limited marginally the state's obligations to civil servants on retirement. Reforms of health spending improved targeting on the poor. The government established several new federal welfare programmes in 1995: the *Communidade Solidária* programme, distributing free food to poor communities, and a number of programmes involving partnership between state, civil society and private sector. In 1996 the government sponsored a constitutional amendment to facilitate federal spending on primary schools, improving teachers' salaries and providing for the *Bolsa-Escola* programme. This programme provides means-tested, conditional cash transfers, where the condition for the transfer is school attendance. Initiated in the Brasilia Federal District in 1995, by the newly-elected Worker's Party (PT, in Portuguese) governor, decentralised *Bolsa-Escola* (school scholarship) programmes had been implemented in perhaps one hundred municipalities by the end of 2000, reaching about 100 000 families, one quarter of them in Brasilia (Lavinas, 2001: 6). Coverage was thus very limited, in terms of both municipalities and the poor in participating municipalities. In Belo Horizonte, the programme reached 8% of families (*ibid*: 12). Just prior to the 1998 presidential elections, the federal government launched a programme, meeting half of the cost of *Bolsa-Escola* programmes in poorer municipalities. The govern-

ment claimed that 504 000 families benefited over the following year (*ibid*: 7-8). Assessments of *Bolsa-Escola* programmes indicate that they raise school attendance and reduce grade repetition, and are well targeted on the poor, but they barely scratch the surface of poverty (*ibid*; Lavinas *et al.*, 2001). In mid-2001, however, the Federal *Bolsa-Escola* programme was expanded, and by early 2002 reached nearly 5 million families, including over 8 million children (Silva e Silva, 2002: 10).

Scholars of Brazil emphasise the importance of institutions in frustrating reform and ensuring the perpetuation of policies that protect the privileged or relatively privileged. Few political systems have so many veto points. Federalism constrains the power of the centre; the separation of powers impedes reformist presidents; the electoral system breeds individualism among politicians and undermines party discipline; and existing policies provide politicians with the resources to uphold patronage politics. All can be traced back to the circumstances of what was an undoubtedly conservative transition to democracy (Hagopian, 1996; Power, 2000). The military were able to ensure the election of conservative politicians heading regional political machines — as many as 40% of the members of the 1987-91 Congress were former members of the military-backed party prior to 1985 (Power, 2000) — leading to the adoption of a conservative constitution in 1988 (Montero, 2000).

Reform is constrained most obviously by the institutional power of conservative politicians from rural states. Seats in Congress do not reflect the demographics of the country. Sao Paulo state has 22% of the population but only 12% of the seats, whilst the seven smallest states have, between them, 4% of the population but elect 25% of the Senate and 10% of the lower chamber. The Senate, which is especially disproportional, has unusual power to kill legislation coming from the lower state. The constitution reduces further the powers of the centre by requiring the transfer of federal funding to the states and municipalities. The result is, in Stepan's analysis, "*demos*-constraining" (Stepan, 2000). The reason for this is that many of the states, including especially the poorer states, are dominated by oligarchic elites.

The power of oligarchic elites is rooted in large part in the electoral system of open-list proportional representation (PR) for legislatures. Open-list PR entails seats being allocated to parties according to the share of the vote won by each party's candidates, but being allocated within parties to candidates on the basis of which individuals won most votes. When combined with small electoral districts but without restrictions on floor-crossing, open-list PR results in a predominance of individualist politicians who seek to build personal-

ised support bases through clientelism and change parties frequently (more than half of the members of the 1991-94 federal Congress switched parties — Mainwaring, 1999: 142-7; see further Ames, 2001). In stark contrast to South Africa, party discipline is extremely weak (Mainwaring, 1999: 139). Congress is paralysed, with presidents having to form coalitions out of individualist legislators nominally combined into parties. The parties of the left (the PT) and centre-left (including Cardoso's Social Democrats) are, to different extents, exceptions to this picture of weak parties, but they account between them for little more than one-third of the congressional vote and a still smaller proportion of the actual seats in Congress.

Progressive reforms by the Federal government are frequently frustrated by some combination of the division of powers under the federal constitution, the self-interest of bureaucrats and politicians, or the vested interests of powerful constituencies (such as trade unions, in the case of pension reform). Pro-reform coalitions have proved to be viable in some surprising areas of policy, including trade policy (Kingstone, 1999, 2000), but not with regard to social policies. It is at the sub-national level that some of the more significant reforms have been effected. Tendler (1997) has analysed a rare case of "good government", in the impoverished North-eastern state of Ceara between 1987 and 1994. PT municipal administrations have also attracted considerable laudatory attention, although most is focused on innovative procedures rather than substantive policy outcomes (e.g. Abers, 2000) — and most of these PT administrations have been in the relatively prosperous South and South-east. Experiences in Ceara and PT-administered states and municipalities lead Montero (2000) to suggest that federalism is not unambiguously *demos*-constraining, as Stepan argued; rather, it opens spaces for progressive initiatives at sub-national levels. The distributional consequences of federalism depend on the politics at state and municipal levels. Notwithstanding the success of the PT and other reformist candidates, most of the poorest parts of the country continue to be dominated by elected oligarchic elites.

Why do so many poor voters vote for regionally-based, conservative representatives rather than for the PT or other reformist candidates espousing pro-poor programmes? Even in the presidential elections, dominated by centre-left and left candidates (Cardoso, Lula), poor voters have tended to vote for the more conservative candidates. There is no relationship between income or class and voting behaviour in presidential elections. Indeed, the left's persistent presidential candidate, Lula, tended to do better among slightly better off voters than his less radical opponents (Mainwaring, 1999). The explanation is clearly not "cultural diversity", given that Brazil has a very

low level of ethno-linguistic fragmentation; Brazilians are united by religion and language, and race does not appear to be a factor in voting behaviour. Rather, most studies emphasise that Brazilian voting behaviour is contingent on the political context: an electoral and political system that encourages individualism among politicians and regionalism in federal politics combines with a policy environment that gives politicians huge discretionary power over the allocation of resources. In this context, poor Brazilians acquiesce in a regionalist, oligarchic and inegalitarian system, giving their votes to regionally-based politicians who promise patronage not programmatic or systemic reform. In this, Brazilian voters are of course not unlike "quiescent" or "deferential" sections of the poor in America (Gaventa, 1980) or Britain (Newby, 1977).

The absence of ethnic, religious or linguistic fragmentation and the limited political salience of race does not mean that Brazil is culturally homogeneous. Brazil is clearly not the non-racial society that Freyre and others applauded for so long; race is more of a factor in social and economic life than has generally been acknowledged. But racial consciousness and identity are extremely complex in Brazil. Racial categories even appear to be malleable, with upwardly mobile black Brazilians becoming "whiter" over time both in terms of their own identity and how they are perceived by others. More importantly for our argument, however, is that race has rarely been politicised in Brazil. Racially-based political or other movements have failed to attract support. Twentieth-century Brazil was never a racialised polity in a sense remotely resembling apartheid or even post-apartheid South Africa.

More importantly, regional identities — and stereotypes — are important in Brazil. Poor voters in rural regions typically vote for regionally-based patrons in conservative parties rather than for candidates from the programmatic, pro-poor PT. People in the wealthier regions typically view people from the poorer north-east in very derogatory terms. What is unclear is whether such regional identities and prejudices are the cause or the product of a political system that promotes regionalism. Citizens vote for patrons who promise and succeed in delivering "pork" to regional and sub-regional constituencies, and often follow the recommendation of regional leaders in voting for federal candidates (including candidates for the presidency) whom the regional leader has himself endorsed (in return for promises of patronage). Do federalism and open list PR accommodate such practices or cause them? The absence of both redistribution and cultural diversity compels us to examine whether both are not, in some way, the consequence of the interaction between regional identities and the design of Brazil's political institutions. Federalism,

the electoral system and the discretionary nature of so much public spending means that elites and citizens behave in the kinds of ways that we might expect if this had been a "divided society" rent by immovable cultural divisions. Might this also be true in a society that is much more obviously "divided"?

5 • Nigeria

If one wanted a good example of a society where cultural divisions appear especially implacable, look no further than Nigeria. The "national question" had dominated Nigerian politics since before independence in 1960. Nigeria adopted a federal constitution to try to contain the tensions between the predominantly Muslim, Hausa-speaking North, the predominantly Christian, Yoruba-speaking South-west and the predominantly Christian, Igbo-speaking South-east. But despite — or because of — the federal arrangements, inter-regional/ethnic tensions intensified, culminating in the attempted secession of the South-east ("Biafra") and civil war between 1967 and 1970. Following the war, Nigerian politics was dominated by northerners in a succession of military regimes, interrupted briefly by the corrupt civilian governments of the Second Republic (1979-83). Regional tensions worsened when the (northern) military annulled the results of a presidential election in 1993, aborting the promised transition to democracy, when it appeared that a candidate from the south-west had won.

Since the most recent transition to democracy, in 1999, Nigeria has been plagued by ethnically-divided elite politics. Ethnic organisations have proliferated, wielding considerable influence in national politics. Yoruba interests are advanced by the Oodua People's Congress (named after Oduduwa, the mythical father figure of Yorubas), until its banning in 2000, and the traditionalist Yoruba movement, *Afenifere*. Eastern elites have an umbrella organisation of their own, *Ohaneze*. A northern pressure group, the Arewa Consultative Forum (chaired by former military president, Gowon), formed the Arewa People's Congress to advance northern interests. In other parts of the country, too, ethnic minorities have their own organisations, most notably the Ijaw National Congress and other groups in the oil-producing region of the Niger delta. Prominent politicians and intellectuals voice doubts as to the coherence of Nigeria, demanding even that Nigeria become a confederation. At the same time, communal violence sweeps across the country. Most recently, northern cities were engulfed in religious riots.

Analyses of Nigerian politics and society are plagued by a lack of good data on key issues. First, there is almost no readily avail-

able data on inequality. The Federal government conducted national household surveys in 1985/86 and 1992/93 (see World Bank, 1996), and there are a number of more recent local studies (see e.g. Adesina, 2000, for 1993 data from South-western Nigeria). Such studies report high and rising Gini coefficients, but the variation is considerable and the quality of the data questionable. There is some data on perceptions of inequality. The 1995 World Value Survey found most Nigerians agreeing that "most poor people have very little chance of escaping from poverty", that "a larger share of the population is poor than ten years ago" and that "people are poor because society treats them unfairly" (rather than because they are lazy and lack will power). Nigerians were more supportive of income differences, as incentives for individual effort, than South Africans and Brazilians, and more likely to agree that "people can only get rich at the expense of others". The 2000 Afrobarometer survey also found strong support for greater equality in income distribution and for meeting people's basic needs (Bratton and Lewis, 2000).

What most attitude surveys don't pick up, however, is probably more important. Astute commentators agree that a sense of marginalisation is widespread among the Igbo people from the East, among the Yoruba in the West, among the country's many ethnic minorities — among just about everybody, that is, except perhaps the Hausa/Fulani people of the north (Mustapha, 2001). These kinds of perceptions are difficult to identify and assess in attitude surveys. The Afrobarometer surveys, unusually, have probed whether Nigerians feel discriminated against.

Much depends on the way the question is asked. Overall, relatively few Nigerians (11.7 percent) feel that the economic conditions of their group are "worse than the economic conditions of other groups in the country." Almost twice as many respondents (20.3 percent) were willing to agree that their group "is always (or) to a large extent … treated unfairly by the government." And a middling proportion (18.7 percent) felt that the government overlooks the interests of "all Nigerians" in order to represent "just a few groups or the interests of one group only." (Bratton and Lewis, 2000: 26).

Nigerians with a class identity are more likely to feel aggrieved than Nigerians with stronger ethnic, religious or linguistic identities. Some ethnic groups (such as Ijaw-speakers) are more aggrieved at discrimination than others (such as Hausa-speakers). Qualitative work (and perhaps the use of experimental vignettes in surveys) would be invaluable in shedding fresh light on these issues.

There is a similar lack of data on the incidence of public expenditures. There is little accounting for public revenues, even

since the transition to democracy in 1999, and Nigerian public finances are in a mess. In 2002, when the lower legislative chamber initiated impeachment proceedings against President Obasanjo, the counts included the executive's failure to implement Appropriation Acts and spending money without authorisation.

Let us accept, nonetheless, three assertions about Nigeria: First, there is significant inequality, within regions as well as nationally. Second, state policies are likely to be highly regressive, with an extraordinary share of state expenditures captured by national and regional elites. And, thirdly, ordinary as well as elite Nigerians tend to view their society in ethnic or religious terms. The questions for us here are, then: to what extent are the ethnic (or religious) patterns in Nigerian politics the product of a primordial cultural diversity and to what extent are they the product of a struggle for spoils in a specific institutional context? To what extent are they the cause and to what extent the consequence of political conflict?

Without better evidence, we can only answer these questions indirectly. First, Nigerian politics is clearly structured by the consequences of oil production. Up to and at independence, Nigeria was a society of peasants, with no large landowners and very little industry. The nascent middle class was based in public sector employment and commerce. Government revenue came from taxes imposed on agricultural marketing boards and, at the local level, various poll taxes. This all changed with the oil boom of the 1970s. State revenues rose by as much as 40% per year during the 1970s, with oil revenues contributing over 80% of total state revenue. The oil boom transformed the relationships between government, state and society. Control of state expenditure became, more than ever before, the route to enrichment. As a long series of scholars have shown, elite politics in Nigeria revolves around competition for control of the state and its oil revenues. "Simply put", writes Ibeanu (1998), "state power guarantees access to petrodollars". Nigerian politics became an intra-elite struggle for spoils (Forrest, 1986). Richard Joseph (1983, 1987) has analysed this in terms of "prebendalism", using the Weberian notion of a prebend as the use of public office for private enrichment. Both military and civilian regimes have maintained power through distributing public resources through decentralised patronage networks. Under the post-1984 military regimes, such prebendalism gave way to a more naked "predation" and "decentralised clientelist rule" was replaced by "purely avaricious dictatorship" with the concentration of coercive and financial power in the personal hands of military strongmen (Lewis, 1999). The presidency assumed many of the functions of the Ministry of Finance and the Central Bank. Two-thirds of public expenditure (equal to about 17% of GDP) was done outside of

the federal budget, i.e. was entirely discretionary. The Nigerian National Oil Corporation never published accounts. Corruption took place on a previously unimaginable scale. The centralisation of power, especially under the military after 1984, meant that the supposedly federal state became a de facto unitary state (Othman and Williams, 1999; Suberu, 2001).

At the same time, a hitherto largely peasant society was devastated as oil exports changed relative prices in the economy. This was the setting for the intensification of religious tensions in the North. The collapse of agriculture and a boom in urban construction in the late 1970s led to rapid urbanisation. In northern cities, material grievances and resentment of official corruption provided fertile ground for the growth of fundamentalist Islam. Preaching a fundamentalist and fiercely anti-materialist message, a charismatic local leader in Kano known as "Maitatsine" attracted a substantial following among the urban poor. In December 1979, the police and army battled with Maitatsine's followers for five days. The strenghening of religious identities is the result of economic hardship and political alienation (Mustapha, 2000). In the (Niger) Delta area in the South, strains in the agricultural economy combined with resentment of the environmental degredation accompanying oil production and of the failure of the state to return oil revenues to the areas where the oil was produced, leading to revolt against the federal government.

The transformation of public finance affects profoundly the relationship between state and society. Guyer (1992) examines the changing nature and consequences of local taxation in one area of South-west Nigeria (Ibarapa). In Europe, taxation was institutionalised under non-democratic rule, democracy was constructed around struggles to control public revenue, so that there developed a close relationship between the obligations of taxation and the rights of democracy. British colonial administrations sought to replicate this process in Nigeria. Taxes were initially viewed as a colonial imposition but achieved some legitimacy around independence. In the South-west, the imposition of taxes to pay for the civil war promoted rebellion. Taxes were illegitimate in a context in which expenditures were questioned and there was no consent mechanism. As oil revenues flooded into state coffers, the state completed the task of dismantling the colonial tax system, especially at the local level. Taxes were not even raised during the austerity measures of the mid-1980s. Effective tax rates are very low:

Translated into a proportion of a man's cash income (i.e. not including the cash value of income in kind from the farm and not reflecting the cash costs of production), the tax paid by the male Ibarapa farmer or trader in 1968 at the time of the [anti-tax] revolt was

about 8 percent; in 1980 tax was about 1 percent, and in 1988 was under 2 percent for a poor farmer and literally disappeared as a percentage of the net income of a successful farmer with ten acres. The annual tax in 1988 was considerably less than the amount a farmer might contribute as a minor participant in a single funeral ceremony, a chieftaincy installation, or as a purchaser of a single round of three Harp beers among friends. (Guyer, 1992: 56)

Nigerian citizens are not tax-payers, and debates over public policy are not framed in terms of the implications for tax-paying citizens. Groups compete for a larger share of public revenues, not for the better use of taxes, and there is no basis for demanding that the wealthy pay tax.

Between 1946 and 2000 no fewer than nine separate commissions investigated revenue-sharing in Nigeria, and not one came up with a generally accepted formula or rules for revising the formula (Suberu, 2001). Between 1966 and 1979 the federal government allocated funds to states on the basis of a formula with just two elements: half of all funds were allocated on the basis of population (rendering censuses intensely political) and half on the basis of an equal share to each state (providing a strong incentive to state fragmentation). With the arrival of massive oil revenues, an additional "derivation principle" was added: a fixed percentage would be ear-marked for the oil-producing regions. As of 2000, the percentage was 13% (*ibid*: Chapter 3).

Faced with ethnic competition for control of state resources concentrated at the centre, constitutional architects have asked repeatedly whether there is some institutional design that diminishes the "immense premium on political power" (Diamond, 1987)? Again, Diamond wrote soon after the 1999 transition, "Nigeria still confronts the basic questions of governance that have dogged it throughout its forty years of independence" including, firstly, "How should federal institutions be designed to manage and contain the country's countless ethnic, subethnic, regional, and now increasingly religious cleavages?" (Diamond, 2001: xiii). The standard responses on institutional design cover four main areas:

1. The establishment of new states: At independence, Nigeria comprised three regions, each dominated by one of the three big ethnic or national groups that together constituted two-thirds of the population. A fourth region was created in 1963. These were broken up into twelve states in 1968 in the belief that smaller states would mitigate the tripolar conflict of the 1960s. In 1976, these were further reorganised into nineteen states, then twenty-one in 1987, thirty in 1991 and thirty-six in

1996. Division into about nineteen states (as under the Second Republic) seemed to "work" well in terms of placating key groups (Diamond, 1987), but for minorities, the formation of a new state remains attractive in order to secure direct access to federal politics. All except the 1963 reform were done through military fiat (Suberu, 2001: 15). To what extent is the proliferation of states required to manage long-standing ethnic diversity and intolerance and to what extent is it required to manage conflicts ensuing from the revenue-sharing rules?

2. Regulation of political parties: military and civilian governments have repeatedly specified conditions that parties have had to satisfy in order to register for participation in elections. In 1979, parties were required to have executives or governing councils that included members from two-thirds of the states. In 1993 the military went so far as to establish a centre-left and a centre-right party, supposedly intending that ideological differences should replace cultural ones. The Constitution for the Fourth Republic requires that parties demonstrate national support, and the leadership must reflect the "federal character" of Nigeria. President Obasanjo tried, and failed, to secure legislation further restricting party registration. Such rules, whatever the intention, serve to protect existing elites and to concentrate power at the centre.
3. The "federal character principle": the 1979 constitution of the Second Republic prescribed this principle for presidential appointments, and this provision was repeated in the 1999 constitution for the Fourth Republic. Positions — including ambassadors, ministers, senior military officers, and so on — should be allocated to people from each state. It has even been proposed that Nigeria have a rotating presidency (see Suberu, 2001: Chapter 5)
4. Requirements for election to executive office: under the 1979 and 1999 constitutions, presidents and governors must receive at least one quarter of the vote in at least two-thirds of the states or districts, i.e. they must demonstrate broad as well as strong support.

The danger is that these perpetuate and even strengthen regional or ethnic or religious identities, rather than contain them. Political parties in the Second and Fourth Republics reflected the rules governing their operation. Rather than coalesce around programmes, politicians came together in "very large, but often structurally and ideologically incoherent, multi-ethnic parties" (Suberu, 2001: 117). In Nigeria, as in Brazil, politicians build support bases

through patronage, recruiting local patrons into coalitions that lack any clear programmatic or ideological basis. Of course, culture shapes the choice of coalition partners, but it does not determine it. The political importance of cultural diversity in Nigeria is, to some extent at least, conditional on the political economy of public finances in an oil state and on institutional design. It is also unclear how and why ethnicity, regionalism and religious affiliation sometimes cut across each other, refuting the crude simplicity of most ethnic analysis. In the 1993 presidential election (annulled by the military regime), the candidate of the centre-left party (M.Abiola) was a Muslim, Yoruba businessman from the West, but he won support from Christians as well as from some Muslims in the north. In the 1999 election, ex-general (and former military president) Obasanjo — a Christian from the South — won most of his votes in the Muslim north.

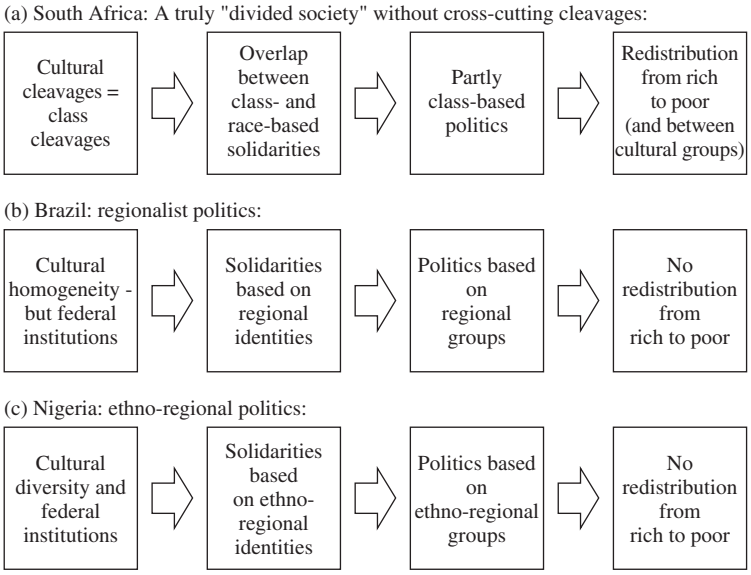
The rules for sharing federal revenues clearly provide incentives for regionalist politics. Suberu (2001) recommends a further decentralisation of funds through further revision of the vertical division of revenues, together with a revised horizontal division with increased rewards for local revenue generation. In general, however, federalism is a bad way of getting public resources to the poor, and it is unclear how far reforms can overcome this.

6 • Conclusions

The comparison of Brazil and South Africa leads to some counter-intuitive findings. In two countries with not dissimilar social and economic structures, there are completely contrasting rates of redistribution. In pre-democratic South Africa, where supposed cultural diversity became the organising principle of political rights, social rights became more universal than in Brazil at the same time. The institutional design of contemporary, democratic Brazil is the product of the country's conservative transition to democracy, and pressures for redistribution and social citizenship are largely frustrated by a multiplicity of veto points, the constitutional protection of vested interests, and voting patterns among the poor that appear to be consequential to rather than prefigurative of institutional design. In South Africa, in contrast, a pacted transition to democracy did not entail formal restrictions on redistribution. The government's uneven progress in policy reform is not because there are too many veto points — in practice, there are hardly any — but because the citizenry is not pressing hard for reform, itself due to the combination of highly visible, already redistributive social policies and opaque labour market and growth path policies.

FIGURE 2

Some actual types of solidarity and redistribution



Nigeria is a case where cultural diversity is violently evident, and provides an obvious explanation for citizens' failure to organise along class lines and secure a more accountable use of government resources. But it is unclear even here how cultural diversity in fact interacts with the character of public finance and institutional design. In practice, Nigerian politics is very similar to Brazilian politics, raising the possibility at least that Nigerian politics is shaped more by institutional factors (as in Brazil) than it is by cultural diversity (which Brazil does not share).

Figure 2 tries to summarise key aspects of these three actual cases in the framework used for ideal types in Figure 1. South Africa is (or at least was) a truly "divided society", without cross-cutting cleavages: the paramount cultural cleavage (race) largely coincided with class, with the result that racial tensions and economic inequality fed on each other and fuelled demands for inter-class as well as inter-racial inequality. White taxpayers conceded redistribution through the budget because of — not despite — the racial factor. In Brazil, in contrast, institutional design encouraged regionalist identities that cut across class, providing incentives for regionalist political behaviour and inhibiting the prospects for redistribution to the poor. In Nigeria, institutional design exacerbated pre-existing cultural diversity that cut across class, with the outcome that there was even less demand for redistribution to the poor than in Brazil.

These conclusions must be tentative, not least because extant evidence and analysis is so uneven. The literature on politics in each

of South Africa, Brazil and Nigeria lags behind political developments by several years, such that we lack careful, critical studies (in English) of Brazil under Cardoso or Nigeria under its Fourth Republic (i.e. since 1999), and even of South Africa after 1997 or so. It remains unclear what difference democracy has really made in Nigeria, what difference a more committed social democratic president made in Brazil, and how a social democratic compromise has developed in South Africa. We lack analysis of key issues even for the preceding periods. This is most obviously the case for Nigeria, where the scale and use of public finance remains largely hidden from view. For all three countries we lack good data on key aspects of public opinion. We know a lot about attitudes toward democracy and a range of social issues (including in Nigeria, from reports on an unreleased Afribarometer study — see Bratton and Lewis, 2000 — as well as the publicly available 1995 WVS). But opinion polls tell us little about the detail of solidarity and prejudice. Surveys rarely even probe negative stereotypes of other people or ask about the government's perceived responsibilities to other people, whether defined in class or cultural terms.

To interrogate solidarity and prejudice more thoroughly we would need to go beyond attitude surveys to either qualitative research (including focus groups) or experimental research. The work on attitudes toward race in North America, by scholars such as Paul Sniderman, is instructive here. Sniderman has used experiments to explore attitudes to race through arguments over government spending, affirmative action, access to housing and so on. One of his experiments concerns the "laid-off worker":

The laid-off worker experiment begins with an introduction announcing that the next questions concerns a person "laid off because the company where he or she worked had to reduce its staff". The interviewer then asks respondents to "think for a moment about the person and then tell me how much government help, if any, that person should receive while looking for a new job," and then describes the laid-off worker. Specifically, the interviewer says:

The first person is a [white or black] [male or female], in [his or her] [early twenties, mid-thirties or early forties]. He/she is [single, a single parent, married, married and has children] and [is a dependable worker or is not a very dependable worker]. (Sniderman and Piazza, 1993: 70)

The description of the laid-off worker is varied between interviews, so that the benefits recommended can be linked to each of the different characteristics of the worker as well as other data about the respondent and his or her attitudes. The respondent is not in a

position to know what it is that is being assessed through the vignette. Another experiment examines whether white Americans dislike affirmative action because they are prejudices against black Americans or whether their prejudice is a consequence of their belief that affirmative action in unfair (*ibid* 102-4). Sniderman and Piazza also examined whether people can be talked out of their views on these issues through posing counter-arguments (*ibid*: chapter 6). Prejudice and solidarity are complex phenomena, not easily understood through structured questionnaires or one-dimensional analyses. Sniderman and Piazza (1993) write of the "varieties of racial politics". (Sniderman has used similar computer-based techniques in probing Canadians' views on group-based claims — see Sniderman *et al.*, 1996). Experimental vignettes as well as counter-arguments (to probe openness to persuasion) have been used in research on tolerance in South Africa, by Gibson and Gouws (2002), but not yet with respect to understandings of just desert, and I am unaware of any comparable studies in Nigeria or Brazil.

More innovative studies of public opinion would also shed light on two further, specific topics. How opaque are different areas of public policy? A key element in our analysis of South Africa was that social policies are highly visible but public policies on employment are too opaque, with the result that discontent with unemployment levels does not readily convert into voters punishing the government through electoral defection. How do citizens in Brazil and Nigeria see public policy? More broadly, what really drives their voting decisions?

Even if we were to have richer data on prejudice and solidarity, there remains the problem of causation: are attitudes and beliefs the product or the cause of particular political arrangements? At the very least we need to be sceptical of much work on attitudes. As Barry (1970) pointed out long ago, in criticism of Almond and Verba's classic work on the "civic culture" (1963), attitudes are learned, and reflect the perceived workings of the political system. Successful experiences with liberal democracy made (West) Germans more democratic, not visa-versa (see, in general, Muller and Seligson, 1994). In Italy and America, argues Putnam (1993, 1995), pro-democratic values develop with the accumulation of social capital, itself the product of particular settings.

Cultural diversity in "divided" societies led scholars such as Lijphart to recommend consociational institutions. Such recommendations have been criticised in the South African context on two related grounds. First, they emasculate political opposition, which is is a crucial component of democracy (Jung and Shapiro, 1995). Second, they assume an immutability about cultural identities, notwith-

standing evidence that the politicisation of such identities entails construction and reconstruction (Jung, 2000). The danger of power-sharing institutions is that they entrench the very values that they seek to contain. (This is a criticism of power-sharing, not of the remedy of alternative voting systems advocated by Horowitz, 1991).

The experience of Brazil and Nigeria suggests that some political institutions similarly serve to inhibit, directly or indirectly, progress toward social citizenship. Each of South Africa, Brazil and Nigeria has rules governing the division of federal revenues, vertically (between levels of government) and horizontally (between different governments at each sub-national level). Allocating funds to regions might pacify the elites in those regions, but is no guarantee that the resources actually reach the poor. Without mechanisms to strengthen accountability and democracy at sub-national levels, fiscal federalism impedes redistribution to the poor, and may even serve to strengthen ethnic and regional political alignments and identities, further undermining the prospects of pro-poor outcomes. In short, the institutional arrangements intended to accommodate cultural diversity serve to entrench or even strengthen such diversity and weaken class-based economic solidarity and redistribution to the poor. This is, one hopes, an unintended consequence.

Finally, the moral economy of taxation and resource allocation is crucial, yet poorly understood. Scholars of the welfare state in the North have begun to pay more attention to tax issues. Democracy can be forged in societies where citizens pay no tax (consider the case of classical Athens — see Wood, 1988). But taxation, especially direct personal taxation, generally leads the tax-payers to demand a higher level of accountability on the part of governments. It is no coincidence that South Africa has the highest level of income tax and (probably) the lowest level of corruption of the three cases considered here. The relationship between tax, redistribution and solidarity requires further thought.

Appendix: Data on attitudes from the 1995 World Value Survey

TABLE A1

Support for democracy/ political opinions

Agreement with :	South Africa %	Brazil %	Nigeria %
Democracy may have problems but it's better than any other form of government (V163)	73	79	87
A democratic political system is a good way of governing the country (V157)	77	81	93
Generally speaking, this country is run by a few big interests looking out for themselves (V166)	38	74	87
The entire way our society is organized must be radically changed by revolutionary action (V124)	11	18	32

TABLE A2

Perceptions of poverty

Agreement with :	South Africa %	Brazil %	Nigeria %
Most poor people have very little chance of escaping from poverty (V173)	47	71	74
The government is doing too little for people in poverty (V174)	57	36*	83
A larger share of the population is poor than ten years ago (V171)	51	77	81
People are poor because society treats them unfairly (rather than because they are lazy and lack will power) (V173)	53	76	85

* There were very high "don't know" responses in Brazil for V174; excluding these "don't knows", two-thirds of the respondents said little.

		South Africa		Brazil		Nigeria	
		%	mean	%	mean	%	mean
V125	Incomes should be made more equal	37	5.1	31	5.7	22	6.8
	Neutral or don't know	34		30		21	
	We need larger income differences as incentives for individual effort	29		39		57	
V126	Private ownership of business and industry should be increased	41	4.5	33	5.2	34	5.7
	Neutral or don't know	37		40		28	
	Government ownership of business and industry should be increased	21		27		39	
V127	The government should take more responsibility to ensure that everyone is provided for	43	4.7	33	5.6	44	4.8
	Neutral or don't know	31		30		27	
	People should take more responsibility to provide for themselves	26		37		28	
V128	Competition is good. It stimulates people to work hard and develop new ideas	64	3.0	60	3.4	70	2.9
	Neutral or don't know	28		27		21	
	Competition is harmful. It brings out the worst in people	8		13		8	
V129	In the long run, hard work usually brings a bettter life	71	2.7	21	6.8	60	3.7
	Neutral or don't know	21		26		22	
	Hard work doesn't generally bring success, it's more a matter of luck and connections	7		53		18	
V130	People can only get rich at the expense of others	18	6.4	11	7.4	36	5.4
	Neutral or don't know	42		33		29	
	Wealth can grow so there's enough for everyone	40		56		36	
V131	One should be cautious about making major changes	35	5.1	50	4.2	36	5.6
	Neutral or don't know	40		29		25	
	You will never achieve much in life unless you act boldly	25		21		40	
V132	Ideas that have stood the test of time are generally best	29	5.4	31	5.7	47	4.7
	Neutral or don't know	44		31		25	
	New ideas are generally better than old ones	27		37		28	

Note: For each question, the first row combines scores of 1-3, the second scores of 4-7 together with don't knows, and the third scores of 8-10. The means are calculated using the original ten-point scale responses, excluding "don't know" responses.

TABLE A3

Perceptions of inequality, opportunity and change

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9

Class and nation

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In recent years liberal political theory arranged itself along a continuum which ranges from globalism (G) to communitarianism (C). Over a lifetime, most of us do not occupy a single position along this continuum. What makes us move from one position to another? Why do we tend to see ourselves at certain points in time as free, unattached individuals, citizens of the world, at others as deeply rooted members of a community of fate? Are these moves random ones? Are they motivated by rational considerations or by emotional upheavals?

This paper tries to examine the way we think about our affiliations. To understand why, at times, we lean towards the global pole giving preference to freedom over belonging, to the opening up of economic and political systems over protectionism, to supporting the needy of the world over our own fellow nationals, while at others we lean towards the communitarian pole.

The main assumption of this paper is that the position individuals occupy along the G-C continuum is not merely a result of a process of weighing different sets of values and reaching a conclusion that one set is of greater moral value than the other. Rather, it is the outcome of a process of rational reflection and evaluation of one's interests which leads to the adoption of self-serving policies which are then justified in normative terms. Namely, that much of the global-communitarian dialogue by-passes the real reasons for action and deals with justifications rather than with motivations.

1 • Class, risks and opportunities

Why then would one prefer globalism to communitarianism or vice versa? In order to answer this question, one needs to introduce a certain factor, external to the list of norms and values individ-

uals refer to when justifying their positions on the G-C continuum, a factor that could enable individuals to reflect on and evaluate their own interests. I shall call this factor class* (shorthand for a mode of classification). Its correlation with the Marxist definition of class is rather weak, as class* incorporates much of the recent sociological and political criticism of the more traditional Marxist definition and its place in post-industrial societies.

The notion of class* used here is not grounded merely in the distribution of means of production or wealth but also in an evaluation of risks and opportunities. These risks and opportunities are grounded not only in economic notions like income, wage, ownership of means of production, or exploitation. They are a reflection of the ownership of human capital and the ability to use it in order to improve one's well-being or protect one against risk.

According to this description, individuals belong to the same class* if they share similar opportunities and risks, as well as a set of hopes and fears that influence their evaluation of their social position. This evaluation leads them to pursue certain social, political and economic goals which they assume will enhance their opportunities and reduce their risks.

Individuals, it is therefore argued, place themselves at different points along the G-C continuum not because they are guided by different values or different modes of thinking but due to different evaluations of their *individual package of risks and opportunities*. In view of such evaluations they "rationally" define ways of action which serve their interests and meet their fears. Or, to put things differently, one's location along the G-C continuum is a reflection of one's self-interested evaluation of what one can or cannot achieve at a certain point in life rather than of one's norms, values or moral development.

Communitarians and globalists alike would probably reject this description. Communitarians may resent its grounding in self-interest, globalists may feel uneasy about the fact that it takes human capital and social position — neither of which is context-free — as a main motivating power. Moreover, both may feel that the above description undermines their basic justifications; if the difference between globalists and communitarians has little to do with adopting the right set of moral values and a lot more to do with what serves us best then neither side can claim moral superiority. Neither can aspire to educate others to join its own camp as such a move will necessarily demand not merely a change of heart but also of one's life conditions.

Yet, the proposed model can help us trace the process that leads individuals to shift their commitments from the communitarian pole to the global one and back. Such a process is most evident at times of war. When all members of society are exposed to existential risks, society leans towards the communitarian pole. In times of peace and prosperity social cohesion is often eroded and individuals lean in a more universalistic direction. The question often raised of why we cannot stick together in the good times as much as we do in bad ones may then have a simple answer: it is simply against our interests, or at least against the interests of most of us.

What is the relationship between class* and other social groups? The answer depends on the distribution of education and income in any given society. If such a distribution is influenced by ethnic origin, religion, or gender, then one's membership in a class* will overlap (or be highly correlated) with membership in those groups that determine one's social and educational fate. In other cases when the distribution of human capital has little to do with membership in social, ethnic, religious, or gender groups then class* will cut across these groups.

If membership in an ethnic or religious group determines one's social fate, all other kinds of social differences will be marginalized. Few tensions will then emerge between one's ethnic identity and interests and one's class*. The opposite is true in cases in which group membership has little influence on one's life prospects. Obviously, group identity will be strengthened in the first kind of cases and weakened in the second.

Take for example the case of a Jew in Germany of the Nineteen-thirties. It did not matter much how educated or skilful she was. Her risks and opportunities were determined by her identity. It was therefore rational for her to adopt a communitarian mode of thinking.[1] That is not the right kind of thinking for a member of a minority group who lives in a society that is ethnically or racially blind. Such a society will encourage individuals to adopt a much less communitarian mode of thinking.

Globalism	**Communitarianism**
Openness	Rootedness
Change	Continuity
Mobility	Culture
Modernization	Stability
Freedom	Authority
Universality	Particularity

1. As many Jews could not accept the fact that this was the case many of them made the wrong personal decisions.

As the next table suggests, some risks and opportunities are unifying, as they promote social unity and undermine class* tensions ; others are divisive, namely pull the different classes* in different directions and enhance class* conflict. One would think that a society will consequently opt for the unifying options. Yet some of the most effective unifying options are violent ones, like war or natural disaster. The benefits of unity are then outweighed by their costs.

TABLE 2

Risk	Opportunity	
• War, terrorism. • Natural disasters. • Risks no one can avoid. • Welfare policies creating a risk pool and reducing the risk faced by individuals.	• Non zero-sum goods which are collectively produced and often collectively consumed. « National Goods. » • Distribution of goods — equal or unequal — that allows all participants to win some gains.	**Unifying**
• Risks only some members are exposed to and especially risks which are the outcome of voluntary actions of some members of the group.	• Zero-Sum goods. Goods which cannot be shared. Goods only some can enjoy. • Unequal distribution that leaves some members with losses only	**Divisive**

The above table suggests that social unity could be achieved by either unifying risk or unifying opportunities. The price of war is obvious. The price of unifying opportunities and goods is much less evident and is paid solely by the more able members of society who could win internal competitions for social status and social goods. Those must sacrify some of their own gains in order to keep social cohesion. They would do so only if such cohesion would serve their interests. Strategies of social unity could thus be developed if the more powerful members of society were ready to pay their price. If and when the price becomes too costly the strategy would change. Social unity would them be eroded and social tensions could erupt.

In what follows, I examine such a process which is driven by the shift from national economies to a global one. Its outcome is particularly troubling as it leads to the erosion of the liberating and progressive cross-class coalition which was the backbone of the modern nation state and enhances the proliferation of defensive and regressive forms of nationalism. It thus turns the state from a locus of cooperation among the different classes to a locus of conflict. A conflict

between those for whom globalism is a promise and nationalism a burden and those for whom nationalism is an asset and globalism a source of fear and intimidation. We shall therefore hear more about class conflict in years to come. Marx was then wrong about the century in which class war will erupt. If at all, it will erupt in the twenty-first century and it will not contradict but reinforce ethnic national struggles.

The conflict between those who favor the thinning of national identities and those who seek solace in thickening their national, religious, cultural identities, is not a conflict between rational and irrational agents. It is a conflict between those who believe they can enjoy the benefits of a new and open world order and those who fear they may be left behind.

The nation state was able to repress this conflict and support the formation of a cross-class coalition by offering all citizens a set of worthwhile goods and opportunities that installed hope for better opportunities and lesser risks. This ability is severely eroded in the newly emerging global reality leaving the weak members of society to cope with their fears and uncertainties on their own. What could the state, in the nation-state era, offer the lower classes and why cannot this offer be sustained today?

The answer has to do with the ability of the nation state to construct a delicate balance between the interests of all classes. An ability, which has faded away in recent years, as the interest gaps between the different classes grow too large to bridge.

This paper is written with the hope that some of this balance could be restored, both to the benefit of the worst off members of society, but also to the benefit of restoring a more liberal type of nationalism which emphasizes care, loyalty and belonging rather than ethnocentrism and xenophobia.

2 • The nation-state era: the formation of a cross-class coalition

The secret strength of the nation state was its ability to enhance a cross-class coalition that supported social unity. Though it was first and foremost a project of the intelligentsia and the middle classes, the nation-state was cautious enough not to overlook the needs and aspirations of the working classes and provided them with ample reasons for cooperation.

It was able to create this balance of interests by offering a way to transcend competitive zero-sum games, in which the goods one class gets cannot be granted to others, and replace them which cooperative games in which the goods produced can be shared. It did so by enhancing the value of symbolic, positional, educational and economic goods, which are collectively produced and consumed. Such goods, which can be gained only through collective efforts, have unifying effects, which can take place even if not all the beneficiaries acquire the same benefits. For social cooperation to persist, it is sufficient that each participant acquires some benefits she could not have acquired otherwise. Such benefits would make cooperation rational.

The most valuable good the nation state offered all its members was a positional one — the status of a citizen. National movements, Tom Niran claims, have invariably been "populist in outlook and sought to introduce lower classes into political life. In its most typical version, nationalism assumed the shape of a restless middle class and intellectual leadership trying to set up and channel popular class energies into support for a new state."[2] In return for their support the working classes were granted entry into circles of social power and into the community of political equals.

Time and again national ideals were used to justify the sharing of political power. In the days of the French revolution, it was the middle classes who employed the idea of *the nation* in order to fight the old regime that prevented then from acquiring political rights. In the nineteenth century, elites who wished to create for themselves new opportunities employed national justifications in their struggle to achieve political liberation. In the age of decolonization the intelligentsia collaborated with the middle classes to fight against external oppressors in order to secure the political and economic benefits embedded in self-rule. During the fight for political power and opportunities, different classes marched along the same route. Though they were not to reach the same final goal, participation promised significant benefits to each and every one of them.

The main revolution embedded in the idea of national citizenship was the detachment of political membership from social status and the possession of property, making the right to vote independent of social and economic performance. In previous periods, "possession was the only real source of power, and no distinction was made between economic and political power."[3] In the age of the nation state membership in the nation became the only relevant criteria for inclusion (and exclusion). Wealth, education, social status were still relevant for the distribution of power but they could not be used as criteria for participating in the political game. One cannot overestimate the importance of this unprecedented state of affairs

2. Niran (1977).
3. Guéhenno (1995: xi).

especially to those who had no wealth, education or status, nor any prospect of accumulating some.

Shared national citizenship evoked solidarity and eased the transformation of the modern nation-state into a welfare state. A state in which individuals, as economic producers or as members of the different classes, were "still treated unlike by the market and by the inherent hierarchies. But as creatures subject to risk, they could stand as equals. Full membership in the community was possible for all citizens, not only as bearers of civic rights or as political participants, but as mortals buffered by misfortune and unsettled by insecurity."[4] Claims have been made suggesting that the readiness of the "better off" to provide all citizens with some scheme of protection and some social goods was a reactionary move intended to help the elites to retain their social power. The modern welfare state, it is argued, was meant to meet the fears of the better off as much as it was meant to meet the needs of the least fortunate members of society.

This may indeed have been the case, yet the receivers gained a set of goods, which is irreplaceable. Goods that made them part of a risk pool and improved their ability to deal with misfortune. "Society's disinherited were, for once, given a status equal to the better-off, not just formally, but also in the tangible measure of common basic protection against risk."

The conservative desire for social stability, on its own, could not have justified the kind of distribution offered by the modern welfare state. The Great Wars, sparing neither rich nor poor, forced the acknowledgment that all members of society share the same existential risks and paved the way for egalitarian social policy. "Wartime hardships created a sense of social cohesion and unanimity, and a wish to continue the new spirit of equality into the peace and to temper inherited class divisions." (Baldwin 2000: 24-25). In a similar spirit the preamble of the French law of social security legislated immediately after the end of World War II (October 1945) stresses "the spirit of brotherhood and reconciliation of classes that marked the end of the war." (Baldwin 2000).

The most general effect of war, argues Beveridge, the founding father of the English welfare state, is that "every able-bodied person in the community becomes as asset."[5] War thus instituted a principle of radical equality, where each life has the same weight. The welfare state was to carry that same principle to peacetime. The fact that the war initiated a feeling of shared destiny and with it of shared responsibility leading to generous distributive policies taught the working classes a powerful lesson they were unlikely to forget.

4. Baldwin (2000:2).
5. Rosanvallon (2000: 28).

One of the most important social goods was education. The nation state had an interest in developing the human capital of its citizens so that it could enjoy their productivity in times of peace as much as in times of war. In so doing, it eased the initiation of all its citizens not only to the political sphere but also to the market. Modern nations, Gellner argues, played a significant role in creating and sustaining market economies, allowing all individuals to enjoy their benefits. Nationalism has facilitated the emergence of modern economies, he argues, by abolishing local feudal rights and trade restrictions imposed by the colonizing country, and by forming large scale political units, the members of which shared a common language and culture.

The novelty of modern economies, Gellner adds, is that they demand mobility among occupations. In traditional agrarian societies "each occupation can develop its own idiosyncratic culture by which the skills, the "secrets" and the ethical codes are transmitted from one generation to another."[6] Diversity of language does not causes particular problems. It can even "contribute to the stability of society because it provides a clear sign of the position that is to be occupied by each one of its members."(Pagano: 1995). Modern[7] industrial societies, on the other hand, are characterized by frequent economic and technological changes, which force both occupational and geographic mobility. A shared culture and language decreases the retraining costs, reduces risks associated with professional specialization, and encourages mobility. Hence, national policies meant to homogenize culture and language — emphasizing the importance of linguistic and literary skills — fit well the needs of modern industrial societies. Thus "nationalism and the mobility of labor are self-reinforcing: the existence of a mobile division of labor induces rational agents to invest in the institutions of a national community that favors a mobile division of labor and vice versa."(Pagano: 1995: 180-185)

Obviously, not all participants in the national market received the same gains. Marxists rightly argued that nationalism was an ideology used by capitalists to ensure national markets for themselves by keeping out, through protectionism, foreign capitalists, and by the bourgeoisie as an instrument of class domination, "a sort of cultural diversion to hide economic exploitation."[8] Indeed nationalist policies granted the middle-classes particular privileges at the expense of other social groups. Yet despite the uneven spread of gains members of no group were left empty handed.

Beyond all that has been mentioned so far, nationalism had one more advantage: while it was the most efficient agent of modernization it managed to wrap the message of modernization with promises of stability and continuity. The move towards the future was then

6. Pagano (1995: 177).
7. The term "modern" refers here to late nineteenth early twentieth century. Before the era of economic globalization.
8. Llobera (1995: p. 96).

to be seen as a continuation of the past, change and mobility as a stroll within the old family yard. Never was a mobilizing ideology marketed in such gentle and comforting tones, pleasing to the ears of those members of society for whom change and uncertainty seem a frightening prospect. What Marx considered to be the disadvantage of intermediate human associations — ethnic, national, religious groups — that they stand between man and humanity, and constitute forms of undesirable alienation, was in fact, their advantage. Nationalism generated a feeling of security and familiarity so much needed in a world of rapid change. It dressed modernizing in an old and familiar robe, and made it pleasing for those who would otherwise fear it.

The least well off found the emergence of the nation-state profitable. They were granted citizenship rights; basic education that provided linguistic and professional skills necessary for efficient social mobility; protection through strict immigration policies that restricted competition over jobs, and last but not least, welfare rights that provided reasonable living standards. "Nationality gave an exclusive membership in the enjoyment of these goods."(Pagano: 1995: 186). Moreover, it grounded these services in rights rather than in the generosity or kindness of the ruling classes. A citizen need not beg to be allowed to participate in the political sphere, to be educated, or to receive welfare payments, she was able to demand these goods by virtue of her political standing, Consequently, nationalism could offer the most desirable good – human dignity. For those who had no pedigree, no property, no work, no gain can be more valuable than this one.

For members of this latter group it was therefore rational to ally themselves with the national project despite economic exploitation. Hence, the readiness of the working classes to take part in the erection of nation-states was not, as Marxists claimed, motivated by false consciousness but by rational considerations.

Marx, one must admit, understood well the nature of capitalism and its urge to spread its reign over an ever-growing list of markets. Yet he failed to understand the workers. The proletariat, he claimed, had nothing to lose but their chains, yet they had something to gain. The nation state offered the workers gains, much more valuable than those an international class struggle could ever offer. It was therefore to be preferred.

To the disappointment of Marx, the lower classes embraced nationalism and made it the most popular ideology in the twentieth century. National loyalties and national struggles took precedent over class solidarity and class struggle. The class war was to be postponed for, at least, another century.

Upperclass Opportunities	Upper Class Risks	Lower Class Opportunities	Lower Class Risks	Nation State
Creation of new social, economic, political opportunities grounded in the formation of national frameworks. Protection from competition from without. Ability to use national discourse as a sort of cultural diversion to hide economic exploitation.	Sharing risks with the other Citizens. Competition on power and resources from within.	Positional goods National pride Citizenship dependent on National belonging; Independent of property Status or education. Political and welfare rights Human dignity Initiation to the market, education, linguistic skills (ease mobility)	Welfare state Allows for shared risks	Liberal, progressive nationalism. The nation state reconstructed the balance of interests of all classes that led to the formation of a cross- class coalition.

TABLE 3

The Nation-State era

3 • The global era: the return of the class struggle

Will the cross-class coalition encouraged by the structural logic of the nation-state wither away with the emergence of the global economy and of global politics? Many of the main advantages offered by the nationalism of the nation state are much less useful today.

The process of globalization has created a democratic deficit eroding the influence of citizens over decisions taken in global, regional and trans-national organizations. Those who have gained entry into the political sphere by acquiring the status of citizens of the nation — state now find that the state is slowly succumbing to external forces (international or regional organizations, NGOs, and trans-national corporations) on which they have little influence. Consequently, notions like self-rule, or independence, seem more opaque than ever. Citizens "constitute less and less of an entity capable of expressing a collective sovereignty; they are mere juridical subjects, holders of rights and subjected to obligations, in an abstract space whose territorial boundaries have been increasingly vague."[9]

The erosion of national citizenship influences not only the political standing of individuals but also their economic status. The allocation of resources on the basis of mere membership, which was characteristic of the nation-state, is giving way to a new allocation

9. Guéhenno (1995: xii).

based on skill and performance. Never has competence been so sought after as it is today. Those who have the required skills experience an outburst of opportunities; those who don't feel left behind.

The class division today is a rather new one; it has less to do with wages and exploitation, and more with human capital and exposure to risk and occupational opportunities. The traditional Marxist definition emphasized the place of the individual in the system of social production. In Marxist terms, a class is the collective social expression of the fact of exploitation. Yet, class divisions in post-industrial societies are of a new and different kind. The complexity of the market in post-industrial societies makes exploitation hard to define as the relationships between the input of a worker's labor to the value of a product is hard to trace. Moreover, exploitation can no longer be discussed in terms of wages alone. The fact that a portion of one's labor does not remain in one's possession need not suggest that one has been exploited. Individuals can be rewarded for their labor in terms of social services and social goods and in other terms defying economic quantification.[10]

Changes in modes of production break traditional hierarchies and forms of social stratification. Less and less people belong to the manual working class as new forms of employment involving industrial management and services have rapidly evolved. Yet the erosion of old social structures does not imply the formation of classless societies. Individuals do classify themselves, and are classified by others, as occupying a certain place in the social structure, and those who occupy a similar location could be clustered into a class.

The upper classes of today are those who are mobile and adaptable, the lower classes are those who are not. A class, then, is a group of individuals who occupy a certain social slot, which defines (influences) their risks and opportunities, their educational and occupational prospects, their ability to be upwardly (or downwardly) mobile. Those who belong to the same class assess their life chances in a similar way, facing a similar range of alternatives. Consequently, they are likely to share hopes and fears and to reflect on social matters in a similar way. Members of each class are interested in spreading and sharing their risks, while restricting accessibility to their most worthwhile opportunities.

In a global economy, the mobile and adaptable can avoid risks and explore new opportunities.[11] The skills and competences necessary for mobilization and adaptation are not grounded in any particular national culture. In fact, in most cases, for the mobile class, the national culture and especially the national language is of little use, it might even be an obstacle. If I want to ensure my children's

10. For example, individuals may value the social structure they are members of — be it a state, an ethnic community, or a nation — to the extent that they may willingly labor for its benefit. In fact, in some extreme cases, they may even be ready to sacrify their life for that purpose.

11. The class of the mobile is a varied one. There is a considerable difference between those who travel first class to take a job in an international firm, and those crowded beneath the decks of a shaky boat rejected from every port. Between the motivations and fate of refugees, illegal immigrants, guest workers, contract workers, and professionals. All the above are mobile yet the risks they escape and opportunities they encounter are very different. Some escape persecution, others hunger and extreme poverty, others still, the risk of becoming homeless or unemployed, or losing some of their income and status.

entry into the global market I should teach them English rather than Hebrew, and make them feel at home wherever there is a computer and access to the internet rather than in the town where they were born and raised. Their compatriots will then be other users of the net, those who watch MTV, CNN, and soap operas like *Friends* or *Beverly Hills 9201*. For those who inhabit this global sphere national ties are a relic of the past, which might be emotionally moving, but of decreasing social and economic value.

With the weakening of national ties, and the development of social opportunities only few can share, the notion of collective fate and shared risks has faded away and with them the readiness to share resources and responsibilities. Sharing in social responsibilities is rational for individuals expecting to spend their lives within the boundaries of one community; it is much less rational for those who expect to move from one state to another, or when the boundaries of the community itself might change.

The logic of the welfare state is grounded in closure that ensures the persistence of a stable community allowing for a life long, and often trans-generational type of sharing. Rapid population moves erode the moral relationship between citizens. "Citizens had obligations to one another. Democratic institutions provided a means of both installing and fulfilling such obligations simultaneously." Yet why would citizens inculcate partnership with their compatriots if their economic opportunities, their security, and their ecological well being were depended on others? In a world of permeable borders social stability is no longer assured, consequently the "haves" have less reason to share, the "have-nots" are left unprotected.

In the global age, the nation-state still supplies individuals with goods, but not with the most desirable type of goods, those fitting the newly emerging political and economic reality. Education is the best example. National education was the jowl in the national crown. It granted all citizens new occupational opportunities and easy mobility within the boundaries of the national economic system. Nowadays national education systems often seem out-dated. They were erected in order to teach the national language, transmit the national heritage, enhance national identity and strengthen the bonds of solidarity among fellow nationals. In order to prepare children for a global world they must undo some of their best achievements.

Despite the decline of the political influence of the citizen, the growing irrelevance of national education systems, and the erosion of the social securities assured by the welfare state, the lower classes are still dependent on the benefits of national solidarity. In

fact they are dependent on those fruits of solidarity, which are a burden for the mobile classes. We are then entering an age in which the cross-class coalition characteristic of the age of the nation-state is bound to break down. Members of the mobile classes are now looking beyond the national horizons to a world in which economic opportunities and risks are globalized. Members of these classes wish to maximize the utility of their skills and education and open up new venues for profit while minimizing their risks. They can do so much more effectively on a global scale.

The elites of the world have united: they send their children to international schools, then to Ivy League universities. They buy and sell commodities in the international stock exchange, live in several countries in order to avoid taxes; they ski in the Alps, sunbathe in Honolulu, enjoy the British theater and the Parisian restaurants. They have become citizens of the world.

Those who are less educated, less skillful, fear the prospect of being thrown into the global market without a home to come back to. They fear their states will no longer be able to defend them, they dread misplacement, exploitation and most of all losing control over their lives. For such individual's openness and change are a threat, they are likely to become xenophobic, seeking ways to thicken their identity, clinging to their national, religious tradition the best they can. They wish to slow down globalization by erecting higher and more impermeable national borders than ever.

Their attitude towards free trade exemplifies these tendencies clearly. While the consensus among mainstream economists is that free trade is desirable, it is striking how little this consensus resonates with public opinion. When asked about their views on trade, sixty percent or more of the respondents in opinion polls express anti-trade views. The strength of such views correlates with the individual's relative economic status, measured in terms of either relative income within each country or self-expressed social status. "Individuals who rank high in the domestic income distribution or consider themselves to belong to the "upper classes" are significantly more likely to be pro-trade. It is relative income not absolute income that seems to matter."[12] As expected anti-trade attitudes and protectionism correlate with a high degree of neighborhood attachments, nationalism and patriotism, pro-trade attitudes and free trade correlate with cosmopolitanism.[13]

What is true for the free movement of goods is also true for the free movement of people. Those who resent free trade also resent immigration. They object the fact that national boundaries become totally porous with respect to goods and capital and even more porous

12. Mayda and Rodrik. (unpublished paper: 29).
13. Mayda and Rodrik. (unpublished paper: 29).

with respect to people who are simply viewed as cheap labor — or in some cases cheep human capital."[14] Those who resent immigration describe immigrants as invaders who entered the scared sphere of national harmony violating its unity and ripping off collective goods they have no right to share.[15] Such anti-immigration views allow those who encounter social insecurity to blame on others for their plight while exhibiting patriotic sentiments that alleviate social alienation.

Weakness and fear provoke the erection of barricades meant to keep the forces of modernization and globalization at bay. Defensive nationalism thus emerges. In its thick, ethno-religious form it is one of the last allies of the weak and the fearful. In the past the nationalism of the nation state offered the lower classes status and dignity, education and opportunities, solidarity and welfare and managed to introduce them to the virtues of modernization and industrialization. It could grant them such benefits because a political coalition could, using national discourse, convince the more able and affluent members of society to share their wealth, opportunities and risks with the less fortunate ones. In the age of globalization the forces that hold such a coalition together pull in different directions. Consequently social bonds are being eroded and with them the goods states can offer their members.

The stronger members of society set out to search new grounds. They speak the language of freedom endorsing open borders, free mobility, and free markets. The least well off, betrayed and deserted, fear the language of freedom and counter it with conservative discourse highlighting the value of tradition, continuity, culture, belonging and identity. Nationalism and modernization thus find themselves evolving in different directions, estranged from each other. Divorce is soon to follow.

4 • Concluding remarks

Defensive-regressive nationalism threatens those who are eager to ride the waves of global open markets. For them nationalism is no more than a set of burdensome sentimental recollections, for all the rest it is still the most profitable socio-economic option. It is thus rational, for the immobile classes to try and force the mobile classes to participate in the nationalist game—they attempt to do so by exerting political pressures and quite often by means of social and political violence.

The history of the welfare state suggests that war has a mobilizing force no discourse on social justice can replace. It creates

14. Daly (2001: 17).

15. Immigration, Borjas argues, seems to have been an important contributor to the rise in income inequality in the United States, depressing the economic opportunities faced by the least skilled workers. The fact that some native-born workers lose from immigration implies that US firms gain because they can now hire workers at lower wages. Many native-born consumers also gain because the lower labor costs lead to cheaper goods and services… However, immigration more than just increases the total income accruing to native-born workers: it also induces a substantial redistribution of wealth away form workers who compete with immigrants and toward employers and other users of immigrant services." Hence, Jencks summarizes his review of recent publication on immigration by claiming that immigration has a small effect on the national product but has a big effect on the distribution of income. "Under America's current immigration policy, the winners are employers who get cheap labor, skilled workers who pay less for their burgers and nannies, and immigrants themselves. The losers are unskilled America-born workers. "Jencks (2002).

Upper Class Opportunities	Upper Class Risks	Lower Class Opportunities	Lower Class Risks	Globalization
The state can no longer provide the kinds of opportunities individuals seek to secure for themselves. Global opportunities. National language and skills unhelpful. Obligations toward the nation a burden. Members of the mobile classes are now looking beyond the national horizons to a world in which economic opportunities, and political dangers are globalized. Members of these classes wish to optimize the utility of their skills and education, to maximize their risks and open up new venues for profit. They can do so much more effectively on a global scale. The stronger members of society set out to search new grounds. They speak the language of freedom endorsing open borders, free mobility, free markets.	The state can no longer provide the same kinds of protections.	Democratic Deficit. National education systems less useful. National language less useful for acquiring professional skills or for mobilization	The logic of the welfare state was grounded in closure. Trans-generational cooperation. Open, permeable borders, erode the logic of the welfare state and weaken its ability to share risks. The LC feel deserted, left to cope with risks on their own. Defensive nationalism thus emerges. In its thick, ethno-religious form it is one of the last allies of the weak and the fearful. In the past nationalism offered the lower classes status and dignity, education and opportunities and introduced to them the virtues of modernization and industrialization. In the age of globalization, most states are unable to offer their citizens these goods. The least well off, betrayed and deserted, fear the language of freedom and counter it with conservative discourse highlighting the value of tradition, continuity, culture, belonging and identity.	The state cannot provide the same protections and opportunities as it did in the age of the nation state.(American exceptionism) The breakdown of the cross-class coalition and the emergence of defensive, aggressive nationalism. Defensive-regressive nationalism threatens those who are eager to ride the waves of global change. For them nationalism is no more than a set of burdensome sentimental recollections, for all the rest it is still the most profitable socio-economic option. It is thus rational, for the immobile classes to try and force the mobile classes to participate in the nationalist game—they attempt to do so by exerting political pressures and quite often by means of social and political violence. Class conflict may therefore erupt. Nationalism and modernization thus find themselves evolving in different direction. Divorce is soon to follow.

TABLE 4

The Global Era

shared existential risks, invoking social cohesion and social solidarity essential for the establishment of distributive mechanisms. It is then not the conflict itself that the weak members of society are eager to invoke but its social effects, that spirit of "brotherhood and reconciliation of classes that marked the end of the war."(Baldwin: 2000) A persistent conflict thus seems the best assurance for the duration of the welfare state well into the twenty-first century. When members of the mobile classes try, in order to loosen the social bonds, to either ignore or solve the conflict they are accused of non-patriotic tendencies. The class conflict is translated into nationalist terms.

Marx was, then, wrong about the century in which class struggles will take place. And these struggles will not feature international solidarity of the proletariat. They will be struggles in which the immobile classes fight against each other as well as against their own mobile elites. Members of the middle classes for whom globalization is no less threatening are likely to join the immobile, making them a social power that cannot be ignored.

The workers of the world will never unite. They have no real interest to do so. Nationalism is therefore here to stay. Yet it might turn from the vision of the elites into their nightmare. It will join hands with every ideology that fosters closure and justifies exclusion. Xenophobic nationalism, the kind fostered by Le-Pen, Jörg Haider, the late Pim Fortuyn, by advocates of transfer policies in Israel as well as by supporters of White Australia or White California, will become more popular. It is not, however as many have suspected a nationalism driven by irrational forces. It is a rational nationalism driven by the self-interest of the masses to protect them from a global dream they cannot share.

Can these developments be avoided or slowed down? The present global crisis provides an opportunity for change. The terrorist attack on September 11th made members of the mobile and affluent classes in America, and elsewhere, much more aware of their susceptibility to risks — life-threatening risks. The present economic crisis makes them aware of their economic vulnerability. This may inspire, in the upper classes, the will to come back home in order to form a new risk pool, which will serve their interests, as well as the interests of lower classes. If this will be the outcome of September 11th events then they will enhance national solidarity and delay the class struggle. If, however, the different classes keep marching on different routes, a moment of confrontation will come.

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10

Comments on Seekings and Tamir

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1 • Introduction

This comment is organized as follows. In section 1, I reformulate the conjecture that launched the conference into a very simple mathematical expression. In section 2, I interpret how Jeremy Seekings and Yael Tamir have reacted to this conjecture and I try to show how their own papers could be expressed in a similar schematic way. In section 3, I address some objections to each of the papers. I conclude in section 4, with some final comments.

2 • The conference conjecture

Philippe Van Parijs challenged the contributors to the Francqui Prize Conference with the conjecture that, ceteris paribus, the degree of cultural diversity, or heterogeneity, of a society and its prospects in terms of institutionalised economic solidarity are negatively correlated. This suggests that policies aiming at preserving cultural diversity (the so-called "multicultural policies") might reduce the prospects of economic solidarity. Those ideas could be translated into the following mathematical expression:

$$S = f\,(H\,(M), X), \qquad (1)$$

Where:

S, the *level of institutionalised economic solidarity*, is a function of:
H, the degree of heterogeneity (or of cultural diversity),
M, a variable expressing the extent of multicultural policies, and
X, a vector of control variables.

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The conference conjecture suggests that:

$\partial S/\partial H < 0$, i.e. when heterogeneity increases, solidarity decreases, and

$\partial H/\partial M > 0$, i.e. heterogeneity increases with the extent of multicultural policies.

Hence, $\partial S/\partial M < 0$, i.e. when the extent of multicultural policies increases, solidarity decreases.

The simple relationships between H, M and S captured in this expression have been supported by some of the contributors and contested by others. Seekings and Tamir belong to the latter group. In one possible reading of their papers, it could be said that, for them, *the most important explanatory variables are not H and M*. Rather, in order to understand the determinants of economic solidarity, it is necessary to characterize more thoroughly other variables that have not been included in expression (1). In other words, they refuse to give to X the marginal role that is implied by the label "vector of control variables". In the following section, I shall be more precise about which variables of the vector X they emphasize.

3 • Jeremy Seekings' and Yael Tamir's reactions

3.1 Seekings: counter-examples and institutional analyses to refute the trade-off

Seekings addresses the conference conjecture in a very explicit way and he denies the existence of a systematic tension or trade-off between cultural diversity and economic solidarity. The link between H and S, if there is one, is "highly conditional on a range of other factors".

His strategy is to prove by means of counter-examples that the trade-off or tension is not a general rule. In order to do that, he compares three developing countries with different degrees of cultural diversity, understood as racial, ethnic, religious or linguistic differences, and with different levels of economic solidarity, understood as the level of income redistribution measured by the gap between pre-transfer and post-transfer Gini coefficients.[2]

The trade-off is consistent with evidence he offers about Nigeria, which combines a highly heterogeneous population with a

2. Seekings distinguishes the concepts of economic solidarity and of redistribution, as in the following passage: "The South African case suggests that an extraordinary denial of economic solidarity, due to cultural diversity, *can* accompany an exceptional level of redistribution from rich to poor". However, the extent of redistribution is the measure he actually uses to express economic solidarity — and to refute the trade-off — throughout his paper.

very low level of redistribution. However, Brazil is presented as an example of a culturally homogeneous country with a very *low* level of redistribution, and, as the other extreme, South Africa illustrates a culturally heterogeneous country with a strikingly *high* level of redistribution. Brazilian and South African levels of redistribution are exactly the opposite of those expected by their observed levels of cultural diversity in the light of the conference conjecture or, equivalently, in the light of expression (1) above (since $\partial S/\partial H<0$). These two countries are therefore presented as clear counter-examples to the main conjecture. Even in Nigeria, where the conjecture is apparently corroborated, Seekings cautions the reader against drawing over-simplified conclusions: the lack of redistribution might be, according to him, much more related to institutional design and to the political economy of oil, than to cultural diversity per se.

Seekings not only rejects the trade-off by means of the counter-examples presented, but he goes one step further and provides his own explanations for the actual level of redistribution in each of the countries. These explanations are not to be found in a quick view of key variables such as the level of heterogeneity or the extent of multicultural policies — H and M in expression (1). In fact, the crucial variables that were missing in (1), or that were relegated to X, "the vector of control variables", are not readily computable or easy to estimate: acquiring an understanding of them requires a deep dive into a country's institutional setting, especially the functioning of the political system. If Seekings' paper were to be expressed in a simple mathematical form, it could be something like expression (2):

$$S = f\,(P, I, X), \qquad (2)$$

Where:

S, the *level of redistribution*, is a function of:
P, a vector that captures relevant aspects of the functioning of the political system,
I, a vector of other (non-political) institutions, and
X, a vector of control variables.

H and M do not appear explicitly in expression (2), although Seekings admit they can have some indirect effect on the other explanatory variables. In some sense, he downgrades them into components of vector X.

Concerning his own main explanatory variables, P and I, he argues that some institutions are more likely to produce higher levels of redistribution than others.[3] However, there is no positive or negative relationship between these variables and the dependent one, S, but rather a complex contingent one: "the politics of redistribution is more complex than crude accounts suggest".

3. This can be seen as an optimistic message: there is room for institutional reform. Tamir's paper is less optimistic in what concerns the prospects of institutional reform as a means of increasing solidarity.

3.2 Tamir: within-group risks and opportunities differentials to refute the trade-off

In what concerns the treatment given to the conference main conjecture, Tamir is less explicit than Seekings. Her point of departure is to understand individuals' motivations when they have to choose a position in a continuum that goes from communitarianism to globalism (C-G). This choice has some effects on the levels of solidarity, and thereby a link to the conference conjecture is established. A communitarian choice is portrayed as a choice that favours within-group inter-class solidarity, but hardly any inter-group solidarity, given that communitarianism is associated with notions such as nationalism, xenophobia, ethnocentrism and so forth. A globalist choice is associated with values such as openness, freedom or universality, and possibly with inter-group solidarity[4], but its drawback is that it leads to decreased intra-group solidarity.

An individual's position in the C-G continuum is determined by his "class*", which, in its turn, is determined by his subjective perceptions of risks and opportunities. When the differentials in terms of risks and opportunities are small within a particular group, the outcome is a widespread choice of the communitarian position across classes. In this case, inter-class solidarity is warranted. However, when the differentials are large, the outcome is the choice of globalist positions by mobile individuals and of communitarian positions by immobile individuals. Some of the unintended consequences in the latter case are class struggles and erosion of social cohesion.

Translating these ideas into a mathematical expression that preserves simplicity but that accounts for the various situations mentioned in the paper is trickier. In order to do that, firstly I think it is necessary to disentangle risks from opportunities more explicitly than it is done in the paper, in which no precise definitions of risks and opportunities are provided. Since many ways of understanding risks and opportunities are compatible with her model, this disentanglement requires the assumption of a particular — and contestable — interpretation of these concepts. Here I consider the expected income (or welfare) of the individual as a measure of opportunities and the variance of this expected income (or welfare) as a measure of risks. Secondly, suppose we could plot individuals' opportunities and risks levels on a graph and check which degree of solidarity would result. Tamir's paper suggests that S, the level of inter-class solidarity, is contingent on five possible states of the world (cases 1 to 5 below):

S is low if there is divergence among individuals of different classes about which position to adopt in the C-G continuum. This happens in two situations:

4. The relationship between globalism and inter-group solidarity (be it within a multicultural country or internationally) is suggested in the first pages of Tamir's paper, in which globalists are said to be "supporting the needy of the world over their own fellow nationals". This relationship is not developed in the paper though.

FIGURE 1

Case 1 ("global era"): cov < 0

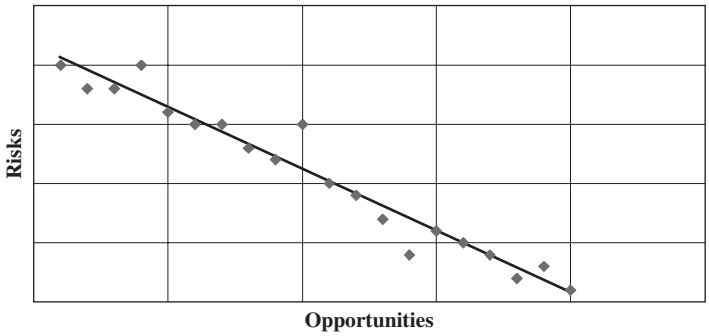
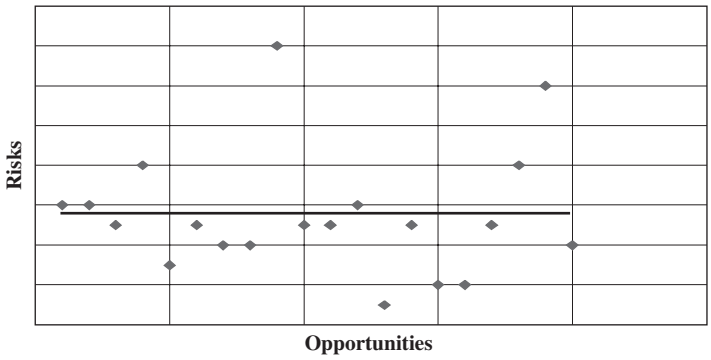


FIGURE 2

Case 2 ("peace and prosperity"): cov=0, similar and low risks



Case 1 ("global era" situation). High-opportunity individuals face low risks and low-opportunity individuals face high risks. A negatively sloped line in the risks-opportunities space in Figure 1 represents this case. It means that the covariance between risks (R) and opportunities (O) is negative, i.e., the more risks individual i faces, the less opportunities he is likely to have.[5] So, in this case, cov $(R_i,O_i) < 0$.

Case 2 ("peace and prosperity" situation). Cov $(R_i,O_i) = 0$, *similar* and *low* R (risks) for all individuals. This case, which is expressed by a horizontal line depicted in Figure 2, represents the "good times", in which, according to Tamir, "we cannot stick together".

In both cases, high-opportunities individuals choose the globalist outcome, while low-opportunities individuals choose the communitarian outcome.

S is high if individuals of different classes place themselves closer to the communitarian corner in the C-G continuum. This happens in three cases:

5. The covariance measures the extent to which two variables, such as R and O here, 'vary together'.

FIGURE 3

Case 3 ("war"): cov=0, similar and high risks

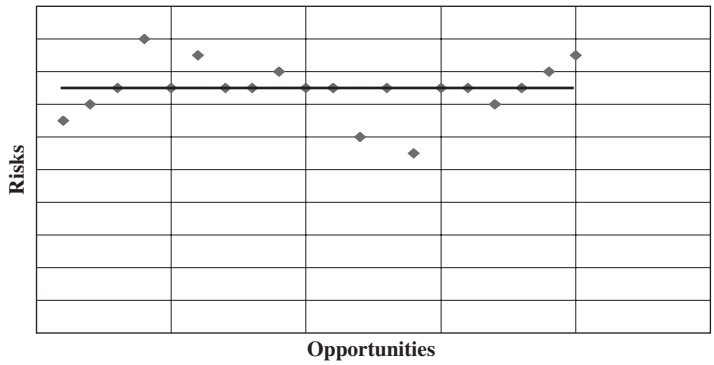
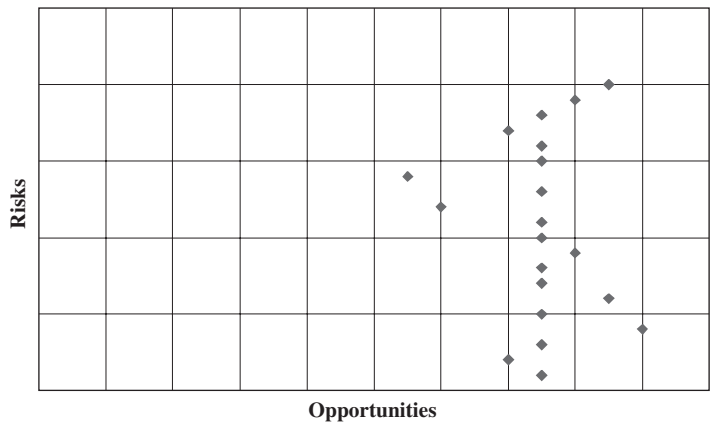


FIGURE 4

Case 4 ("equal opportunities"): cov = 0, similar opportunities



Case 3 ("war" situation). Cov $(R_i,O_i) = 0$, with *similar* and *high* R (risks) for all individuals. This is represented by a horizontal line in Figure 3, which is plotted far from the horizontal axis.

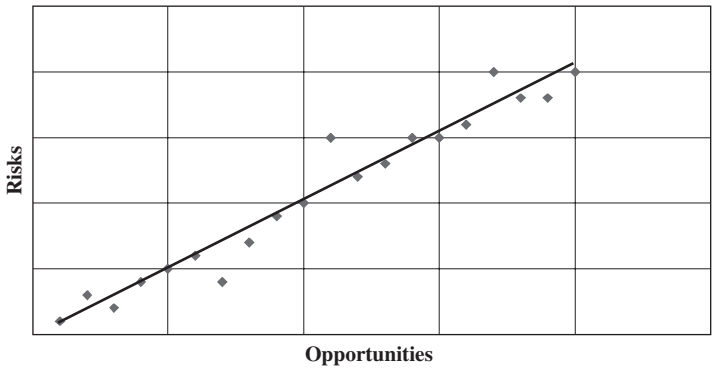
Case 4 ("equal opportunities" society). Cov $(R_i,O_i) = 0$, with *similar* O (opportunities) for all individuals. Graphically, we have a vertical line, such as in Figure 4.

Tamir argues that "social unity could be achieved by either unifying risks or opportunities". Case 3 represents unified risks, while case 4 stands for unified opportunities. In both cases, the communitarian outcome is collectively chosen.[6]

6. Here we find a contradiction in Tamir's argumentation. She claims that "social unity could be achieved by either unifying risks or opportunities", such as in cases 3 and 4. But she also claims that "we cannot stick together in the good times", for "it is against our interests". 'Good times' could be interpreted as a situation in which risks are low for everybody, such as case 2. But case 2 is also a situation in which risks have been unified. What should we expect then: social unity (high S) or social erosion (low S)?

FIGURE 5

Case 5 ("September 11th"): cov >0



Case 5 ("September, 11th" situation): Cov $(R_i, O_i) > 0$. This case is briefly mentioned in the last paragraph of Tamir's paper. In such a society, high-opportunity individuals would, in their own interest, tend to foster solidarity, since they are more exposed to risk.

Excluding case 4, which seems unrealistic, and by simple graphical inspection of the other cases, one concludes that the key variable determining S are the *risks faced by the high-opportunity individuals*. The risk exposure of low-opportunity individuals is not important at all in defining the level of S. So Tamir's model could be expressed as follows:

$$S = f\,(R_h, X), \qquad (3)$$

Where:

S, the *level of inter-class solidarity*, is a function of:
R_h, a measure of the risks faced by high-opportunity individuals, and
X, a vector of control variables.

With: $\partial S/\partial R_h > 0$.

The level of inter-class solidarity increases with the risks faced by high-opportunity individuals. This means that the main underlying motivation for the existence of solidarity according to this interpretation of Tamir's paper is the demand for *insurance* by the high-opportunity individuals.

Tamir challenges the conference conjecture by claiming that the individual choice of the position along the C-G continuum and, thereby, the collective outcome in terms of effective intra-group solidarity, does not depend on the extent of cultural diversity. Cultural features are important only when belonging to some social group, which can be racial, ethnic, religious or linguistic, overlaps or is

highly correlated to belonging to some "class*". In other words, *cultural features per se are not a central determinant* of the choice of the position in this C-G continuum. The variables H and M, which were crucial in expression (1), have disappeared in (3). Just like in (2), they have been relegated to the role of control variables captured by the term X.

4 • Selected objections

Assuming that the conference conjecture defines the question we are trying to answer here, let me present brief objections to each of the papers.

4.1 Seekings

A first and obvious objection to Seekings' conclusions is that the countries he has chosen may not be representative. Can we draw general conclusions based on only three particular cases? And what if these countries are outliers in the world distribution of the variables at stake, that is, of S, H and M in expression (1)? If some statistical analysis of this type of data were conducted on a large scale (say, using worldwide data), couldn't we possibly verify that the suggested trade-off between cultural diversity and economic solidarity actually holds?

A possible answer is that Seekings provided incontestable counter-examples to the conference conjecture. After all, he has appropriately found at least two, or maybe three, "black swans", which is sufficient to refute the claim that all swans are white. But is it really so? This leads me to the second, more fundamental, objection, which concerns the legitimacy of the counterfactuals he has proposed. When two or more countries are compared, the X in expression (1) is *not* kept fixed; in econometric jargon, X is not controlled for. It is thus impossible to appropriately test the validity of the relationship between, say, H and S.[7]

4.2 Tamir

Yael Tamir provided: (i) a more abstract model than Seekings, (ii) an account of the recent historical development of the nation states and their relation with risks and opportunities faced by individuals of different "classes*", and (iii) some predictions, somewhat fatalistic, about the future. One could arguably pose objections

7. One solution would be to take account of control variables, so that the countries become appropriately comparable. Instead of comparing different countries, the same country could be compared in different periods of time, in order to reduce the effect of country-specific factors, that is, in order to keep X 'as fixed as possible'. A fruitful strategy is to compare the same country before and after a sharp increase or decrease in the 'cultural' composition of its population (for example, because of an inflow or outflow of immigrants) and then to see what are the changes in the level of redistribution. Or, alternatively, *intra-country empirical estimates* could be useful in trying to answer whether a more culturally diverse region is likely to present more or less economic solidarity than other ones, all of them being exposed to the same national institutional setting.

to her reading of recent history, challenge her predictions, or even raise doubts about some of the crucial assumptions of her model.[8] However, let me focus on the same kind of objections I addressed to Seekings, again in a highly selective way.

First of all, considering that risks — especially among high-opportunity individuals — play such a crucial role in Tamir's model, it might have been advisable to take into account different assumptions concerning attitudes towards risk. What changes would be introduced in the model if a large fraction of high-opportunity individuals were risk-neutral instead of risk-averse? Would these individuals be so willing to support inter-class solidarity if they were risk-neutral or less risk-averse than has been assumed by Tamir?

Secondly, suppose we had a set of different countries presenting equivalent distributions of risks and opportunities — that is, with similar covariance patterns and similar sets of choices along the C-G continuum —, but with very different levels of cultural diversity. Would we observe different levels of economic solidarity? If so, would these levels correlate negatively or positively with the degree of cultural diversity? What would be the relationship between the explanatory variable, R_h, and H and M? Isn't it possible that Tamir would have to conclude that the conference trade-off holds after all?

5 • Final comments

I am not claiming that deep and insightful institutional and political analyses such as the one Seekings has provided do not help us understand some of the complex aspects of the questions at issue. Nor am I claiming that the abstract, speculative, explanation for the existence of inter-class solidarity provided by Tamir's paper is not worthwhile. I am only raising some methodological doubts about the way in which (as I interpret them) they have challenged the conference trade-off, and, simultaneously, I am suggesting some econometric exercises that could be useful in assessing the validity of the trade-off within the framework each of the authors has proposed.

However, before trying to accomplish such tasks, a preliminary pair of question needs to be answered: what is meant by economic solidarity and by cultural diversity? There has been no explicit agreement on what is meant by cultural diversity.[9] But more importantly, the careful reader has noticed that the notation "S", economic solidarity, has been used as the dependent variable in the three expression above, while having in each case a different meaning.

8. For example, is it realistic to suppose that individuals are completely self-interested, that there is no room for any altruistic or patriotic behaviour, unless people are living in 'bad times', in periods of war? Would these assumptions and others resist empirical assessments?

9. On measures of cultural diversity, an NBER working paper by Alesina *et al.* (2003) is available on the web. It reviews some indices of what they call the "fractionalization" of a society, which is similar to what Van Parijs called "cultural diversity or heterogeneity". They are not interested in the effects of fragmentation on economic solidarity, but on its effects on economic growth.

This divergence probably reflects different conceptions of solidarity. In (1), S is called "institutionalised economic solidarity", and it expresses a kind of "warm solidarity", dependent upon the existence of "identification" between individuals. There is more solidarity within a particular group if more of its members see themselves as belonging to the same community, group or nation. That is the reason why H had a negative effect on S. In (2), S is the "level of redistribution", which does not depend upon identification. There may be redistribution if the rich fear the poor, for whatever reason, and hence feel compelled to redistribute as a concession intended to "calm down" the worst-off individuals. The stronger this credible threat, the higher will be the extent of this solidarity (such as in South Africa). In (3), S stands for a vaguely defined "inter-class solidarity". The underlying motivation for the existence of solidarity here is of an individualistic nature: the more it is in the interest of high-opportunity individuals to be insured, the more developed will be the aggregate solidarity.

Hence the apparent divergences between Seekings, Tamir and the conference conjecture may not reside as much in different specifications of the right-hand side of the expressions (explanatory variables), as in different understandings of the left-hand side (dependent variables).

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11

Questions for Seekings and Tamir

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Jeremy Seeking's and Yael Tamir's papers can both be seen to examine the question of how a country's institutions on the one hand, and group membership (including membership of ethnic, racial, or cultural groups, as well as socio-economic ones) on the other, interact so as to affect that country's prospects for economic solidarity. Both appear to converge, moreover, on the gist of the answer they offer to this question: it is not the case that cultural diversity on its own is a weighty determinant of the prospects for economic solidarity. Such prospects are more likely to depend on a country's institutional configuration, which also crucially affects the extent and nature of the role which cultural diversity will play.

While Seeking and Tamir may be viewed to engage to some extent with the same main question, they proceed in very different ways. Seeking's analysis is focused on identifying the different mappings of institutional arrangements, degree of cultural diversity, and presence of economic solidarity (where the latter is measured in terms of redistributive measures from the rich to the poor) that obtain cross-nationally, taking the three new democracies of South Africa, Brazil, and Nigeria as case studies. Tamir's, by contrast, moves at a higher level of abstraction, and is primarily engaged in putting forward a general hypothesis concerning why any one such configuration will obtain. Hers is a thesis about the structure of motives that underlie and explain the nation state's ability to realise solidarity.

We may raise one main question about each of these two papers. As far as Seeking's is concerned, we may ask about the normative implications his analysis is supposed to have. Without neglecting the specific factors at work in the three different countries' political histories, Seekings' view is that institutional design is to a large degree responsible for creating the opportunities for economic solidarity, whether in the absence or in the presence of cultural diversity. Does his analysis then imply that, insofar as economic solidarity

is recognised to be of value, we may, and should, focus primarily on understanding the ways in which institutional design can proceed so as to promote solidarity?

If this is the case, it seems that three points, in particular, deserve further attention. The first concerns what general conclusions, if any, emerge from the study of the three countries Seekings focuses on, and which could help us answer just *what sort* of institutional design best works to create favourable conditions for economic solidarity. A second and related point regards the role which Seekings thinks that cultural diversity, where it exists, could be made to play — once again, possibly, thanks to a particular type of institutional design among other things — in promoting economic solidarity. Finally, the conclusions of Seeking's paper, especially if they are to support normatively significant implications, seem to lead naturally onto the crucial question of what may explain the sort of shape which such institutional design can take in any particular place and time.

This is where Tamir's paper may seem to be relevant, that is, in providing a general claim concerning the possibilities for institutional design that will obtain at any particular point. Here the main question we should raise concerns the exact status of the motivational story which Tamir offers. Her main suggestion is that the position we occupy with regard to group membership and the prospects for intra- and inter-group solidarity are the result of our assessment of the risks and opportunities which any such position carries for each one of us. Institutional design, among other things, will affect the particular package of risks and opportunities we face by occupying different positions (communitarian or global, for example), and therefore, ultimately, the possibilities for solidarity. Tamir's claim, then, is that, when we come to occupy one or other of these positions, we are not really assessing their merits on moral grounds, but are rather fundamentally engaged in ascertaining how we can best pursue our interests. Self-interested motivation, rather than an assessment of values, is what accounts, she claims, for the vicissitudes of our political commitments.

But why, we may ask, is Tamir's motivational story presented as competing with the view that we do and should engage in action-guiding moral evaluation of different political positions? That story may well explain why some political projects attract more support than others. But this does not show that, by engaging in debates about the value of economic solidarity, we are only providing rationalisations of what is fundamentally a choice based on self-interest, as Tamir's paper implies. Indeed, Tamir's account itself, insofar as it is to support a normatively significant conclusion, needs to rely on the sort

of value assessment it appears to want to discredit. After all, does Tamir not want to provide the basis for a project which would see the state engaged, once again, in shaping the package of risks and opportunities individuals face so as to make solidarity possible? If so, Tamir will, it seems, need to appeal to value commitments which, rather than being merely the reflection of self-interest, will account for why it is desirable that one's self-interest should, as much as possible, be made to coincide with the interest of all.

12

Language Policy and Civil War

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Consider two trends in world history over the past half-century. First, there has been a steady decade-by-decade increase in the number of active civil wars. In sum, there have been 127 civil wars fought in this half-century, killing nearly 17 million people. The rate of outbreak has been on average 2.31 new civil wars per year, but there is neither a steady trend upward or downward in the rate of outbreak across decades. Since civil wars break out at a faster rate than they become resolved, *there has been over the past half-century a steady increase in the number of countries (and percentage of independent countries) involved in fighting civil wars* (Fearon and Laitin 2003).

Second, *there has been a steady increase within states in the rights of speakers of minority languages to state recognition.* Since 1960, twenty-three minority language groups in seventeen countries were granted enhanced official recognition for their languages. In that same period, only nine groups in four countries had official recognition of their languages at local levels repealed by their central states. From a country perspective, since 1945 ten countries that at one time did not provide official services on a regional level to minority groups constituting at least ten percent of the population changed that policy and granted at minimum limited official use for those languages. Meanwhile, only two countries withdrew regional recognition to minority language groups. Furthermore, only four countries have in the period since 1945 declared the language of the plurality group as the sole official language of state business; at the same time five countries have broadened central official policy to accommodate languages beyond the language of the dominant group. [For a list of the countries and their policy shifts, see the Appendix].

To those who hold that civil wars are built upon cultural grievances, there is a powerful anomaly here. A steady *increase* in civil wars correlates with a steady *decrease* in the degree to which states

have oppressed minority language groups. It could be, of course, that this is a spurious correlation. It will be argued here, however, that both trends emanate from a common source — a fundamental decrease in average state power over the course of the past half century.[1] Civil war is the most horrible manifestation of that weakness. Liberal language policies are the benign results of state weakness. The world accommodates to cultural difference then not because of a growing recognition of the rights of minorities but rather because weak states are not fully able to exert domination over their own peripheries.

The grievance explanation for civil war loses credibility when the relationship of democracy (the regime type that is associated with redressing grievances of the population) and civil war is analyzed. Consider Table 1, based on the Stanford version of the Minorities at Risk dataset.[2] From it, two complementary points are sharply illustrated. First, the more democratic countries of the world are less likely to recognize languages of minority groups than are the less democratic countries. Among the countries that were above the median score for democracy (according to Polity criteria)[3] in 1980, 28% of the MAR groups that had a distinct ancestral language different from that of the dominant language group of the country received some degree of official recognition; meanwhile among countries that were below the median score for democracy in 1980, 63% of the MAR groups that had a distinct ancestral language different from that of the dominant language group of the country received some degree of official recognition. Thus, in democracies where politics are presumably more amenable to the redressing of grievances, distinct language groups are less likely to receive official recognition.

Second, language recognition in 1980 of groups with distinct languages is associated with higher levels of rebellion subsequent to 1980 than for groups with distinct languages whose languages received no recognition. This is clearly the case for the more democratic states (those above the world median), where the maximum of the mean rebellion score is 2.68 for groups whose language had received recognition in 1980, but only 1.11 where the group's language did not receive any official recognition. Among the more non-democratic half of the countries, the same (though less startlingly) is true: rebellion scores are higher among groups whose distinct language is recognized than for those whose distinct language receives no recognition. Thus, recognition is hardly associated with enlightened policy; the data on Table 1 suggest rather that recognition is more a last gasp effort by weak centers to (rather unsuccessfully) stave off rebellion.

1. The average is going down in large part because more and more weak states are entering the international system. Also, but to a lesser extent, average state power decreases to the extent that states cede authority to international institutions.

2. See Appendix for details on the MAR dataset used for this paper.

3. The Polity dataset and documentation are available at: http://weber.ucsd.edu/~kgledits/Polity.html. As is standard for users of this dataset, I take the value for democracy (a scale that goes from 0 to 10, the higher numbers reflecting greater levels of democratic freedoms) and subtract the value for autocracy (a scale that goes from 0 to 10, the higher numbers reflecting greater levels of autocratic control). This scale yields a range of +10 (the most democratic) through -10 (the most autocratic).

TABLE 1

Democracy, Language Recognition, and Rebellion

Language Recognition		
Democracy (*a*)	**No Recognition**	**Recognition**
Above or equal to country median (>=-6)	1.11 (*b*) (63) (*c*) ; 72 % (*d*)	2.68 (*b*) (25) (*c*) ; 28 % (*d*)
Below country median (<-6)	1.42 (*b*) (31) (*c*) ; 37 % (*d*)	1.85 (*b*) (53) (*c*) ; 63 % (*d*)

Notes:

(*a*) Based on Polity dataset, which provides a 10-point scale for democratic rights, and another 10-point scale for authoritarian control. We subtract the second scale from the first, giving a democracy index that varies from +10 to -10. In 1980, for the 136 countries with groups represented in this Table, the median democracy score was -6.

(*b*) This represents the mean value for all groups on the MAR coding for rebellion, ranging from 0 (no rebellion) to 7 (full scale civil war). The rebellion scores are coded every five years. The figures in the boxes represent the mean of the maximum scores for all groups for all five-year periods since 1980.

(*c*) This represents the number of groups in the dataset for each category. The Stanford version of the MAR dataset has 393 observations (group/country) for the year 1980; of these 393 groups, 172 have distinct languages from the dominant group in the country. This Table analyzes only those 172 groups.

(*d*) This represents the percentage of distinct groups whose languages were either recognized or not recognized by their states.

To develop this point empirically, I shall in this paper elaborate on three general patterns of language recognition and rebellion in the past half-century. The first pattern is one in which weak groups do not receive language recognition and do not have the capability to sustain a rebellion. In a mirror image of this proposition, strong states do not provide language recognition and are not susceptible to rebellion. In this pattern, non-recognition of language and lack of civil war correlate. The second pattern is one in which weak states, susceptible to rebellion (and in the course of rebellions), offer language recognition to actual or potential rebellious language communities in order to assuage grievances and hopefully to cauterize the rebellion. In this pattern, because recognition is given only to groups that can credibly mount a serious rebellion, recognition of language and civil war correlate. The third pattern is one in which the relative weakening states of the advanced industrial world — in relation to powerfully mobilized cultural groups in the regions and to international organizations — have begun to provide official recognition to minority languages. In these cases, state weakening has not been nearly to the level as to provoke civil war (and thus recognition negatively correlates with civil war), but the process is similar to the other patterns: language recognition is more a result of relative state weak-

ness than an enlightened view of justice — although this latter motive certainly plays a supportive role.

The paper will examine these three patterns of language recognition and implications for civil war. In the conclusion, connecting this paper to the general theme of this volume, it will be pointed out that the official recognition of diversity can have quite different implications for weak states than it does for the stronger states of West Europe and North America. For the former, such recognition is playing with fire; for the latter, it is playing with culture.

1 • Pattern I. Strong states, weak groups and low probability of civil war

In general, states make concessions to groups that are potentially the most threatening to constituted authority. The first implication of this generalization is that weak cultural groups, or those autochthonous groups that had been utterly decimated in the period of state expansion, rarely get cultural recognition. Consider the Roma whose dialects are closely related to the Sanskrit from which all modern Indo-Aryan languages are derived. Romani dialects developed in parallel to its sister languages still spoken in India until the 11th century AD. Then the ancestors of the Roma left India and Romani was influenced in its development by languages spoken elsewhere. These were Persian, Armenian, Byzantine Greek, Old Slavic and Rumanian. The same words from these languages can be found today in all dialects of Romani. This shows that the Roma traveled together as one group until they reached Rumania in the 14th century. In the 15th century, Roma entered Central, Western, Northern and Eastern Europe via Rumania and from then on, a large number of differing Romani dialects evolved in the many countries where the Roma lived as the Roma adopted loan words and grammatical forms from the non-Romani languages spoken around them.

Today, many of these dialects are mutually intelligible among Roma from different countries. Today and in the past, most European governments are trying and have tried to abolish Romani by compelling the Roma to speak only the national language of the country. In the 18th century, Empress Maria Theresa of Austro-Hungary introduced a deliberate program to separate Romani children from their parents and have them brought up by Hungarian foster parents or in state-run orphanages. The result of this is that today large numbers of Hungarian Roma, called Romungere, do not speak Romani. In Spain,

a similar program was practiced and the Spanish Romani dialect called Calo has almost disappeared.[4]

The Roma constitute the population group in Europe that is politically the weakest of any of the groups listed in the MAR dataset. In that dataset, they account for sixteen observations, in Bulgaria, Croatia, Czechoslovakia (1945-1989), Czech Republic (1989), France, Greece, Hungary, Italy, Macedonia (1991-), Romania, Russia, Slovak Republic (1991), Spain, Turkey, USSR (1945-91), and Yugoslavia. In none of these countries is there any official recognition of Romani, at either the local level or at the political center. Moreover, in Macedonia, Romania, and Slovakia, Roma constitute close to or above 10% of the population, and by our criteria in the country/year dataset, these countries (due to their treatment of the Roma) are guilty of fomenting a linguistic grievance.

Due to the weakness — politically, economically and demographically — of the Roma, European states have ignored issues that might redress the linguistic injustices from which the Roma have suffered. In Hungary, there is today a European Roma Rights Center that provides legal services and does human rights monitoring for European Romani. Its office has even translated into Romani the substantive paragraphs of the 1951 Convention Relating to the Status of Refugees ("1951 Geneva Convention") and its 1967 New York Protocol. But the Center has not sought, nor has any state offered, programs to restore and protect that language.[5] The point here is simple: the reason that European states have been callous towards Roma culture is the same accounting for the fact that in none of the sixteen European countries in which Roma live has the MAR rebellion score ever gone higher than zero. They are not a threat to rebel; they receive no language rights.

The indigenous populations of the New Worlds (the Americas and Oceana) are similarly situated in regard to language rights. Most of these groups were decimated by disease and defeated by armies going back to the 17th century. The Black Karibs and Indigenous Peoples in Honduras, the Maori in New Zealand, the indigenous populations in El Salvador, Venezuela and Chile, the lowland indigenous peoples of Peru and Bolivia, the highland and lowland indigenous peoples of Ecuador, Native Hawaiians in the USA, and Aborigines in Australia, have neither linguistic rights nor even an approximation of a rebellion in the past half century. The MAR codings report on isolated violent incidents not amounting to sustained rebellion among the Native Americans in the USA, Amazonian Indians in Brazil, and indigenous peoples in Canada and Panama. Genuine rebellions in the last half century among indigenous populations of the New Worlds include only groups in Nicaragua, Guatemala and Mexico

4. Roma Community And Advocacy Centre Toronto, Ontario, Canada, http://www.romani.org/toronto/FS4lang.html

5. *European Roma Rights Center,* 1386 Budapest 62, P.O. Box 906/93, Hungary; translation available at: http://www.errc.org/rr_nr2_2002/romani.shtml

(Zapotecs and Mayans). Of all these cases of autochthonous groups in the New Worlds, because of the cultural desuetude in which these languages persist, only the Aborigines of Australia have received significant language recognition. From a statistical point of view, lack of language rights and low probability of rebellion come from the same source: weak societies partially incorporated in strong modern states.

The other side of the coin in regard to the first pattern is that of strong states that dominate society, especially those that consolidated central power before states were in the business of providing free public education, such as France and the United Kingdom.[6] Japan and Germany, although consolidated at a later period, are strong bureaucratic states that have eliminated (not only from official use, but from everyday use in society) many language forms other than those of the bureaucratic center. All these states came into the post World War II world providing no recognition to minority languages. In the cases of Japan and Germany, there are no observations in the MAR dataset of groups that were present before the 19th century, such as Bavarians in Germany or speakers of western dialects (*hogen*) in Japan. These speech forms have been dubbed dialects of the state language, and never received recognition as separate languages or their speakers minority peoples. In these cases, state strength and no language recognition go hand in hand.

Perhaps the greatest exception to this rule is that of the USSR, one of the most centralized states in world history. However, its major language concessions were made in the 1920s when central state authority was precarious. The Bolshevik policy of *korenizatsiia* (local rooting in cultures) was implemented as a way of co-opting rebellious peripheral nations into the framework of an otherwise centralized socialist union.[7] Similarly with the case of Spain post-Franco. In this democratic transition, the greatest fear by all parties was a reenactment of the 1936-39 civil war, in which concessions to nationalist forces in two regions (the Basque and Catalan) helped prompt the rebellion of the army officers against the republic. In the transition period after 1975, Catalan and Basque politicians (with great voter support in their respective regions) were demanding autonomy and considerable linguistic concessions. Basically, all political forces in Spain agreed to these concessions, in large part to stave off a nationalist rebellion.[8] These concessions in Spain were not unlike those of the Bolsheviks in 1920s Soviet Union — language concessions were made because the groups demanding them were capable of challenging the state. In the Soviet Union, the 1917-21 civil war produced the concessions in the mid-1920s; in Spain the civil war of 1936-39 produced the concessions in the mid-1970s. It is the time frame of the

6. I make this argument more fully in Laitin (1992).
7. I develop this theme in Laitin (2003).
8. On transition to democracy and memories of the civil war, see Perez-Diaz (1993).

dataset that obscures the fact that both cases are consistent with the patterns outlined herein.

To conclude in regard to the first pattern, the MAR dataset is replete with minorities that have been marginalized by history, either as travelers or as defeated autochthonous populations — their languages are not recognized for official purposes in modern states and however aggrieved they might be about this, they do not have the resources to mount a rebellion against those states. Here non-recognition of languages and lack of rebellion correlate strongly.

2 • Pattern II. Weak states, recognition and high probability of civil war

Where groups have demonstrated capability of sustaining insurgencies against weak states, recognition of regional languages is common.[9] In India, which at the time of independence was a federal state granting official language rights to state languages, state weakness and the strength of linguistic groups outside the Hindi speaking core zone led to a cascade of linguistic concessions. It all began when nationalist leaders in the Telugu-speaking areas of Madras, Hyderabad and Mysore states at the time of Indian independence hoped to gain recognition for their homeland as a linguistically-based state. The movement for Telugu autonomy, first organized in the 1930s, was induced in part by the rabid nationalism and the strong cultural revival of the Tamil speakers in the Madras Presidency. This movement struck a positive cord among early nationalist leaders in Telengana, an economically backward region of Telugu speakers in Hyderabad State, and in alliance with the Madras Telugus, a notion of "Vishalandhra" (Greater Andhra), recalling the greatness of the ancient Nizam kingdom, became a mobilizing idea. Despite a thirty year commitment by the Congress Party to reorganize India's states on the basis of language, however, in the post-independence period two commissions demurred on this promise, arguing that national integration, efficiency of administration, and protection of minorities all argued for the preservation of linguistically mixed states. The second commission (the so-called "JVP" Committee) left the door open for a future Telugu-speaking state, and it helped induce a Gandhi-style movement of protest, culminating in the death through fasting in 1952 of Potti Sriramula. The Congress government was shocked, and a new state was granted in 1953. Linguistic unity prevailed and Andhra Pradesh became a state.

9. The subsequent discussions of India and Sri Lanka are more fully exposited in Laitin (2000).

The concession to Andhra for statehood induced yet a third language commission in India, the States Reorganization Commission, which now had to develop a revised long term policy in regard to language and state boundaries. It faced non-violent demands and pressures from all over the country. Once its recommendations were published, however, riots broke out in Bombay (as Marathis and Gujaratis each wanted their own state with Bombay as its capital) in which eighty people were killed. In 1961, the States Reorganization Commission granted separate statehood to Nagaland, where Naga speakers would no longer be under the grips of Assamese-speaking leadership. This helped end a nasty war in the northeastern provinces of India. It also helped establish a linguistic criterion for statehood which increased the number of groups gaining official recognition of their languages. Concurrently, the federal state offered greater protection for minorities within states, adding to the list of officially recognized languages. In the MAR dataset, which does not include any of the state nationalities as minorities at risk, five of the seven listed groups (in which there is a common language distinct from Hindi) get regional recognition. Only the Bodos and Santals (scheduled tribes, and given their marginality, they would fit nicely into pattern number one) have not (yet) been granted linguistic recognition.

Sri Lanka is yet another case where linguistic concessions are the result of the potential (one that was actualized in horrific fashion) for a minority group to mount a successful insurgency. In 1956, the Sinhala majority government passed its infamous Sinhala Only Act, in which the Prime Minister assured the population (of which 14 percent were Tamil speakers) that within twenty-four hours, the linguistic face of the country would be transformed (from having English as the dominant language of state business). As the Parliament was voting on this Sinhala Only Act, the Tamil-led Federal Party leaders (who got little support in 1952, but had much greater success in 1956 as its leaders, in response to Sinhala party promises, spoke out for parity status of the Tamil language) successfully organized a work stoppage in Tamil majority areas and a Gandhi-inspired sit-in in front of the House of Representatives in Colombo. Tamil speakers (at least the Sri Lankan Tamils, originating from the Jaffna Peninsula and the northeast coast; but not the descendents of the Tamil-speaking Indian indentured servants working on the plantations around Kandy) constituted a strong bureaucratic and commercial presence in Sri Lanka, and they were not (like autochthonous or Roma populations) helpless in the face of government repression.

Partly in reaction to Tamil outrage, and the subsequent riots, the government passed the Tamil Language (Special Provisions) Act No. 28 of 1958 providing for the use of Tamil as a medium of instruc-

tion in the schools and as a medium of examination for public service jobs. In 1969 an official "clarification" of the rules provided that Sinhala was a necessary language for all official matters, but in the northern and eastern provinces, where Tamil could be used for official purposes, a Tamil version must be attached. The 1972 constitution gave the 1969 clarifications the status of basic law. The 1978 constitution gave near parity to Sinhala, Tamil and English. Thus the status of Sinhala was lowered (it was to be the official language but not the "one official language") and correspondingly the status of Tamil was raised (it became "an official language"). Both were given equal status as national languages, and all citizens had the right to a basic education in either of the national languages. Each language was envisioned to be prominent in its own regions, but now with English as the link language between them, and a language that could be designated for higher education and for courts of law.

The civil war in Sri Lanka did not begin in earnest until 1983 when Tamil was already a recognized regional language. The positive correlation between recognition and insurgency in this case reflects the weakness of the Sinhalese state in rationalizing language in the mode of the 19th century French state. In large part the weakness was due to the unwillingness of Sinhalese civil servants to switch over from English to Sinhala for their work. But the economic and potential military power of the Tamils compelled concessions as well. The result is the odd sequence of language concessions preceding civil war!

Other cases largely confirm this pattern. In Ethiopia (in regard to Afars, Oromos, Somalis and Tigreans), Niger (in regard to the Taureg) and Sudan (in regard to Southerners in general), language concessions were made official either in the prospect of civil war or shortly after civil wars broke out in full. The language concessions and concomitant insurgencies were both the result of the failure of centralized rule. The only obvious exception to this pattern is the case of Burma, at war for a generation with linguistically distinct Kachins, Karens, Mons, Rohingya, Shans and Zomis, repealed regional language status to these groups in the midst of civil war. But for most weak multinational states that entered the international system in the 20th century, recognition of linguistic rights of minorities (as is the case of facing successful insurgency) is a sign of failure to exert centralized rule.

In sum, the second pattern shows an elective affinity between rebellion and linguistic recognition — both of them symptoms of weak states and insufficiently dominated national groupings.

3 • Pattern III. Advanced industrial states — language recognition in the context of state weakening (but not sufficiently so as to invite insurgency)

In the past quarter-century, formerly consolidated nation-states have begun to lose their cultural monopoly over their citizens (e.g. in school systems, television networks, and the internet). Something like an English speaking international culture is increasingly available to citizens of all states (Laitin 1997). Under these conditions of monopoly lost in rich states, ethnic entrepreneurs in once submerged national groupings have an opportunity to exploit latent cultural solidarity among people they claim to represent. The result is a slow but steady increase in the provision of linguistic rights to well-mobilized minorities.

Reflecting the new balance between states and defunct language groups, in 1981 the Arfé Resolution was adopted in the European Parliament, which called for a charter for regional languages. As a result, a European Bureau for Lesser Used Languages was established in Dublin. By 1983, policies protecting language minorities became a recurrent budget item in the European budget (Coulmas 1991, 14-16). Regional language groups, politically dead for centuries, became mobilized and mobilizable. In Italy, significant Albanian, Catalan, Provençal, Friulan, German, Slovene, Occitan, and Sardinian minority language groups have been identified, with the German and Slovene communities already politically mobilized (Zuanelli, 1991). In France, German, Occitan, Breton, Catalan, Flemish, and Corsican all have over 100,000 speakers. In Germany, there is a large and growing Polish-speaking community. In the United Kingdom, Irish, Scottish Gaelic and Welsh are the principal regional languages. Their official recognition is dubious. But a commission led by Sir John Banham, and supported by both parties, reported in 1997 on a regional government plan for the UK, which dealt with Wales, Scotland and Northern Ireland. The 1998 Government of Wales Act, substantially revising the treaty of 1707 of Union, provided for National Assembly for Wales in which Welsh and English would be co-equal in status (du Granrut 1994). In Belgium, with two official languages, there is also a moderately-sized German language community, which, since the accords of Saint-Michel of 1992, has an elected German Assembly (du Granrut 1994, 59). The Belgian regions have their own delegated official within the official Belgian permanent Representative to the EU. Denmark, too, has a significant German-speaking

community. And Holland's Frisian-speaking community has gotten political support from the EC to the chagrin of Dutch authorities.[10] The recognition of these language communities by the EC, like the *korenizatsiia* policies of the early Soviet state, give a legitimacy and a political agenda for mobilized elites from these groups to further press new language demands on the European political stage. The semi-official recognition of Catalan as a community language is the first elevation of a regional language into a community-wide function.[11] While it is true that state languages get stronger and more regular subsidies than the regional languages,[12] and while it is also true that member states have the right to define which languages spoken within their borders are official minority languages,[13] the footing and resources of these regional languages have been strengthened by EC intervention.

It would be a wild exaggeration to claim that minority language protection in the EC was in any way undermining state power in any serious way. Under conditions of state victory over regional languages in earlier centuries, rich European states face no security threat in making concessions on official recognition of some minority languages. These governments, in facing mobilized groups relying on the language of justice (for minorities) pay little cost in carrying the mantle of justice themselves. After all, the situation has changed for the rich and secure states in the international system. For example, in 18th and 19th century France, minority language protection was a symbol of tradition, against modernity and progress; but in the late 20th and early 21st century, minority language revival is an issue for the left, a kind of welfare policy for endangered species. Minority language demands are hardly in the language of rebellion; rather they are in the language of welfare.[14]

In this vein, Simons reports on the *oc* revival movement in southern France. Despite the missionary zeal in which these languages are promoted, she also notes the habits and practices of using French that go back for generations, and also the minimal resources available to the revivalists. The effort appears quixotic.[15] One therefore gets the impression that regional languages may be more of a luxury consumption item for the few than a serious revival movement that will coercively demand language competence in the regional language for all who live within the regional boundaries. Local educational authorities might require a year or two of study of the regional language in primary schools. Urban professionals, living outside their self-identified home region, may enroll their children in summer courses, or give a contribution to the local language activists, or even take a course themselves to reconnect with their roots. These cultural consumption activities are hardly seeding a future rebellion.

10. Some data for this paragraph are from the Commission of the European Communities (1986). The data do not cover Spain, Portugal and Greece.
11. See the resolution of the European Parliament, "On Languages in the Community and the Situation of Catalan" A3-0169/90. The Catalans hardly got what they asked for in this resolution, but the call for *inter alia* "the publication in Catalan of the Community's treaties and basic texts" was considered by Catalans as a foot in the door.
12. Koch (1991), pp. 174-5.
13. Tabouret-Keller (1991) p. 47.
14. I owe the subtlety of the French case as described in this paragraph to the comments of Jean Laponce, delivered at the Franqui Prize Conference in Brussels, February 28 to March 1, 2003, in Brussels.
15. See Marlise Simons, "A Reborn Provençal Heralds Revival of Regional Tongues," *The New York Times* (May 3, 1993), National Edition, pp. 1, 6.

Although the language of magnanimity, justice, and welfare pervades the granting of linguistic rights in the rich states of the world, it is the relative power of the groups in relation to their states that determines to a large extent the level of recognition. The language groups that succeed the most — the Catalans and Basques in Spain; the Flemish in Belgium — represent the stronger minority groups in Europe viv-á-vis their states. The Catalans and Basques got greater recognition from Spain than they would ever receive from France because of the weakness of Spanish central authority in the Franquist transition.[16] And groups with no power at all, as was emphasized in the discussion of the first pattern especially in regard to the Roma, get hardly any recognition for their languages. If justice demands recognition of Flemish or Basque, surely it demands recognition of Romani. In none of these cases is there any evidence that people whose ancestors spoke these languages would be better off economically if their children were educated in "their" revived language. That only some languages get official support, and that the amount of support varies considerably, is cogent evidence that the relative power of state and group — and not abstract concern for minority rights — is determining the degree of language recognition.

For the groups that succeed, resources are generated internally by the well-to-do who have the capacity for electoral mobilization in the name of linguistic justice. For weaker groups, getting some initial recognition, the resources are coming from the EU, and only in the context of a supra-national state would these marginalized language groups get support for their languages. It is thus *in the context of states weak in relation to their peripheries or weakened by international membership that local languages have an opening for revival*.[17] While the European states are not anywhere near weak enough to be subject to civil war (and therefore there is not a correlation between these linguistic concessions and insurgency), this third pattern illustrates the general proposition of the paper.[18]

4 • Conclusion

This paper has highlighted two macro trends of the past half century — the growing number of civil wars taking place in the world and the increasing number of minority language groups receiving official recognition by states. While no claim is made that language concessions are a cause of civil war, the data presented herein provide powerful evidence against claims that the elimination of minority grievances would be a sure fire way of lowering the incidences of civil war. On a more positive note, this paper conjectures that the cor-

16. Rob Reich's comments on an earlier version of this paper helped me develop the point about justice vs. power as motivations for European concessions to minority groups. Gourevitch (1979) emphasizes the importance of relative power of the region for successful national revival projects.

17. I once asked a visiting delegation of *landsmaal* cultural activists from Norway why they voted against EU accession given that the EU should have provided more resources for their language than would Norway itself standing outside of the EU. They acknowledged the premise of my question, but they feared losing their Norwegian distinctiveness more than they expected any significant revival of their beloved speech form.

18. The different implications for concessions to minority language demands for rich established states and newly independent ones help explain the puzzle that Kymlicka (2004) poses, *viz*., why the claims of national minorities are judged … in the West … in terms of *justice* [while in East and Central Europe] the claims of minorities are primarily assessed in terms of *security*."

relation between language concessions and civil war might be the joint result of the profusion of new weak states in the world community of states over the past half century. States that are weak (especially those coming out of colonial rule) and groups that can undermine state power conjoin to yield linguistic recognition.

The paper further illuminates three patterns in the relationship of recognition of minority languages and insurgency. First is the case of weak groups and strong states — here we see neither linguistic concessions nor civil wars. Second is the case of strong groups and weak states — here we see both linguistic concessions and high probabilities of civil war. Third is the case of strong states beginning to weaken, and early trends towards linguistic recognition of minority languages — here we see a counter-trend of linguistic concessions but no civil war — but a trend supporting the paper's conjecture that it is weak states, not attentive ones, that recognize minority languages. Overall, the steady increase in state recognition of languages cannot therefore be interpreted as a trend toward justice; rather it appears to signal a trend towards state weakness.

The findings in this paper speak directly to a core theme developed in this volume. That is, recognition of diversity has vastly different implications for established rich states than for newly independent and economically backward states. The established democracies in Western Europe and North America — even if weakened by globalization, supranational membership, and effective mobilization by some minority groups — can build new forms of state solidarity on notions of multicultural diversity without risking violent escalation in demands by groups that have won recognition. Newer and poorer states send different signals to groups that receive such recognition — these signals are ones of weakness that can be further exploited to the benefit of insurgents claiming to represent minority interests. In rich countries, to put this is terms of the paper by Banting and Kymlicka (this volume), Multi-Cultural Policies (MCPs) give power to service classes, who themselves have an interest in sustaining welfare policies and rebuilding social solidarity on a new foundation. On the other hand, in weak countries MCP's give resources to groups that better allow them to sustain insurgencies. Official recognition of diversity is therefore benign in some contexts but potentially dangerous in others.

Appendix

1. Language recognition histories

For both datasets discussed below, the Stanford team of researchers (James D. Fearon and David D. Laitin), under grants from the National Science Foundation (SES-9876477 and SES-9876530) researched and entered new values for all codings on language grievances. The data were collected mostly from R. E. Asher ed (1994) *The Encyclopedia of Language and Linguistics* (Oxford: Pergamon Press), Erik V. Gunemark (1992) *Countries, Peoples and their Languages* (Gothenburg, Sweden: Geolingua), and various specialized sources to fill in for missing values.

2. From the MAR dataset

The Minorities at Risk Dataset was originally developed at the University of Maryland, under the direction of Professor Ted Gurr. Full documentation on the data is available at: http://www.cidcm.umd.edu/inscr/mar/people.htm. The Stanford team improved several elements in the original dataset. Most of the Stanford re-codings have already been incorporated in the revised Maryland dataset. For this paper, a Stanford version of the dataset (marwork13.dta), available to interested researchers by the author of this paper, has been used.

Problems of bias in the MAR selection of observations rule out many minorities that the Maryland team did not believe were at risk. As noted in the paper, minority nationalities that received states in India (Tamils, Bengalis, Kannada speakers, etc.) are not included. Nor are *landsmaal* speakers of Norway; nor are Flemish speakers in Belgium. The Quebecois are included, but since French had local recognition in Canada at the point of initial coding (1960) there were no changes to report. Overall, the (surely common) dynamics that led to official bi-lingualism in Belgium, that led to the transformation of Riksmaal into official Bokmaal (and the recognition of Nynorsk as an elaborated form of *landsmaal*) in Norway, and that led to the revitalization of French in Canada cannot be analyzed in the context of the MAR dataset as it now stands. Without doubt these dynamics are quite different from the three patterns discussed in this paper, and merit future analysis along lines set herein.

Presented below are raw data showing groups whose languages have gained or lost official recognition. LangR=1 means that the language has official recognition at the regional level; LangR=0 means that it does not have official recognition at the regional level. The five-year scores of rebel history are summaries of the degree of group rebellion against the state, on a scale from 0 through 7. In the

judgment of the Stanford research team, a score of 4 or higher represents a significant sustained insurgency.

After giving the group and then country, the data below give the two time periods of before and during the change in language recognition. Then, in brackets, the Rebel History of the group is provided, with five-year scores from 1960-1998 (i.e. eight separate values, with 1998 substituting for 1995). It is therefore possible to determine whether in any particular case recognition changes preceded, followed or were more-or-less simultaneous with group rebellion.

2.1 *Positive recognition over time (LangR — changes from 0 to 1)*

Berbers in Algeria 80-85 [61000000]
Aborigines in Australia 70-75 [00000000]
Indigenous Highland in Bolivia 75-80 [00001100]
Afars in Ethiopia 65-70 [00074663]
Oromos in Ethiopia 70-75 [44441554]
Somalis in Ethiopia 70-75 [66074.44]
Tigreans in Ethiopia 70-75 [00067660]
Indigenous People in Guatemala 80-85 [00046440]
Kewri in Mauritania 85-90 [00000440]
Maori in New Zealand 80-85 [00000000]
Indigenous People in Nicaragua 80-85 [000.6611]
Djerema-Songai in Niger 85-90 [0000000.]
Hausa in Niger 85-90 [1100000.]
Tuareg in Niger 85-90 […..553]
Sindhis in Pakistan 65-70 [00004001]
Indigenous Peoples in Panama 85-90 [30000010]
Indigenous Peoples in Paraguay 60-65 [00000000]
Indigenous Highlands in Peru 70-75 [00000000]
Basques in Spain 70-75 [02222222]
Catalans in Spain 70-75 [00111110]
Indian Tamils in Sri Lanka 70-75 [00000000]
Sri Lankan Tamils in Sri Lanka 70-75 [00127777]
Southerners in Sudan 65-70 [67707777]

2.2 *Withdrawal of recognition over time (LangR — changes from 1 to 0)*

Kachins in Burma 85-90 [77777660]
Karens in Burma 85-90 [77777666]
Mons in Burma 85-90 […..555]

Rohingya in Burma 85-90 [00044041]
Shans in Burma 85-90 [66666555]
Zomis in Burma 85-90 [00000550]
Hungarians in Slovakia 90-95 [……00]
Southerners in Sudan 85-90 [67707777]
Hispanics in the US 90-95 [00121210]

3. From the country/year dataset

The country/year dataset used in this paper, and developed at Stanford, will shortly be available at: http://www.stanford.edu/group/ethnic/.

In the data below, using the country/year dataset, data describe whether any group that speaks a different language from that of the dominant group, and has at least 10% of the population, has any linguistic recognition. If any group with greater than or equal to 10% of the population has a distinct language that does not receive recognition, we code that state as one promoting a language grievance. The categories listed below record changes in language policy by states.

3.1 *End of language grievance*

Algeria (1987-88)
Angola (1977-78)
Ethiopia (1973-74)
Bolivia (1983-84)
Paraguay (1966-67)
Spain (1977-78)
Niger (1990-91)
Somalia (1971-72)
Sudan (1971-72)
Sri Lanka (1976-77)

3.2 *New language grievance*

Slovakia (1994-95)
Sudan (1989-90)

3.3 *End of rationalization (in which the language of the dominant group is no longer the sole official language of the central state)*

Kyrgyzstan (1996-97)
Canada (1968-69)

Bolivia (1983-84)
Somalia (1973-74)
Sudan (1971-72)

3.4 *Rationalization (in which the language of the dominant group becomes the sole official language of the central state)*

Laos (1974-75)
Somalia (1971-72)
Sudan (1989-90)
Sri Lanka (1956-57)

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13

On the costs of cultural diversity

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1 • Introduction

Much of the debate surrounding the appropriateness of measures to protect or promote human diversity (usually embodied in attributes like language, religion, ethnicity or culture — with a significant degree of overlap between them) revolves around the question of the costs of such measures. These costs are, in fact, remarkably little-known, a fact which does not stop many commentators from making quite self-assured claims in this regard, generally to the effect that maintaining diversity is a costly indulgence.

Perceptions of the costs of diversity maintenance may have far-reaching implications, including some that are put before us at this year's Francqui Prize Conference: if these costs are high, they further lessen the political legitimacy of a diversity which is already suspected of reducing people's willingness to finance economic solidarity.

It is therefore useful to reflect on the question of costs, both in conceptual and in empirical terms. As will be shown in this paper, available evidence indicates that the costs of diversity maintenance are lower than is commonly believed. This does not amount to an argument that the protection or promotion of cultural diversity is an appropriate goal for public policy; however, it significantly reinforces the credibility of such an argument, while pointing to some of the weaknesses of the opposite claim.

This paper is divided in three parts.

In the first part, I try to disentangle different aspects of the problem at hand: what kind of "economic solidarity" are we talking about, and how does it actually relate to diversity? I try to show that the issue is not one of diversity directly jeopardizing economic

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solidarity, but one of possibly superimposed cleavages, and that this problem is itself different from the matter of the costs of diversity.

In the second part, I turn to the empirical identification and measurement of the costs of diversity maintenance. On the basis of several different studies where the costs of policy measures have been estimated, if only roughly, I show that these costs are generally low.

In the third part of the paper, I move from allocative to distributive issues, assessing the claim that the inequalities entailed by refusing to maintain cultural diversity can be significant. The paper's provisional conclusion, pending closer examination with more extensive data, is that that the transfers required to sustain ethnic, linguistic and cultural diversity are, as a general rule, justified.

Being primarily intended as a basis for discussion, this paper is deliberately kept short. I therefore do not propose a review of the relevant literature, which is mainly to be found in language economics. Readers interested in the field, however, will find overviews in Vaillancourt (1985) or Grin (1999b, 2003). References covering more specific aspects of my argument are provided along the way.

2 • Parsing the problem: solidarity between whom?

The three questions put to us for the 2003 Francqui Prize Conference start out by formulating the presumption that ethnic, linguistic or cultural heterogeneity may lessen the prospects for economic solidarity. This assumption is general enough to raise a whole range of very topical issues, and to point in the direction of different interpretations of the ways in which differences between groups may jeopardize economic solidarity. In fact, much hinges on the definition of the groups between which such solidarity may manifest itself.

In a first interpretation, such groups are defined by socio-economic status. The latter can, in turn, be measured through standard indicators such as household income, the level of education achieved, etc. Accordingly, "economic solidarity" would refer to transfers towards people in lower income brackets, the unemployed, etc.

However, there is no logical reason why economic solidarity within society, as a general policy orientation, would be *intrinsically* antagonistic with an ethnically diverse makeup of society.[2] Consider a country with two groups, called A and B. It may be, of course, that

2. In what follows, I shall sometimes use the adjective "ethnic" as a shorthand to denote group features such as language, religion, various elements of cultural heritage, etc.; the underlying definition of ethnicity is that proposed by Fishman (1977). Because ethnicity is so multi-faceted, it is risky to make pronouncements about its effects in general. In fact, many of the social and political issues associated with the "diverse" character of society emerge through one specific form of diversity — most frequently language. Most of the examples used in this paper therefore concern linguistic diversity. When I move from the general plane of ethnicity to the more specific plane of language, this is explicitly mentioned in the text.

the rich in community A are less willing to support, through tax-financed subsidies, various benefits for the poor from community B (and vice-versa) than they would be to support such benefits for the poor in their own community. But in this case, the issue is not one of economic solidarity *as such*, that is, of welfare transfers from the rich to the poor, because the rich from community A are not *a priori* opposed to supporting the poor from their own community (if they were, we would have a very traditional "bourgeoisie v. working class" conflict of interest). The issue is related to ethnic division more than to some unwillingness by the rich to manifest economic solidarity towards the poor. But then again, ethnic diversity *as such* is not the issue either, because in the hypothetical case considered here, what the rich from community A resent about the poor from community B is not their ethnicity, but the fact that financial transfers are going from A to B. It is only to the extent that both cleavages coincide (that is, that the rich come mainly from community A, and the poor mainly from community B), that one can appropriately describe the problem as one where heterogeneity jeopardizes economic solidarity.

It may well be that the above interpretation does match the concerns that have guided the choice of a theme for this year's Francqui Prize Conference, because it does resonate with Belgian reality. The internal pattern in Belgium over recent decades is one in which large tracts of public opinion in the more prosperous Flanders have expressed reluctance to finance transfers flowing mainly in the direction of Wallonia, whose economy has never quite recovered from the decline of the mining industry (Deprez, 2001). This creates a situation where an ethnic and a macroeconomic divide coincide. In this situation, however, it would be logically incorrect to blame ethnic diversity for jeopardizing solidarity; rather, it is the *superimposition* of the ethnic and macroeconomic divide that would be to blame. My reason for insisting on this distinction is that diversity as such appears to be all too often blamed for generating all sorts of societal difficulties, when in fact diversity on its own is not the problem. Difficulties arise out of a combination of features of which linguistic diversity is only one.

We could of course examine this question at closer range, and I would then suggest bringing into the discussion the case of Switzerland, where it is precisely the non-coincidence of cleavages (often referred to as "cross-cutting cleavages") that seems to explain, in large part, the success of the Swiss model (Schoch, n.d), along with the fact that Switzerland may be the only continental European country that has not, at some point in the 20th century, been confronted with "state failure" (Liebich, 2002). It is also important to dispel the erroneous notion that Switzerland harbours different "nationalities";

in fact, the language groups represented in Switzerland do not perceive themselves as *nations*, nor is there such a thing, in Switzerland, as a "titular nation" defining a standard from which minorities differ (Grin, 2002). A potential threat to the Swiss model resides precisely in the risk that a certain degree of coincidence between some linguistic and economic divides may be emerging (Grin, 1999a).

However, this is not the question I wish to address here. Rather, I would like to turn to another possible interpretation of the conference theme. Indeed, the "theme formulation" for this year's Francqui Prize Conference mentions, as a component of the problem at hand, the "efficiency costs of linguistic diversity". This points in the direction of quite another interpretation of the type of economic solidarity at issue here, and of the definition of groups between which this diversity should operate. In this case, the analysis requires defining group membership primarily on the basis of ethnic affiliation (possibly reflected through an indicator like a person's mother tongue), and economic solidarity is expressed not through classical welfare system transfers, but through the willingness of the members of a group (say, group A) to support the policy measures that are necessary for the maintenance of the language and culture of group B. We are therefore no longer talking about economic solidarity in the standard sense. The distributive issues that arise from this non-standard approach, however, are no less relevant (Van Parijs, 2001), and I shall return to them in the closing section of this paper.

Let us therefore address the question of costs — more precisely, the policy costs of protecting and maintaining linguistic diversity. For shorthand, I shall often refer here to the "costs of language policy".

3 • Identifying and assessing costs

In any discussion about the costs of language policy, it is apposite to quote Jonathan Pool, who once wrote that language is an area in which people "seem to hold extraordinarily stubborn beliefs" (Pool, 1991b: 7). One such belief is that language policies are expensive, even ruinously so. It is striking, however, that such pronouncements are often made without any empirical backing. To some extent, this may be explained by the lack of data; there are, in fact, remarkably few studies about language policy costs. When such studies exist, however, they show that the costs are much lower than is commonly assumed. Before moving on to some examples, let us clarify two conceptual points. First, cost must not be confused with expenditure. Expenditure is a direct monetary outlay associated with

the *input* in a policy; cost attaches to the *output*, and it has to be evaluated by tallying up various items of expenditure, though generally not the entirety of any given item, since each of them typically serves to produce more than one output. This goes to show that short of a certain effort in data gathering and processing, it is very difficult to venture any judgement about the level of language policy costs. Second, it is important to identify the "counterfactual" properly. By "counterfactual", I do not mean the adjective denoting something that is "contrary to fact"; in line with many authors in public policy, I use it as a noun to denote "that with which what one evaluates is being compared". More simply, the counterfactual of a particular policy is "what would have happened if the policy had not been adopted and implemented". These simple facts, which are standard items in policy analysis textbooks, have major implications. Consider the case of moving from a unilingual to a bilingual education system, as the Basque. Autonomous Community did after the fall of fascism in Spain. It is now possible for children to enrol in three types of models: A (Spanish-medium, with Basque as a school subject), B (bilingual, with some courses taught through the medium of Basque, others through the medium of Spanish; the share of each language can vary between schools) and D (Basque-medium, with Spanish as a school subject).[3] It would be incorrect to compute the cost of Basque-medium education as the total expenditure on the D stream, plus part of the expenditure (say, half) on the B stream, plus a fraction (say, one tenth, if Basque as a subject makes up one tenth of the curriculum) of the expenditure on the A stream. This would be a gross overestimation, because children would have to be schooled anyway, irrespective of the languages used in the education system. Therefore, only those items of expenditure that arise over and above what would have to be spent anyway must be factored into the estimation of cost. Calculations reveal that the cost increase entailed by the bilingualisation of the Basque education system is in the region of 4.75%; interestingly, calculations carried out independently regarding the development of Maya medium education in Guatemala indicate that the added cost, to the education system, also lies around 4% to 5% (see references in Table 1). It is very difficult to offer a general perspective on language policy costs, because of the heterogeneity of situations and policies applied to those situations. Nevertheless, it may be useful to list existing results in a table for quick reference (Table 1).

Our brief overview of the costs entailed by maintaining diversity through measures protecting or promoting smaller languages suggests that the costs involved are not massive. This basic result reinforces the likelihood that if such costs must indeed be borne in order to ensure the diversity of our linguistic and cultural environ-

3. The former "X model" (Spanish-medium, without exposure to Basque even as a school subject) has been progressively phased out.

TABLE 1

An overview of findings about language policy costs

Figures converted in euros and cents where applicable

Language policy case	Description of measure	Key finding	Source
French Language Charter (« Bill 101 »), Québec, 1977	Set of measures to promote the use of French as the main language of the province of Québec	Total cost of Charter is between 0.28 % and 0.48 % of provincial GDP	Vaillancourt (1987)
French Language Charter (« Bill 101 »), Québec, 1977	« Francisation » of firms (firms with a staff of 50 or more must offer internal communication in French also)	Cost per employee and per firm ranges from CAD 85 to 115 (€ 57 to 77), in 1984 dollars, for the relatively costlier years of implementation ; costs expected to taper off after implementation phase	Various studies summarised by Vaillancourt (1996)
Canadian bilingualism	Total expenditure on bilingual programmes by the Canadian federal government	The provision of federal services in both official languages represents 0.03 % of the cost of all federal services. The total cost of all official languages expenditures amounts to 0.44 % of federal spending.	Heritage Canada (1991)
Bilingual road signs in Wales	Road signs in Wales give place names in Welsh and English	Bilingualism of directional and safety signs costs about 22 pence (33 cents) per resident and per year.	Grin and Vaillancourt (1999)
Sianel Pedwar Cymru (S4C)	Welsh-medium television programmes	Person-hour cost of Welsh television (Welsh programmes, Welsh-speaking audiences) stands at about 50 cents.	ibid.
Basque-medium education	Operation of A, B and D channels in the Basque education system	Extra cost is in the region of 4 % of yearly cost per student	
Protection of Maya in Guatemala	Setting up of Maya-medium education	Extra cost is in the region of 4 % to 5 % cost per student and per year	Patrinos and Velez (1996)
Euroschool	Joint summer camps for children of various minority language communities	Total cost is € 600 per participating child	Grin, Moring *et al.* (2002)

Language policy case	Description of measure	Key finding	Source
Naíonraí	Irish-medium pre-schools	Average cost (incl. parents' contribution) is € 400 per child and per year	Ibid.
Yleisradio	Swedish-language broadcasting in Finland	Average cost is 10 to 15 cents per person and per hour	Ibid.
Raidió na Gaeltachta	Irish-language radio	Average cost is 20 cents per person and per hour	Ibid.
Mentrau Iaith	Associative network supporting the use of Welsh in local community project	Average expenditure (Welsh Language Board subsidy for year 2000/01) is €2 per resident in those predominantly Welsh-speaking areas in which *mentrau iaith* have been set up	Ibid.
Euskal Telebista	Making accessible Basque television from Spain to Basque speakers in France	Cost of setting up and maintaining masts and transmitters amounts to 2.5 cents per viewer and per day.	Ibid.
EU internal communication	Maintaining 11 official languages in the EU	Average cost of translation and interpretation is € 1.82 per resident and per year ; translation and interpretation represent 0.8 % of the EU budget.	Grin (2001) and further estimates by the author for this paper
	Applying the same rule to a 25-member EU with 20 official languages*	Average cost of translation and interpretation would rise to about € 5.24 per resident and per year**	

*: with the titular language of the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia becoming an EU working language; no additional EU working language for Cyprus.

**: Additional translation directions: [(20x19)-(11x10)]=270; average cost of translation direction: € 6.24; total extra cost: € 1,684.8m; total EU translation costs: € (685.9 + 1,684.8) = € 2,370.7; total resident population after enlargement: 377+ 75 = 452 million; resulting per-capita cost: € 5.24. The European commission indicates markedly lower figures (see http://europa.eu.int/eur-lex/pri/en/oj/dat/2002/ce309/ce30920021212en00010001.pdf)

ment, this may be money well spent, just like devoting resources to environmental quality is widely recognised as a sensible choice. At this time, however, we still do not have a general treatment of the costs of diversity maintenance: this is very much a work in progress, in which a theoretical perspective rooted in policy evaluation and empirical work on various specific cases is progressively coalescing into a structured perspective (Grin, 2003b).

This raises two sets of questions. The first one is located on the allocative plane, that is, it has to do with the allocation of scarce resources, and harks back to issues of efficiency. One way of characterizing the problem is to define it as one of deciding, balancing costs and benefits, how much diversity is best for society. The epistemological and ideological implications of this approach (including the array of caveats that necessarily accompany it) have been discussed elsewhere and will not be taken up again here. Suffice it to say that the policy questions are very similar to those that arise in the context of environmental policy evaluation. In particular, significant effort must be devoted to the identification and measurement of non-market effects (both costs and benefits), with the attendant conceptual and technical difficulties.

The sober calculation of benefits and costs (to the extent that data allow for such a calculation to be operationalized) cannot be expected to serve as the sole basis for policy decisions. First, from a technical standpoint, its usefulness remains limited when diametrically opposed policies are contemplated; however, it is high for the assessment of (and choice between) policy options with similar objectives. In fact, it can be said to be a necessary ingredient for well-informed democratic debate. In any case, a recent review of the interaction between language politics and language policy in transition countries (Kymlicka and Grin, 2003) indicates that other considerations (which may be given the helpfully vague label of "political") play a much more important role in the selection of actual policies: in short, policy measures that are conducive to the maintenance of ethnic, linguistic and cultural diversity will be adopted and implemented when the political powers that be decide that these measures are justified in *political* rather than *policy* terms. Justification, in turn, rests on notions of legitimacy and "rights", themselves rooted in an ideologically shaped reading of history. Such measures will be rejected when their potential first-line beneficiaries (that is, usually, minorities) are deemed to have insufficient claims to the recognition of their language and culture.

In the last part of this paper, therefore, I turn to the second set of questions, away from matters of resource *allocation* and to resource *distribution* — that is, to questions that are explicitly related to the nor-

mative questions of legitimacy and rights. More specifically, I ask whether the refusal to cover the costs of diversity have serious distributional consequences and can give rise to situations that are contrary to equity. The implication, of course, is that if they do, then it is appropriate to implement (and finance) diversity-maintenance policies.

4 • Diversity and justice[4]

One avenue for exploring the connections between diversity and justice is to address them in terms of rights. However, much of the literature structured around rights-based approaches (whether formally legal, or hailing from the "linguistic human rights" movement), takes the legitimacy of certain rights as a foregone conclusion, thus placing several crucial issues outside of the discussion.

Addressing such issues is an enterprise pursued in normative political theory, which has given rise to a rich body of scholarship about cultural diversity (see e.g. Wieviorka & Ohana, 2001). However, for the purposes of this paper, it is sufficient to establish the legitimacy of many rights linked to the maintenance of cultural diversity by using an argument developed, among others, by Stephen May (2001): majorities have no greater *a priori* legitimacy than minorities in matters of language and culture. Being born Welsh-speaking in Cardiff or Maaori-speaking in Auckland, Corsican-speaking in Corte or Kurdish-speaking in Diyarbakır (instead of English, French or Turkish-speaking respectively) is not some kind of shortcoming for which one should have to atone through a lifetime of denial of one's identity and heritage. It follows that the very notion of "special rights", with wich many commentators describe minority rights, is logically awkward, and probably even flawed. There is nothing "special" about a provision that aims to place all citizens on an equal footing.

Let us note, at this juncture, that it is not enough to define justice in terms of equal or equitable access to a certain opportunity set (or, more directly, of access to the same opportunity set) by members of different groups. This point is best explained with reference to language and to the position of bilinguals in society. It is often true that *ceteris paribus* (especially in the absence of discrimination on the basis of one's first language), bilinguals have more opportunities than unilinguals. This may be the case even when bilinguals are native speakers of a minority language (say, *X*) who have had to acquire the majority language (*Y*). Some may be tempted to interpret such a situation as a downright advantage accruing to bilinguals, which would therefore exempt the state from any particular obligation towards the minority language — that is, it would exempt the

4. An assumption I am making at this point is that the notion of justice is shared by the various groups in society (that is, Rawls's "overlapping consensus" does exist). This consensus extends to the dimensions in terms of which justice is assessed — rights and liberties, opportunities and powers, income and wealth, and a social basis for self-respect (Rawls, 1971). Nevertheless, I agree that such agreement is not a foregone conclusion and that its existence is an issue deserving closer scrutiny (Van Parijs, 1991).

state from taking steps to protect or promote the minority language as an element of cultural diversity.

However, this "advantage" is usually dearly bought though various forms of financial and symbolic cost; the dominance of a language can in fact impose considerable costs on speakers of other languages, which, on balance, may more than offset the wider range of opportunities available to them. Whether we are talking, on balance, of a welfare deficit or of an opportunity deficit makes little difference from an economic (welfare theory) standpoint, although the situations are different in practice.

The issue must not necessarily be seen in terms of majorities and minorities. First, such issues may arise (as in Belgium) in contexts where the groups concerned are not of markedly different size. Second, what is usually labelled as a "minority problem" may be just as much a "majority problem": the fact that a situation is "problematic" is logically as much the result of the imposition of majority norms as that of the protection of minorities; let us observe in passing that this confronts us once more, from a different angle, to the notion that it is logically dubious to blame "diversity" as nothing but an encumbrance inflicted on majorities by pesky minorities. Third, such inequalities can arise from other situations of linguistic and cultural dominance, for example when a particular language is elevated to the status of regional or global *lingua franca*.

Let us therefore take a closer look at the inequalities that may result from the imposition of a dominant or majority language on others. The list of sources of inequality, as well as the order of magnitude of such inequalities, depends on the type and context of language dominance considered. Keeping to a high level of generality, five main types of effects can be distinguished (mentioned here without any particular ranking in mind):

- the "privileged market effect": native speakers of the dominant language enjoy a quasi-monopoly over the markets for translation and interpretation *into* the dominant language, the market for second language instruction above a certain level, and the market for language editing—all of which are tasks in which native-level skills are typically required;
- the "communication savings effect": native speakers of the dominant language are spared the effort to translate messages directed to them by speakers of other languages, since the latter will have made the effort to utter them in the dominant language in the first place; reciprocally, native speakers of the dominant language do not need to translate their messages into other languages;

- the "language learning savings effect": native speakers of the dominant language do not need to invest time and effort into learning other languages; this amounts to a considerable savings. Despite massive spending in countries that *do* teach foreign languages, foreign language education represents a total, over one's per-university school-years, of about 1,500 to 2,000 hours of instruction and exposure (including homework); the results achieved are accordingly modest, since an estimated minimum of 12,000 hours of instruction and exposure would be needed, on average, to reach native-like (though still not perfect) fluency in a foreign language such as English (Piron, 1994);
- the "alternative human capital investment effect": the money *not* invested in foreign language acquisition can be diverted to other forms of human capital investment and give native speakers of the dominant language an edge in other areas;
- the "legitimacy and rhetorical effect": native speakers of the dominant language will generally have an edge in negotiations or arguments with non-native speakers, because these always take place in their language.

At this time, these various effects have not been evaluated in terms of cost. Only rough estimates and extrapolations are available; however, they suggest that the effects concerned are significant. For the purposes of this paper, I shall confine myself to just one example concerning the "language learning savings effect", and instead of considering this effect in the context of a bi- or multilingual country in which the language of a "titular nation" enjoys a dominant position (possibly by virtue of being the only official language in the country), I shall consider the case of English as a *lingua franca*. A similar reasoning would apply, *mutatis mutandis*, to any kind of linguistic dominance.

Extrapolating from estimates made in the Swiss case (where the education system offers at least two foreign languages, for a period generally ranging, depending on the educational stream considered, from five to nine years), one can safely assume the average cost of the investment into teaching just *one* foreign language (as opposed to none or more than one) to represent between 5% and 10% of total education spending per capita (Grin and Sfreddo, 1997); let us adopt 7.5% as a sensible mid-range value, further assuming that the average number of years of foreign language study, across education streams, is equal to 7. Using on-line data from the OECD and from the US Department of Education, we can venture a very rough estimation of the savings made by the USA by confining themselves to a comparatively limited foreign language teaching effort at primary

(elementary) and secondary (intermediate and high) school levels.[5] Pending more detailed examination of the matter, these savings turn out to be considerable; they can be estimated at approximately USD 422 per student and per year (7,500 $/year x 0.075 x 0.75, rounded up to the nearest dollar, where the latter correction takes account of the fact that some foreign language teaching, largely optional and typically for a lower number of years, does take place nonetheless[6]). Given an enrolment of approximately 38m pupils in elementary and secondary schools, the savings to the US education system is a hefty $ 16bn a year. These savings are made possible by the very fact that people in the rest of the world are willing to devote time, money and effort to learning another language — in this case, English.

This example should be enough to suggest that we cannot simply dismiss, without closer examination, the notion that the dominance of a particular language does imply considerable transfers in the direction of its native speakers. By implication, the *refusal* to endorse and maintain linguistic diversity is likely to give rise to significant inequalities which it is difficult to justify from a liberal standpoint.

The observation made earlier to the effect that we still do not have a general allocative theory of diversity management also applies to the distributive side of the matter. We can only surmise that the actual transfers become even larger when the four other effects listed above are taken into account. At the same time, the practical cases of dominance are extremely heterogeneous, which means that the precise nature of the effects in question, as well as the relative importance and order of magnitude of the transfers to which they give rise, can be accordingly different. Nevertheless, the information at hand suggests that the inequalities entailed by begrudging support for linguistic and cultural diversity involve significant and inequitable transfers. In the absence of a system of compensations, these transfers are contrary to equity. Furthermore, the notion (hinted at in the "rough formulation of the theme" for this year's Francqui Prize Conference) that excessive support for diversity might jeopardize economic solidarity (and should perhaps be toned down for this very reason) may, in fact, worsen social inequalities, even if the groups between which inequalities can be observed are not necessarily the same.

5 • Conclusion

The foregoing discussion does not mean that diversity maintenance is not costly. It is in fact likely that more diversity entails both benefits and costs, both of which are of the market and non-market

5. By 2002, 41 States had no explicit mention of foreign language requirements for graduation from high school, whether in general or for a so-called standard diploma (see http://www.ecs.org/clearinghouse/39/22/3922.htm).

6. Data from the National Center for Education Statistics (NCES), in 1998 indicate that the weighted average number of years of foreign language study in the USA is 1.63, representing about 24% of our benchmark of 7 years. About 20% of high school graduates had had no foreign language at all, a little over 50% had taken "low academic coursework", while the remaining 30% had completed "advanced" foreign language coursework, meaning 3 or 4 years of study; see http://nces.ed.gov/.

kind. The issue becomes an empirical one of the increasing or decreasing rate at which the benefits and costs of diversity increase; pending further examination, it is reasonable to assume that, as in the case of many other commodities, the benefits of diversity increase at a decreasing rate, while its costs increase at an increasing rate, which suggests that there is such a thing as optimal social diversity, and that this optimum is a finite positive value (Grin, 2002b, 2003b). On this view, ethnic, linguistic and cultural diversity would be treated very much like environmental quality.

However, even if diversity maintenance were to be deemed a costly indulgence, and if a reluctance to maintain diversity were, for that particular reason, to emerge from a truly democratic and well-informed debate, the distributive problem would remain because diversity is a given, and being different (particularly if difference results from a non-elective trait) is not only legitimate: it is also something that, very often, cannot be privatized, and therefore needs to be accommodated in the public sphere. If so, we should turn our attention to another question, namely, that of the compensatory transfers that would, in true liberal fashion, be required to offset the inequities resulting from insufficient or inefficient support for the maintenance of diversity. This problem has been addressed long ago by Carr (1985), and more recently by Pool (1991) or Van Parijs (2001); yet it remains one that deserves attention if we are to deal seriously with the ethical implications of diversity management.

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14

Comments on Laitin and Grin

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We have been asked to reflect on the links between cultural heterogeneity on the one hand, economic performance and the fair redistribution of economic resources on the other hand. What is at stake here is the effectiveness of what Seekings calls "social citizenship". And our marching orders ("reflection orders" would be a better term) state that should we find that cultural heterogeneity does effect negatively economic performance and redistribution, we should then propose institutional solutions.

That is a challenging task since it implies nothing less than a general examination of the relations among the cultural, the economic, the social and the political subsystems that constitute the polity.

To help me take an overall view of the problem at hand in relation to the papers before us, allow me, for this kind of health check up of the solidarity function, to imitate the doctors of my childhood, who would display the instruments of their diagnosis in front of the presumably ill, before prescribing something normally illegible. I shall try to avoid illegibility, although the analytical instrument that I shall use comes from Talcott Parsons.

In *Societies*, Parsons studies the evolution of the polity from its so-called primitive days to its post-modern phase (societies of which the papers give a variety of examples, from David Laitin's fragmented African states (where the fragments belong to different periods of evolution) to the post-modern societies covered by Grin's paper, societies such as the Swiss and the Belgian where all the fragments are in their contemporary phase.

In a primitive system, says Parsons, politics, economics, sociality, and culture are normally merged together in the care of the same institution (a king, a group of elders for example) and that institution is run according to tradition. The various functions are so

closely tied together that they respond to the same organizational logic. However, as the challenges from the environment become more complex, as innovations interfere with tradition (faster modes of transportation, new modes of production, the invention of writing, for example) a tightly integrated multi-function system becomes dysfunctional and, to re-establish functionality, the functions tend to get separated until they eventually become autonomous. A series of historical big bangs propels them apart so that in a contemporary liberal democracy we see a largely autonomous economic system be guided by the logic of profit, while the religious system may continue to be guided by the unchanging logic of authoritative dogmas that ignore what the economy has to say. Culture may be inspired by the repetition of past forms in the case of folk art, by innovation and pleasure of the senses in the case of its high-brow as well as of its popular variety. In the case of language, which is the cultural focus of Laitin and Grin as well as Kalel papers, the organizing logic is that of pattern maintenance, it is a conservative logic that seeks the transmission over time of a basic framework. As for politics, it may, in turn, respond to a yet entirely different logic, the logic of equality for example, a political logic taken as a given by all the papers presented at this conference. Under such functional desaggregation, what happens to social integration and to social solidarity in a multilingual society? Should they be detached from economics and closely linked to politics? at what level and how? Let us see what the three papers say or suggest on the subject.

Mukash Kalel[1] gives us a detailed case study of the linguistic regime of the Democratic Republic of the Congo; with its 220 local languages; its four languages of regional inter ethnic communication (each of those with geographical areas of concentration); its official language, French; and its world wide lingua franca, English, which is gaining ground. All these languages are very much alive. How to integrate such as system? How to create national solidarity?

Mukash Kalel's partial solution is to seek an increase in understanding and equality by requiring that all Congolese called to administrative and political functions be able to speak the four regional languages in addition to French. The ideal linguistic system would then be for everyone to add to one's maternal tongue not only French and English but also the four regional languages. That is more easily said than done, but, even if it were to be obtained, would that solve the problem at hand, would it turn economic resources into fairly distributed social benefits? My guess is that Mukash Kalel's generous intention, if implemented, would have perverse effects. Bringing the regional languages into increased contact at the center would increase competition and conflicts of precedence among them. I

1. In a paper in French circulated among participants to the conference (Mukash Kalel, 2003).

would recommend instead that the local and regional languages be made secure, when that is possible, in their territorial niches, to isolate them, as languages, from the bargains and trade offs occasioned at the political center by the redistribution of resources. In Parsons's terms: separate economics and culture at the national level but keep them linked at the local level as long as needed by their stage of evolution. However, even if secure locally, the peripheral languages will need power at the center, but a power all the more effective if it is exercised through the medium of the official language.

David Laitin notes a correlation that begs for an explanation. The correlation is in the occurrence of insurgencies and of the granting of rights to minority languages. He is quite convincing and I kept writing "yes" in the margins of the paper. Yes, I agree that the weakness of the state is a major factor explaining the recent explosion of insurgencies as well as of language concessions to minorities. I have no quarrel with what he says about the weak states of the developing world. I shall concentrate my remarks on the old western democracies and bring out from behind the wings of his paper some alternative possibilities to his single factor explanation.

Take the example of France, a state particularly successful at state building through language planning. At the time of the French revolution of 1789, the majority of the French people did not speak French. A century and a half latter, a policy of unilingualism had unified the country linguistically. The regional languages did not disappear but they were put on the sideline with very limited market value. French had won. Then, starting in the 1950s we see the very central government that had pushed the local languages to the ground, offer them some limited help rather than complete the job of annihilation. Why? A weakened state says David Laitin. Let us consider other factors.

Since the defeated languages were no longer a threat to the Republic, they could become pawns in the electoral competition. They could be given symbolic recognition (a few classes and teachers here and there) for the sake of electoral support in a system moving toward equibalance among its political forces, hence a system where even a few votes mattered.

Another possible explanation, a bit far fetched I realise, is that the disappearing languages were saved, at least temporarily, by their very weakness. As long as the regional languages were relatively powerful, they looked like potential enemies. Once defeated, they turned into handicapped children. After the battle, the Red Cross. The very languages that were previously on the political right as maintainers of tradition, moved to the left and were now in need of help and solidar-

ity. At this point may I open a parenthesis and make a parallel *à la* Laitin, to note the similarity of right to left shift of minority languages and of the environment. When nature was powerful, inexhaustible, immortal, it was on the right and could look after itself. When it was suddenly found to be weak, perishable, and endangered, it was made to cross the floor to the left. Whether I am right or not in calling as I do on the motherly instinct as an alternative explanation, the case of minority languages invites us not to forget what the extremists of the rational choice persuasion (David Laitin is not among them) often tend to ignore: man has two sides, the egoistic and the altruistic, the two sides that David McCLelland joins in his "two faces of power", the face that grins and dominates and the face that smiles and helps and uplifts.

And finally there is also a Parsonian alternative explanation: The political system, having entered the field of language to build a state and having obtained hegemony for the language of its choice, can now leave the field, at least partially, and give it some autonomy. And that, not because the state is weaker but because what was a security concern has been "downgraded" to a cultural issue. That would explain that, in the United States, we see the various levels of government go through phases of tolerance of incoming languages and phases of intolerance according to whether immigration is seen as a blessing or as a threat. David Laitin may want to bring the United States into his comparisons. He might also want to add a fourth category to his typology where we see 1) a strong state confronted by a weak group, 2) a weak state confronted by a strong group and 3) a weakening state confronted by a group that is either weak or strong. The category to be added would fit the Canadian case where we have a strong state confronted by a strong Québécois community (without threat of civil war).

With François Grin's paper we move, not exclusively, but mostly, from South to North, we move to industrial advanced capitalist democracies, those that should not have serious problems of redistribution of wealth because of their very wealth. But, of course, wealth is always relative and those who want to catch and hold it are like those children that run after a ball that they cannot manage to pick up in their hands because the foot is faster than the hand and keeps kicking the ball further and further away.

François Grin gathered a great deal of evidence to show that the cost of bi- and multilingualism is vastly exaggerated by the critics of the translation burden, even when it is as expensive as in the European Union. The savings made by a hypothetical transformation of such institutions from multi to unilingualism would not free many resources to be used for the welfare and redistribution functions.

In a multilingual society, the cost of multilingual communication is born mostly by the individuals who have to learn and maintain extra languages. Rightly, the author points to the importance of bilinguals who reduce the friction of language in economic, social, and political transactions. The role of these individuals as facilitator of communication is especially important in countries such as Switzerland and Belgium who have adopted the principle of unilingual territoriality to structure the coexistence of their language communities.

But, individual bilingualism can have a serious psychological cost that Grin may want to bring to the fore, a cost that may have serious effects on solidarity. I refer here to the psychological cost resulting from asymmetrical bilingualism when the learning of a second language is not equally shared by two different language communities. Such cost sharing is relatively well balanced in Switzerland compared to Canada for example. While 43% of Canadian francophones say that they know English, only 9% of anglophones say that they know French. I do not have the recent statistics for Belgium but I imagine that they are of a Canadian type. In Switzerland, according to the statistics Grin obtained from his 1995 survey, 47% of Romand francophones say they have a good or excellent understanding of German while, on the Alemanic side, 46% say they understand French at the same level of competence.

At the elite level there are enough bilinguals in Belgium, Canada, and Switzerland for effective communication not to be a problem; but in Canada the communication will nearly always be in English. The Quebec separatist leaders are not unilingual French, they are typically fluent in English. When language motivates their resentment it is not for their inability to communicate, it is for their language being constantly reduced to second fiddle, or even worse: not being allowed in the orchestra. In short, we must consider the psychological costs of bilingualism on a case by case basis and pay particular attention to the consequences of asymmetrical sharing of those costs.

Switzerland is not only blessed by a high level of bilingualism, it is not only blessed by the cross cutting cleavages of religion and language described by Grin, it is also blessed for having anticipated what Talcott Parsons would have recommended. From mid 19th century to present times, Switzerland has clearly set culture and the economy on different paths. It centralized its economic system, then opened it to the world, while decentralizing its culture, particularly so in matters of language. Canada, by comparison, is not yet sufficiently centralized economically, and not sufficiently decentralized culturally. The Swiss wisdom (Dominique Schnapper will return to the subject) may have been inspired by the works of Otto Bauer and Karl Renner,

the Austrian socialists who, in the late 19th century, had become frustrated by the brake that the conflicts among nationalities put on the performance of an economy in need of centralisation. Hence their idea of federating the country twice, at the regional level for the economy, at the local and community level for the nationalities. Austro-Hungary disappeared before Austria had a chance to implement such Parsonian separation of culture from the economy. But Switzerland, if not Austria, evolved according to the logic of the Bauer-Renner proposals; and so did Belgium, but to a much lesser extent, when it distinguished regions and communities in its new federal structure. However, and that may be part of the problem in Belgium, while Switzerland went the whole way of delocalizing the economy while rooting culture locally, Belgium went only part of the way, and, especially in Flanders, correct me if I am misinformed, culture and the economy, are re-linked together, when, following the Swiss strategy, language and culture alone should be regionalised.

How does too tight a linkage between economics and culture affect the solidarity function? It does if cultural or economic disagreements spill over each other within the same governing institutions. Thus, and to repeat, one should, whenever possible, ground and secure languages regionally and hope that the level of peace and satisfaction so obtained will make it easier for the central political system to redistribute economic resources. Let the political confront the economic without the complicating interference of language.

In his section on compensation and redistribution rights, François Grin argues that the refusal to endorse and maintain diversity is likely to give rise to inequalities difficult to justify from a liberal point of view. From an individualistic liberal point of view, yes; but I note that he chooses his verbs cautiously when he speaks of the refusal to "endorse and maintain", he did not say "endorse and expand". The "endorse and maintain" is relatively easy to deal with, To "endorse and expand" poses a more difficult problem. Switzerland "endorses and maintains" its official languages but makes it a duty of the schools to assimilate the incoming languages.

That is sound policy, I think, but does not such a policy pose a problem to the individual liberal. Can that liberal be comfortable in having different prescriptions for the insiders and for the newcomers? By comparison the French Jacobins are more consistent egalitarians when they say that the same language regulations apply to all citizens, old and new.

In conclusion, the messages I get from the papers, lead me, once again, to note that minority languages tend, for their very protection, to form compact territorial units. One can thus offer them secu-

rity locally and regionally and by so doing avoid, at least to some extent, that they be caught in the tug of war in which the political and the economic system are engaged over the redistribution of social benefits.

The nation wide redistribution of these benefits can thus be done, in modern democracies, according to the principle of individual rights, while language, by contrast, needs, in a multilingual society, to be regulated according to the principle of collective rights. Individual rights in one case, collective rights in the other. We have here an example of the dissociation of strategies and philosophies needed to achieve fairness and functionality.

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Questions for Laitin and Grin

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At first glance, the papers by David Laitin and François Grin seem to be fundamentally opposed. Laitin argues that the costs of diversity maintenance through language recognition and accommodation are exceptionally high: policies of language accommodation are correlated with insurgency, violence, and civil war. Grin argues that the costs of diversity maintenance though language recognition and accommodation are much lower than expected; even if they were higher, he says in his conclusion, justice would seem to require their payment.

On more careful scrutiny, however, the diametrically opposed conclusions can be resolved. Laitin's conclusions apply mainly to what he calls "pattern II" states, or to weak states overwhelmingly in the southern hemisphere. Grin's conclusions apply only to industrialized countries in North America and Western Europe. Limited to considering only "pattern III" states — the states the Grin considers — Laitin concedes that diversity maintenance is not correlated with violence and civil war. And if Grin were forced to deal only with Laitin's "pattern II" states, I expect he'd tell a much different story about the costs of language recognition and accommodation. In short, Laitin's punchline is really about the southern hemisphere, Grin's about the northern hemisphere.

To put these paper presenters into conversation, and to stimulate further reflection on the broader theme of the conference, I should like to ask a question that is simply stated though difficult to answer. The question is this: What is the role of normative and empirical analysis in the two papers, and how ought our normative concerns be tempered by empirical findings?

The question, then, for David Laitin: This paper is wholly descriptive, though it contains what I take to be a controversial claim. The claim is that the extension of language rights to minority groups is not a result of the demands of justice but a result of the weakening

of the central state. For pattern II states, this may very well be true, but for the pattern III states, I can imagine a different explanation that focuses on normative concerns. Laitin suggests that moves toward a transnational European Union and globalizing phenomena such as the internet have weakened the nation-states of Western Europe. But I take it that the main thrust of the work of multicultural theorists over the past 20 years has been to argue that justice demands that strong central states be weakened insofar as they ought to provide various kinds of rights and accommodations for minority groups. Weakened states are therefore the result of the demands of justice. Justice and weak or weakening states are not mutually exclusive; to the contrary, they coincide. Or, to put this more generally: where are the normative concerns in Laitin's paper? Why are they absent?

The question for François Grin: In spite of the fact that the majority of the paper is taken up with empirical questions concerning the cost of diversity maintenance programs, the last few pages make plain that normative concerns about justice might trump the empirical questions about cost. Grin argues, for instance, "[E]ven if diversity maintenance were to be deemed a costly indulgence...the distributive problem would remain because diversity is a given, and being different (particularly if difference results from a non-elective trait) is not only legitimate: it also something that cannot always be privatized." But in the face of Laitin's empirical evidence in pattern II states, would Grin be so willing to assert that claims of justice trump the possibly destructive and violent consequences of diversity maintenance? Do the normative arguments about the "legitimacy of difference" trump empirical concerns? Or, in short, what role do the empirical findings about the low costs of diversity maintenance play in Grin's paper? In light of his strong normative claims, they appear to be no more than happy window dressing.

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Linguistic pluralism as a serious challenge to democratic life

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1 • Introduction

In the era of nationalism, nationalist activists justified calls for the creation of an independent nation by referring to the cultural homogeneity of the population concerned — a common history and a common language — and since John Stuart Mill, this homogeneity seemed to be the necessary prerequisite for the formation of a stable and united democratic nation. We are all familiar with the famous idea: "Free institutions are next to impossible in a country made up of different nationalities. Among a people without fellow-feeling, especially if they read and speak different languages, the united public opinion necessary to the working of representative government cannot exist."[1] Modern theoreticians of nationalism followed the John Stuart Mill "tradition" and theorised the ideas of nationalist activists. To give two examples, Benedict Anderson argues that the invention of the printing press and the diffusion of a common culture through a common language are essential factors in the development of national sentiment.[2] Ernest Gellner shows that in industrial societies, as opposed to traditional agrarian societies, it is indispensable that the entire population uses the same language. Indeed, exchanges between members of the population become increasingly ephemeral, non-repetitive and optional; the context is in constant flux and fortuitous, and thus the contents of these exchanges become essential; the new mode of communication is semantic and requires that everyone speaks the same language.[3]

Indeed, nation-building developed alongside efforts to homogenise linguistically. Having a language for each nation-state became the instrument and the symbol of the modern nation. At the end of the nineteenth century in Europe, it was taken for granted that Germans spoke German, that Romanians spoke Romanian and so on. The exceptions were analysed in terms of historical anomalies, which

1. Stuart Mill (1861: 230).
2. Benedict Anderson (1982).
3. Gellner (1964: 155).

would sooner or later disappear. However, even today, following the break-up of Yugoslavia and Czechoslovakia, the Serbians and the Croats, the Czechs and the Slovaks all point out that they spoke different languages. National self-determination was automatically born out of a declaration of the existence of a national idiom.

The development of national languages in nineteenth and twentieth-century Europe followed similar paths, and Elie Kedourie found similar patterns in Asian and African nationalisms of the twentieth century.[4] More often than not, one of the languages spoken in one of the regions of a given nation-state was subsequently promoted to the status of the national language, an example being Tuscan becoming the language of Italy following the *Risorgimento*. This was also the case in France, although this process dates back further, to a time when the dialect of the small kingdom of France, based around Paris, was imposed as the official State language, as the kings established the nation, by a skilful policy of conquest and strategic marriages through the centuries. In other countries, a language was invented, or reinvented, more often than not, in the name of tradition, and based on an ancient language, which had been more or less preserved, as well as on popular vernaculars which were recorded by linguistic nationalists. This was the case of the majority of Slavic languages spoken in the Balkans.[5] The example of Hebrew, which was transmitted in dispersed Jewish communities as a traditional language and as the language of religious texts and later elected as the vernacular language in the construction of the State of Israel, is, in this sense, reflective of the desire to associate a specifically national language to the creation of a new nation.[6] There are also those cases where a foreign national language has been preferred to a variety of local languages, so that none of the different historical communities emerges as dominant: the Indian union and most of the sub-Saharan African countries have chosen the old imperial language as the official language of national political life so as to avoid imposing one of the local languages at the expense of others.

Today, the policy of cultural and linguistic homogenisation implemented by the nation State, which during the era of nationalisms, appeared as the necessary prerequisite for unity between nationals, is readily criticised, as are all the general features of the nation-state. The populations living within the same political entity have apparently become more diverse than in the past, but above all, any demands for cultural homogeneity, especially of the linguistic variety, would now seem to be incompatible with democratic values and the symbolic recognition, which, in the name of these values, each democratic individual has the right to obtain. Multilingualism in the private sphere is of course, a freedom which poses no threat

4. Kedourie (1970).
5. Thiesse (1999).
6. Masson (1983).

whatsoever to the democratic political order. However, the following question arises: to what extent can a democracy accept political multilingualism — that is, multilinguism in the public sphere — without democratic practice and the notion of the unity of citizens being seriously challenged? Or, more generally, to what extent can cultural diversity be recognised — in accordance with democratic values which stipulate that each person's authenticity should be recognised — without fundamentally calling into question the principles which define a common public space? To what extent can a society include diversity and what form should this diversity be allowed to take? Indeed, the question posed by Claude Lévi-Strauss is of significance here: "We end up asking whether human societies do not define themselves in terms of their mutual relationships, by a certain *optimum* level of diversity, beyond which, and below which, no society can proceed safely."[7] This questioning of a more general nature finds a specific expression in democratic societies.

2 • Historical experience

Questions pertaining to political philosophy can be renewed by the analysis of concrete historical experience, and as far as multilingual nations are concerned, by the cases of three stable democracies — that is, Canada, Belgium and Switzerland.[8]

I will briefly allude to the cases of Canada and Belgium, two countries which particularly concern some of my fellow presenters with greater knowledge of them than mine, and about which I shall only discuss the following issues. Despite the declaration of official bilingualism in the proclamation of the national pact in Canada and Belgium, in actual fact, stability was guaranteed by the political dominance of one of the two languages, which was the language used by the ruling class and the political elite. In spite of the myth of "two founding peoples", as proclaimed in the 1867 treaty, English took precedence over the French language in Canada and despite official Belgian bilingualism (since 1898), French kept precedence over Flemish in Belgium. In a context of political domination by Anglophone Canadians and Francophone Belgians, formal recognition of the minority language in the public sphere remained essentially symbolic in both cases. When the francophone Canadians pursued their "quiet revolution" during the 1960s, thus calling into question their status of a protected yet inferior minority, and similarly, when the Flemish population in Belgium became more prosperous and entrepreneurial than the Walloons, both linguistic minorities demonstrated that they no longer accepted the superiority of the

7. Lévi Strauss (1973).
8. Amongst those countries which Arend Lijphart analyses to show that a stable democracy can develop in a plural society, the Netherlands and Austria have a common language. See Lijphart (1977).

anglophone Canadians and the francophone Belgians as given. The inegalitarian contract between the two groups in each case, which had presided over the construction of the nation-state — became increasingly challenged. Today, both countries have tried to resolve this problem by way of a federalist system.

I will now discuss the case of Switzerland in greater detail, a nation which for one hundred and fifty years has demonstrated true political genius. Multilingualism has been one of the dimensions of the political process and of this national genius, and it has been married with democracy. However, it is important to highlight the very specific circumstances which have characterised Switzerland's case.

The rules governing multilingualism were part of the "political project"[9] of the Swiss Confederation which was established by the Constitution of 1848. These rules were not introduced so as to resolve a conflict, nor were they imposed by a foreign power following a military defeat. They were neither associated with the sufferings of a civil war nor with any collective humiliation. They could therefore be interpreted as a singularity or as an exception — all nations being unique — and thus become part of the national grand narrative. "There is no one quite like us" is an expression which anthropologists have come across amongst all social classes.[10]

In addition, Switzerland was a small country, the independence of which was recognised by neighbouring great powers. For Germany, as for France, the material and political cost of any annexation would have proven far too great and futile: the existence of Switzerland was not a challenge great enough to provide incentive to undertake any such action. For her part, Switzerland had accepted limited political independence and influence. Max Weber argued that Switzerland was not a true nation, since all nations were defined by their will for power.[11] The internal heterogeneity and the very strict nature of the rules governing the representation of the various linguistic groups in the federal public space had the effect of limiting the federal state's capacity of political intervention. During both world wars, the sympathies of the different linguistic groups for the different warring parties were probably not the same, yet the common will to preserve the country's neutrality was an obstacle to the transformation of these sentiments into political action just as much as the fact that in any case the federal government lacked the means to act. As noted by, Arend Lijphart, governments in "consociational" democracies act slowly and risk falling into inaction.[12]

The limits to foreign intervention were closely linked to the conditions necessary for the balance between the linguistic groups. Four conditions in particular have rendered the Swiss model unique.

9. Regarding the concept of the political project, see Schnapper (1994: 36-40).
10. Chiva (1992: 1499-1503).
11. Weber (1971: 427).
12. Lijphart (1977: 51).

The first was the multiplicity and the non-coincidence of linguistic, religious and social boundaries: there were German-speaking and Francophone Catholics, German-speaking and Francophone Protestants, Francophone and German-speaking rural and urban communities, just as there were rich and poor Francophones and German-speakers. None of the linguistic groups was particularly disadvantaged. When the inhabitants of a part of the Bern Jura became an economic, social, religious and linguistic minority within the Canton in question, they seceded. The respect for minorities, an essential principle of the political structure, was even greater since each category either enjoyed majority or minority status depending on the political level. The German-speakers, who were the majority group at the federal level, often found themselves in a minority situation in some cantons, villages or towns. This meant that they were less tempted to take advantage of their position at the federal level.

The second condition was the principle of the ultimate respect of internal linguistic frontiers, established by the non-territorial character of the law on languages, which renders the efforts of a group to modify these frontiers futile. In his study, Uli Windisch found that in some villages, where Francophone inhabitants represented less than a quarter of the local population, the official laws continued to be debated and archived in French.[13] This principle is all the more effectively implemented since it is not explicitly articulated in the Constitution — even though article 70 of the Constitution, promulgated in January 2000, provides an interpretation —, but it is the product of progressive developments based on concrete practice and legal precedent.

The third condition was the concern — traditionally respected — for compromise and the respect of minorities in a country which defines its own political project as being that of a minority nation amongst powerful neighbours. Modern Switzerland was born out of the political project linked to the notion of a minority status which in turn is constitutive of the manner in which the Swiss conceptualise their own nation. This interpretation explains why until recently, it was the majority population of German- speakers who learnt French, the minority language, rather than vice versa.[14] The "magic formula" of the Federal Council, adopted in 1959, which took into account and respected the integrity of the specific political entities — the cantons, towns and villages — as well as the various political tendencies, was merely the symbolic expression of practices which had already been adopted, in a more or less formal manner at the Canton level.[15] The Swiss seem to enjoy resolving the problems of linguistic relations and demonstrate an ability to cooperate beyond political and linguistics boundaries.[16]

13. Windisch (1992).
14. Windisch (1992: 441).
15. Aubert (1978).
16. Windisch (1992: 483).

Finally, Swiss federalism was based on a sometimes very old tradition of democratic management, in small political entities. The expression of identities and the democratic process has always been the most prominent, and therefore the most legitimate in the cantons and towns, the existence of which is guaranteed by the Constitution and the power of the federal government remains strictly limited. As far as the State legislation is concerned, the Constitution of 1848, which formalised the federalist principle, only deals with the notions of equality and democracy in article 6. André Siegfried argued that "the Constitution administers, the Cantons govern."[17]

In the case of Switzerland, we can observe that the disuniting potential of linguistic pluralism has been controlled by the strength of the democratic tradition, the separate nature of social and linguistic boundaries, the character of the original political project and the checks and balances on the so-called federal national State's prerogative in its dual role of internal integration and external action. The national political project allowed for the overcoming of specific regional identities and their unification within a "confederation."

How can this Swiss experience be used to reflect on multilingualism in other democratic societies?

3 • The "ethnic" and the "civic"

Citizenship is a means of managing diversity, in the sense that it is a principle defined by the notion of transcending particularisms of all sorts, each democratic nation thus being, by definition, multicultural.[18] Citizenship sets out to integrate all individuals in a public space, where, above and beyond what can be referred to as the "ethnic" characteristics of individuals, all citizens are regarded as free and equal. However, it is not possible to conclude that all types of diversity can be transcended by the principle of citizenship. Since the democratic nation is at once "ethnic" and "civic" in character, the "civic" principle cannot absorb all "ethnic" characteristics. Certain concrete circumstances are necessary before a given society can be structured by the principles and the institutions of citizenship. To briefly summarise these conditions, the inclusion of all citizens in a nation-state can only become meaningful if theses citizens' principles and practice are not in contradiction with the principles and practice implied by the idea of citizenship itself. Certain arrangements and social practices which are not based on the respect and the dignity of the person — such as, for example the different status of men and women which is a fundamental aspect of certain so-called traditional cultures — are, in themselves incompatible with citizenship.

17. Siegfried (1969: 151).

18. Schnapper (1997).

Citizenship has proven particularly effective as far as the management of religious diversity is concerned. Since Locke developed the idea, we have witnessed the construction of democratic States which abstain from intervention in religious life and guarantee equal citizenship to individuals regardless of their religious identity. These States also negotiate the terms of cooperation and compromise with the Churches and religious groups. The modern State has developed a way of transcending the religious by way of the political and has thus guaranteed individual religious practice by according the religious an "ethnic" status, that is, the private individuals are free to embrace their religion in the private sphere as long as they respect the rules of public liberties. Everyone is free to observe, in private, festivals associated with their religious beliefs and to adopt those forms of collective life which are not contradictory with common values. The institutions which are responsible for the religious neutrality of the State guarantee religious freedom. What's more, the separation of politics and religion protects minority religions. In France, Buddhists have been able to flourish over the last few years thanks to the protection provided by the rigorous laws governing secularism. "Republicans" in the French context, "liberals" in the Anglo-Saxon context, and "communitarians" can only agree on the intrinsic value of institutions which guarantee religious freedom for all through the principle of the abstention of the State (which takes different forms in different nation-states).

Can the abstention of the State from religious life — which facilitates the management of religious diversity and practice — be transposed to the issue of language and is it possible to build a State where multilingualism is recognised? This question is evidently not without practical consequences as far as the political future of Europe is concerned.

We know that language is first and foremost an identity marker. It unites individuals through common knowledge and shared emotions, and thus can be seen as "ethnic" in character. Those people who share the same language, regardless of their national identity, also share certain references and emotions. Having learned how to reflect upon the world and human destiny through the ideas of Pascal, Shakespeare or Goethe gives each individual a different intellectual identity, which he/she more or less has in common with those who have had the same education. Yet language is not only "ethnic" in quality. It is also linked to "civism" and is the prerequisite for civic practice. Language is also the tool of democracy, that is, of the political sphere, common to all, which transcends various particularisms, and it is the instrument of the sphere where collective will and political legitimacy are forged. A common language is essential in order to

establish the exchanges which constitute a democratic order, since it facilitates the resolution of conflicts and rivalries according to the rule of law, negotiation and compromise — and thus through the use of words — instead of violence. In other words, it is essential to get along with one another. Language, as an element of "high culture", as a feature of modern society, is not only the instrument of economic development and human mobility, as Gellner demonstrates,[19] it is also the instrument of democratic practice. It is the means by which exchanges between individuals take place, as well as being the means by which negotiations between groups and the resolution of conflicts according to universally accepted rules, can be conducted. Finally, it is the instrument by which democratic process develops and is maintained. To what extent can the common public space function if its citizens do not communicate by way of a common language? It goes without saying that everyone has the right to speak whatever language he or she chooses at home, or with friends. Does this mean that everyone should have the right to speak his or her language at school, in hospitals, within the judiciary system and in the various political institutions? Is it possible to organise the translation of legislation — documents which are more and more elaborate and detailed, this feature being a characteristic of "providential democracy"[20] — into a large number of languages? France, which has a long tradition of linguistic unity, harbours no less than twenty-seven languages which could legitimately demand recognition in accordance with the European Charter regarding the protection of "regional and minority languages".[21] Is it possible to imagine that the public school system, where language and the language of citizenship are acquired, and on a more general level, the public sphere, would not remain the main forum for learning about democratic values and practice, which in turn allow for the development of solidarity between all nationals, thus facilitating the "making of society"?[22]

In other words, it is not feasible to extend the notion of State neutrality as regards religion — in itself, a founding principle of the democratic State, which allows for individuals of different faiths to live together — to the notion of neutrality as regards language. Language is located at the interface of the ethnic and civic dimensions of the nation-state. In contrast to religion, it cannot be exclusively reinterpreted in "ethnic" terms — in other words it cannot be treated as a question of private and individual choice — precisely because language is at once both "ethnic" and "civic". During the *Ancien Régime*, peasants, who made up the majority of the French population did not need to speak French, since they could not participate in the political sphere. It is significant that the eradication of "patois" or "dialects" and the promotion of a national language by the French Revolutionaries was implemented as soon as they had declared the

19. Gellner (1983).

20. Schnapper (2002).

21. According to B. Cerquiglini, "the systematic survey of the Republic (the metropole, the overseas departments and territories) amounts to a list of 75 languages". See Cerquiglini (1999).

22. This of course, and in accordance with democratic principles, does not pose an obstacle to the full recognition of minority populations, to the highlighting of their contribution to collective life, nor to the more liberal organisation of the teaching of so-called languages of origin for those who are interested. Nor is it in contradiction, more generally with the notion of according minorities a place in society as long as this is in tandem with the society's common values.

new principle of political legitimacy, which would from this point onwards take the community of citizens as its source.[23] If the use of the "king's language" could be reserved for the elite and the learned, the practice of the national language became the citizen's responsibility. From that point onwards, and as theorised by Herder, language came to incarnate not only the nation, but the democratic nation as well.

4 • Policy

Political entities normally gather together peoples who speak different languages.[24] What are the available options as far as the adoption of the language of democratic practice is concerned? The first solution involves the adoption of one of the languages spoken by one of the groups which constitutes the political entity — that which is spoken by the largest number or by the most powerful. This was the course of action most frequently adopted when nation-states were being formed. However, this amounts to the affirmation of the political superiority of a certain linguistic group over the others and hardly corresponds to new democratic demands. Another solution involves the adoption of a "neutral" language — different from all those indigenous languages spoken within the state — a response which has the merit of symbolically respecting all the languages concerned. This is how English has become the official political language in former Commonwealth countries and French the official mode of expression in Sub-Saharan Africa. However, it is clear that this solution will most likely be of a temporary nature in the sense that it symbolises the colonial past. In addition, only the most educated classes, who master a foreign language, will be able to feel that they participate in public life.[25] The adoption of a non vernacular language does not encourage for democratic development. However, learning the democratic process and its practices is a lengthy task. It is more than likely that in Europe, national languages will be maintained within nation-states, with English being the working language in European institutions. However, in this case, when will Europeans recognise the legitimacy of European institutions? When will they feel like European citizens?

Besides these two solutions, there remains another more attractive one, more or less based on the Swiss model and involving the articulation of complex forms of reciprocal linguistic recognition, which constitute a process of recognition of individual and group identities. However, there should not be too many languages involved. Even in Switzerland, where four national languages are rec-

23. de Certeau, Julia, Revel (1975).
24. We know that there are more than 6000 languages and a little more than 200 states, even though the number of states is increasing. On the world system of languages, see Abram de Swaan, *Words of the world. The global language system,* Polity press, 2001.
25. According to sociolinguists, 10% of the population of well-known Francophone sub-Saharan African countries speak French. See Héran (dir.) (2002: 66).

ognised by the Constitution, those languages spoken by the two largest groups enjoy a *de facto* special status. In addition, knowledge of other languages requires a certain degree of effort, an effort, which people will generally only make if they see that it is in their interest. If the example of Switzerland demonstrates that cultural homogeneity is not a prerequisite for democratic stability, it does reveal the efforts that have had to be made by the Swiss in order for the legislation governing multilingualism to be functional. Their acceptance — until recently -of these efforts is doubtless due to the fact that they saw this as a condition of their independence and prosperity in the middle of a Europe torn apart by conflicts — a situation which is without a doubt no longer the case today. Such circumstances will not re-emerge easily.

Indeed, the recent decline of the Swiss model invites reflection. It seems that Swiss German-speakers now balk at the idea of learning French and for that matter, even German, and instead argue for the wider use of "Swiss German". English is becoming more and more common in public life, and not only in the financial and business world. The decision concerning the Geneva airport was taken for strictly economic reasons, and thus independently of any political or symbolic motives for the maintenance of an international airport in German-speaking Switzerland (Zürich) and in French-speaking Switzerland (Geneva). Votes increasingly oppose a German-speaking Switzerland which is hostile to the notion of opening up to Europe and a French-speaking Switzerland, which is more in favour of joining the European institutions.The distinctness of linguistic and political boundaries is being challenged. Linguistic pluralism is thereby less dependent on financial cost than it is on political will.[26] Moreover, the development of European institutions reveals the practical difficulties of multilingualism, even when it is imposed by law. As we know, English is becoming ever more the common language, whilst also being the language of one of the member states, which shows that the respect for multilingualism acquires a theoretical character. Translation costs are high[27] and the right to use all member-state languages certainly contributes to the abstract nature of the debates in the European Parliament, which remains somewhat removed from the people of Europe.

Public recognition of specific languages is no more than a poignant example of the principle of the recognition of all specificities, which the development of democratic society encourages, as it transforms itself into vast and universal Welfare State system.[28] It is possible to argue that multicultural policies form one of the dimensions of this "providential democracy", which, once having dealt with the social in the narrowest sense of the term, increasingly concerns

26. On this question, see François Gourin's contribution to this conference, "On the cost of cultural diversity."

27. According to Nicolas-Jean Brehon, the various European institutions devote a third (for the Commission) and 80% (for the Court of Justice) of their administrative budget to the translation and interpretation costs. In 1989, with nine working languages, the cost of multilingualism in the European institutions was 2% of the total European Union budget and quarter of the civil servants working for the Commission were either translators or interpreters. (*Le Monde*, 30 November, 1999). Today, there are twenty-five member states and there are twenty-one official working languages.

28. This analysis is developed in Schnapper (2002).

educational, cultural and ethnic issues. Individuals are justified in always demanding that more specific measures are taken, to ensure their personal well-being as well as "real" equality for all. Demands for recognition of difference are thus inherent to the democratic dynamic. Whatever form the recognition of difference takes, it necessarily involves the possibility of a process of endless demands. As far as languages are concerned, why recognise the languages of some historical or cultural groups, living in the same national or supranational political entity, and not accord the same degree of recognition to other languages? In France, how would it be possible to recognise Arabic or Berber and not Chinese, or one of the types of Breton and not the others? In Europe, why recognise national languages only and not those which have become regional languages? How are the criteria for justice established? Differentialism has the individual as its ultimate end. If this principle gains acceptance through the establishment of "cultural (and therefore political) rights" as symbolised by linguistic recognition, the pluralism of social life, which is at once inevitable and desirable — given the values of democratic societies —, runs the risk of creating linguistic and political inequality. The danger of aggravating social fragmentation in democratic societies thus becomes acute, whilst economic and market forces establish themselves at the expense of civic ties, as the pre-eminence of the Welfare State ruins the risk of reducing the political will and as democratic individualism leads to the cultivation of "me" above all else. Up to now, no modern society has existed where the institutional recognition of cultural pluralism has not led to social and political pluralism.

This is why I have some doubts about Philippe Van Parijs' proposal for "territorial decentralisation", that is, the imposing of an exclusive political language in a territory which is already linguistically unified.[29] It is argued that this territorial principle would facilitate a response to the challenge of multilingualism in democracies. However, it is possible to question this assumption. Wouldn't the very logic of "territorial decentralisation" result in further fragmentation as the various particularisms are to be taken into account? No country is ever totally monolingual. The case of Brussels is a well-known illustration of this fact.

The spontaneity of human societies is to be found in the diversity and opposition between populations or historical communities and the role of the political institutions is to allow these populations to live together *in spite* of their diversity and divisions. During the era of nations and nationalisms, politics, which aimed at cultural homogenisation, especially linguistic homogenisation, was considered essential in guaranteeing communication between different popula-

29. Van Parijs (1999).

tions as well as for the democratic management of diversity and conflicts. As unpleasant as it may seem to the democratic good-willed people that we are, it must be observed that few countries have been able to successfully separate "cultural loyalty" and "political loyalty"[30], or in other words, few have been able to democratically conjugate cultural diversity and political unity. Today, as national identity and investment in a national identity have weakened, and as democratic demands are irresistibly leading to a process of recognition of the rights of individuals and specific groups — a demand to which multicultural policy responds — we easily criticise the policy of cultural homogenisation — which, of course, as with every policy, carries its costs. However, it has not been shown, if we consider historical experience, that the plurality of cultures and languages which are recognised in the public space, can be married, in providential democracies, in the long term, with a minimum of political unity and solidarity, which are so essential if democratic order is to continue to preside over human relations.

English translation by Nadia Kiwan.

30. According to the terms used by Weiner (1965: 57).

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17

Do multiculturalism policies erode the welfare state?

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The past 30 years have witnessed a dramatic change in the way many Western democracies deal with issues of ethnocultural diversity.[1] In the past, ethnocultural diversity was often seen as a threat to political stability, and hence as something to be discouraged by public policies. Immigrants, national minorities and indigenous peoples were all subject to a range of policies intended to either assimilate or marginalize them.

Today, however, many Western democracies have abandoned these earlier policies, and shifted towards a more accommodating approach to diversity. This is reflected, for example, in the widespread adoption of multiculturalism policies for immigrant groups, the acceptance of territorial autonomy and language rights for national minorities, and the recognition of land claims and self-government rights for indigenous peoples.

We will refer to all such policies as "multiculturalism policies" or MCPs. This term covers a very wide range of policies, and we will discuss some of the important differences between them later on. But what they all have in common is that they go beyond the protection of the basic civil and political rights guaranteed to all individuals in a liberal-democratic state, to also extend some level of public recognition and support for ethnocultural minorities to maintain and express their distinct identities and practices.

The adoption of MCPs has been (and remains) controversial. For the purposes of our paper, we can distinguish two broad types of critiques. The first is a philosophical critique, which argues that MCPs are inherently inconsistent with basic liberal-democratic principles. This philosophical debate dominated the literature on multiculturalism for many years, particularly in the 1980s and early 1990s. The debate is not over, but since the mid-1990s it has now been supple-

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mented, and to some extent supplanted, by a new more empirical argument against MCPs: namely, that they make it more difficult to sustain a robust welfare state.

On this view, there is a trade-off in practice between a commitment to MCPs and a commitment to the welfare state (hereafter WS). Critics generally acknowledge that defenders of MCPs do not *intend* to weaken the WS. On the contrary, most defenders of MCPs are also strong defenders of the WS, and view both as flowing from the same underlying principle of justice. The conflict between MCPs and the WS, therefore, is not so much a matter of competing ideals or principles, but of unintended sociological dynamics. MCPs, critics worry, erode the interpersonal trust, social solidarity and political coalitions that sustain the WS.

These two complaints — the philosophical and empirical — often go together. People who view MCPs as rooted in an illiberal philosophy are also likely to assert that MCPs have a corrosive effect on the WS. But the two critiques are logically separate. There are some people who argue that MCPs are consistent with basic liberal-democratic values, yet who share the fear that they are eroding the WS (eg., Phillips 1999). Conversely, there are some authors who dispute the philosophical arguments for many MCPs, yet who deny that they negatively impact the WS (eg., Galston 2001).

In this paper, we focus on the empirical complaint. Our goal is to test whether MCPs have in fact eroded the WS in those Western countries that have adopted them. Since the complaint is an empirical one, our method is also an empirical one. Using cross-national data, we aim to test whether countries adopting robust MCPs have fared worse on various WS measures than those countries that have fewer or no MCPs. To our knowledge, no one has examined this empirical evidence before.

It is important to emphasize that our focus is on multiculturalism *policies*. The word "multicultural" is sometimes used in a purely sociological or demographic sense to refer to high levels of ethnic or racial diversity. A society is "multicultural" in this demographic sense if it contains sizeable ethnic or racial minorities, regardless of how the state responds to this diversity. Some people believe that multiculturalism in this demographic sense is by itself a threat to the WS. On this view, ethnic and racial diversity as such makes it more difficult to build or sustain a robust WS, whether or not the state actively recognizes or accommodates this diversity. Countries that are more racially homogenous, or that admit few immigrants, are said to have an easier

time constructing a WS than countries with higher levels of demographic diversity.

There is an important literature on this topic, to which we will refer below. But this is not our main focus, nor is it the main focus of the critics of MCPs. On the contrary, some critics of MCPs are in favour of increasing the level of ethnic and racial diversity, through adopting a more open immigration policy. It is not the level of ethnic/racial diversity per se they are worried about, but rather government policies that officially recognize and accommodate this diversity.

Our question, then, is how different government policies towards diversity affect the evolution of the WS. More specifically, have countries that have adopted strong MCPs experienced a weakening of their WS compared to countries that have resisted such policies? For example, do countries with assimilationist policies towards immigrants fare better in terms of the WS than countries with MCPs? Similar questions arise for national minorities and indigenous peoples. Amongst the countries that contain such groups, do those countries that accept claims for minority/indigenous rights see a deterioration of their WS relative to countries that oppose such demands?

That is the question to which we hope to provide an initial answer in this paper. We begin, in section 1, by describing the empirical complaint against MCPs in more detail, to see why so many critics assume that MCPs harm the WS. We then proceed to test these claims. The first step is to clarify what we mean by MCPs (section 2). We then survey the existing literature on the topic, which unfortunately is rather sparse (section 3). So far as we can tell, no one to date has attempted to examine the relationship between MCPs and the WS in a systematic way. A reasonable starting point therefore is to ask whether there is any obvious association between the introduction of MCPs and the evolution of the WS. To lay the groundwork for this analysis, we construct a typology that classifies countries as "strong", "modest" or "weak" in terms of their level of MCPs towards immigrants, national minorities and indigenous peoples. We then set out our indicators of the strength of the welfare state (section 4), and examine whether "strongly-multicultural" countries have fared worse, in terms of various measures of change in the WS, than modestly or minimally-multicultural countries (section 5). As we shall see, the data suggest that there is no general correlation between adopting MCPs and change in the WS over the last two decades of the twentieth century. To provide a more nuanced view of the relationships involved, we then supplement the statistical analysis with short case studies of two countries — Canada and Belgium — that have adopted

MCPs to highlight the complexities in the linkages between them and the WS (section 6). We then pull the threads together and reflect on the implications of our analysis for future research and debate (section 7).

1 • Section 1: The empirical complaint against MCPs

Critics offer a variety of reasons why the adoption of MCPs could inadvertently erode the WS.[2] We could summarize these reasons under three headings:

1.1 The crowding out effect

According to one line of argument, MCPs weaken pro-redistribution coalitions by diverting time, energy and money from redistribution to recognition. People who would otherwise be actively involved in fighting to enhance economic redistribution, or at least to protect the WS from right-wing retrenchment, are instead spending their time on issues of multiculturalism.

Todd Gitlin gives an example of this. He discusses how left-wing students at his university (UCLA) fought obsessively for what they deemed a more "inclusive" educational environment, through greater representation of minorities in the faculty and curricula. At the same time, however, they largely ignored huge budget cuts to the state educational system that were making it more difficult for minority students to even get to UCLA. As he puts it, "much of the popular energy and commitment it would have taken to fight for the preservation — let alone the improvement — of public education was

2. In identifying these complaints, we have drawn in particular on the writings of a set of critics whose works have become widely-cited in the literature: Brian Barry (2001), Todd Gitlin (1995) and Alan Wolfe and Jyette Klausen (1997; 2000). When referring to "the critics", we have these authors in mind, as well as the many commentators who have endorsed their arguments.

channelled into acrimony amongst potential allies" (Gitlin 1995: 31). This "channelling" of energy is captured nicely in one of his chapter titles: "Marching on the English Department while the Right Took the White House" (Gitlin 1995: 126).[3]

1.2 The corroding effect

Another line of argument suggests that MCPs weaken redistribution by eroding trust and solidarity amongst citizens, and hence eroding popular support for redistribution. MCPs are said to erode solidarity because they emphasize differences between citizens, rather than commonalities. Citizens have historically supported the WS, and been willing to make sacrifices to support their disadvantaged co-citizens, because they viewed these co-citizens as "one of us", bound together by a common identity and common sense of belonging. However, MCPs are said to corrode this overarching common identity. MCPs tell citizens that what divides them into separate ethnocultural groups is more important than what they have in common, and that co-citizens from other groups are therefore not really "one of us".

According to Wolfe and Klausen, for example, in the early days of the British welfare state in the 1940s and 1950s, "people believed they were paying the social welfare part of their taxes to people who were like themselves". But with the adoption of MCPs, and the resulting abandonment of the "long process of national homogenization", the outcome has been growing "tax resistance", for "if the ties that bind you to increasingly diverse fellow citizens are loosened, you are likely to be less inclined to share your resources with them" (Wolfe and Klausen 2000: 28).

For some critics, this corroding of solidarity by MCPs is almost a logical necessity. Wolfe and Klausen, for example, assert that "if groups within the nation state receive greater recognition, it *must* follow that conceptions of overarching national solidarity *must* receive less" (29, emphasis added). But other critics of MCPs offer a more nuanced explanation. According to one version, the problem with "greater recognition" of subgroups is, at least in part, that this recognition almost inevitably has a backward-looking remedial aspect to it. "Recognizing" a group, in the context of MCPs, often involves acknowledging its sense of historic grievance, and acknowledging that it has historically been stigmatized and excluded, and mistreated in a paternalistic and condescending way by the dominant society. Recognizing a group then involves including the story of the historic injustices it has suffered within the school curriculum, or within the media, or within the national narratives more generally. In short,

3. See also Barry's complaint that MCPs involve "dissipating" energies that "might have gone into" redistributive politics (Barry 2001: 197).

MCPs nurture a "politics of grievance" that results in increased distrust between members of different groups, and makes it more difficult for cross-ethnic coalitions of the poor or disadvantaged to coalesce. Indeed, Gitlin argues that MCPs encourage a "go-it-alone mood" that views attempts at building winning coalitions as "as a sign of accommodation" (Gitlin 1995: 230-1).

Another version suggests that the corrosion of solidarity is most likely when MCPs involve some degree of institutional separateness. As Barry puts it, "a situation where groups live in parallel universes is not one well calculated to advance mutual understanding or encourage the cultivation of habits of co-operation or sentiments of trust" (Barry 2001: 88). On this basis, he distinguishes two conceptions of "multicultural education": the first involves ensuring that all children have a common curriculum that includes information about all the groups that coexist within the state; the second involves creating separate schools with separate curricula for distinct groups (Barry 2001: 237-8). The latter, he says, would be particularly corrosive of trust and solidarity.

So the corrosion argument suggests that MCPs undermine trust and solidarity, either intrinsically, and/or when they are linked to a politics of grievance, and/or when they are linked to institutional separateness.

1.3 The misdiagnosis effect

A third line of argument suggests that MCPs lead people to misdiagnose the problems that minorities face. It encourages people to think that the problems facing minority groups are rooted primarily in cultural "misrecognition", and hence to think that the solution lies in greater state recognition of ethnic identities and cultural practices. In reality, however, these "culturalist" solutions will be of little or no benefit, since the real problems lie elsewhere.

This argument comes in two different forms. One version claims that the focus on cultural difference has displaced attention to *race*, and thereby ignored the distinctive problems facing groups like African-Americans. Barry, for example, argues that "one of the most serious mistakes by multiculturalists is to misunderstand the plight of American blacks". He goes on to quote Kwame Anthony Appiah's observation that:

> it is not black culture that the racist disdains, but blacks. There is no conflict of visions between black and white cultures that is the source of racial discord. No amount of knowledge of the architectural achievements of Nubia or

> Kush guarantees respect for African-Americans…Culture is not the problem, and it is not the solution. (Appiah 1997: 36, quoted on Barry 2001: 306).

Since the problem of racism in the United States is not primarily one of cultural misrecognition, it cannot be resolved by making "Martin Luther King Day" a national holiday, or celebrating Kwanza in schools, or teaching about the accomplishments of pre-colonial African societies. According to critics, the problem here is not just that such changes are insufficient, but rather that they blind people to the real problem. The rhetoric of MCPs lumps all ethnic groups together, as equal victims of cultural misrecognition, while obscuring the distinctive problems faced by those racial groups which suffer the consequences of segregation, slavery, racism, and discrimination (*cf.* Favell 1998).

A second version of the misdiagnosis argument claims that the focus on ethnic or racial difference has displaced attention to *class*, and thereby made pan-ethnic alliances on class issues less likely. On this view, the real problem is economic marginalization, not cultural misrecognition, and the solution is not to adopt MCPs but rather to improve people's standing in the labour market, through better access to jobs, education and training, and so on. The multiculturalist approach encourages people to think that what low-income Pakistani immigrants in Britain need most is to have their distinctive history, religion or dress given greater public status or accommodation, when in fact their real need is for improved access to decent housing, education and training and gainful employment — a need they share with the disadvantaged members of the larger society or other ethnic groups, and a need which can only be met through a pan-ethnic class alliance.

Both versions of the misdiagnosis argument claim that MCPs do not simply divert energy from more pressing issues of race and class (that is the "crowding out" effect), but that they distort people's understanding of the causes of disadvantage, by denying or failing to acknowledge the reality of racism and class inequality. A Machiavellian version of this argument suggests that right-wing political and economic elites have in fact promoted MCPs precisely in order to obscure the reality of racism and economic marginalization. On this view, the tendency to misdiagnose the plight of African-Americans as one of cultural misrecognition is not an unintended by-product of MCPs, but rather was their intended purpose.

At first glance, all three of these critiques have some plausibility. Their plausibility is strengthened by the indisputable fact that the rise of MCPs has largely coincided with the period of retrenchment in many social programs. The question naturally arises whether there is

some connection between these two trends. Perhaps the rise of MCPs has somehow played a role in supporting, or obscuring, the retreat of the WS. The crowding, corroding and misdiagnosing effects could all help to explain why the rise of MCPs might have intentionally or inadvertently contributed to the retrenchment of the WS. The plausibility of this concern has even led some defenders of MCPs to rethink their approach. Anne Phillips, for example, who ardently defended a strongly multiculturalist conception of democracy in her 1995 book, has recently said "I cannot avoid troubled thoughts about the way developments I otherwise support have contributed (however inadvertently) to a declining interest in economic equality" (Phillips 1999: 13).

However, there are also important reasons for questioning the suggested linkage between the rise of MCPs and retrenchment in many social programs. After all, the restructuring of the WS occurred throughout the Western democracies, affecting countries that strongly resist MCPs, like France, as well as pro-MCP countries, like Canada. It is not at all clear that the presence or absence of MCPs had any bearing on whether or how the WS was restructured. Indeed, as we will discuss below, some pro-MCP countries resisted the retrenchment of the WS better than some anti-MCP countries. So the existence of a general link between MCPs and the WS is not self-evident.

And once we think about it, the three more specific critiques of MCP listed above are not self-evident either. Let's take them one by one:

1.4 Crowding-out: the counter claim

The claim that MCPs "crowd out" WS issues rests on the implicit assumption that there would have been a sizeable coalition of politically engaged citizens willing to act to defend the WS, were they not distracted by MCP issues. This is explicit in the Gitlin quote we cited earlier. Yet Gitlin himself concedes that this was not true. As he notes, the vast majority of students at UCLA, and indeed the vast majority of American citizens generally, had lost faith in their capacity to influence the structure of economic inequality. As he notes in explaining why students did not protest budget cuts to education:

> The national political scene is forbidding. The public at large has little confidence that problems can be solved by government actions. Even Americans unpersuaded by Ronald Reagan that "government is not the solution, government is the problem", lack the faith that anyone knows what to do about cities, jobs, education, or race relations. (Gitlin 1995: 159)

Similarly, Anne Phillips acknowledges that the main reason why issues of economic inequality have been occluded in Britain is that most people, including most on the left, have become "astonishingly fatalistic about economic inequalities":

> Everyone now knows that nationalized industries become stultified and inefficient, that initiatives to end poverty can end up condemning people to a poverty trap, that when public authorities set out to protect employees' wages and conditions from the harsher realities of the market they often do this at the expense of good service provision. We have even discovered, to our dismay, that the free health and education that was the great achievement of the welfare state can end up redistributing wealth from the poor to the middle classes. With the best will in the world, programmes for redistributive justice often backfire. Since we can no longer pretend to confidence about what makes people economically equal, it is hardly surprising that so many have turned their attention elsewhere. (Phillips 1999: 11, 34)

In other words, the rise of MCPs did not lead people on the left to abandon issues of economic inequality. Many people had already abandoned issues of economic inequality out of a sense of hopelessness. On Gitlin's and Phillips's own analysis, the presence of MCPs made no difference to the left's passivity towards economic issues.[4]

Barry too acknowledges that the left's passivity on economic issues is due to "despair at the prospects of getting broad-based egalitarian policies adopted", and that this despair pre-dated the rise of MCPs, rather than being caused by MCPs (Barry 2001: 326). However, he worries that this economic fatalism will become a "self-fulfilling prophecy" if people's energies are "dissipated" in struggles over MCPs (Barry 2001: 197). Perhaps, but one could also speculate that the emergence of MCPs may actually have helped to reinvigorate the left. It provided a context for the left to get involved in politics again, by providing an issue on which progressives felt it was possible to make a difference. Getting involved and making a difference helped revive confidence in the possibility of challenging economic inequalities. Indeed, this is what happened in Gitlin's own story. Having successfully achieved various MCP reforms, the UCLA students who previously had been fatalistic about economic issues started to lobby regarding the budget cuts. Gitlin's official story is that MCPs drained the energy that would have otherwise gone into fighting economic inequality. His own anecdote, however, suggests that there was no energy to fight those battles, until the successful struggle for MCPs inspired confidence in tackling the economic issues.[5]

The "crowding out" argument is a common one that has been used historically by old leftists to condemn political mobilization

4. *cf.* Caputo 2001 for a similar analysis.
5. More generally, one could speculate whether the success of the politics of recognition has helped to inspire some of the protest around globalization.

around the environment, or gay rights, or animal rights. All of these were said to channel energy away from issues of economic inequality. This argument rests on the assumption that there is a fixed and static amount of time, energy and money that will be spent on political mobilization, such that any effort spent on one issue necessarily detracts from another. However, there is an alternate view about political mobilization that is not zero-sum. On this view, the real challenge is to get people involved in politics at all, on any issue — i.e., to believe that their activity can make a difference on any issue worth fighting about. Once they are involved, and have this sense of political efficacy, they are likely to support other progressive issues as well.

It is thus unclear how successful political mobilizations around new issues of justice affect older issues of justice. The former may crowd out the latter, as critics of MCPs fear; but they may also help to sustain a public culture in which issues of justice matter, to reinforce the belief that citizens have effective political agency, and to re-legitimate the state as an institution that is capable of achieving public interests. At any rate, the latter possibility is at least as plausible as the idea that MCPs crowd out issues of economic justice.

1.5 The corroding effect: the counter claim

The argument that MCPs corrode the inter-ethnic trust and solidarity needed to sustain the WS is also debatable. For one thing, it assumes that prior to the adoption of MCPs there were high levels of inter-ethnic trust and solidarity, which are slowly (or quickly) being eaten away. However, historically, Western states often adopted exclusionary and assimilationist policies precisely because there was little trust or solidarity across ethnic and racial lines. Dominant groups felt threatened by minorities, and/or superior to them, and/or simply indifferent to their well-being, and so attempted to assimilate, exclude, exploit or disempower them. This, in turn, led minorities to distrust the dominant group. In these situations, MCPs were not the original cause of this distrust or hostility, and in many cases the adoption of MCPs was a response to this pre-existing lack of trust/solidarity. By adopting MCPs, the state can be seen as trying both to encourage dominant groups not to fear or despise minorities, and also to encourage minorities to trust the larger society. By acknowledging the reality of historic injustices against minorities, the state acknowledges the existence of these feelings of prejudice and contempt against minorities, and affirms a public duty to fight against them and their consequences. Many defenders of MCPs argue that, by tackling these feelings, MCPs will actually help to strengthen the trust and solidarity needed for a strong WS.

Of course, there is no guarantee that MCPs will succeed in this regard. However, when reflecting on this question, it is important to keep the historical context in mind. For example, Barry's main empirical evidence for the corrosion effect is the famous "robber's cave" experiment conducted in 1961 in which "a party of 11-eleven year old children in a summer camp were divided into two competing groups, which `produced in-group friendships and hostility toward the other group", a result he describes as unsurprising.[6] Indeed, the result is unsurprising, but it is not clear how it is analogous to the role of MCPs in countries where there has been a history of mistrust and antipathy between groups, embodied in (and reinforced by) official state policies that excluded, segregated, exploited and disempowered minority groups. In contexts where people have had no prior history of mistrust or mistreatment, arbitrarily dividing them into competing groups may well reduce pre-existing levels of trust and solidarity. But this is not the only or even the normal context in ethnic relations. Often, the more apt analogy would be to consider a summer camp that had historically excluded Asians and Arabs, and admitted African-Americans only as slaves or servants, and which was now considering how to deal with the resulting legacy of mistrust and antipathy. Or consider a school, or hospital, or police force, or public media or public museum, all of which have the same history. In these contexts, adoption of MCPs can be seen as reflecting a particular view about how best to overcome the pre-existing forms of inter-ethnic mistrust and antipathy, to reduce the majority's antipathy towards minorities and the minority's feelings of distrust in institutions and processes of the larger society. Defenders of MCPs would argue that without these efforts to contest both the causes and consequences of the history of exclusion, distrust and antipathy are likely to remain, even in institutions that no longer formally discriminate.

These hopes of strengthening trust and solidarity through MCPs may be misplaced, but it seems at least as plausible as the complaint that MCPs corrode trust and solidarity

1.6 The misdiagnosis effect: the counter claim

Finally, consider the misdiagnosis argument, which argues that adopting MCPs blinds people to the salience of non-cultural factors in explaining group disadvantage. The paradigm case of this, according to both Barry and Gitlin, is the misdiagnosis of the situation of African-Americans, for whom issues of race and class are much more salient than cultural recognition. This is just one example, they argue, of a more general tendency for MCPs to generate misdiagnoses

6. Barry 2001: 88-89, citing M. Sherif et al 1961.

of the causes of disadvantage or injustice, relevant to other groups as well.

They acknowledge that the relative salience of these various factors differs for different groups. In some cases, issues of class are comparatively insignificant. For example, Jews in North America, or Hong Kong immigrants, have higher-than-average levels of income and education, yet have faced difficulties regarding the accommodation of religious and cultural practices, stereotyping in the media, greater vulnerability to violence, and so on. Similarly, some national minorities, like the Québécois or Catalans, are as well off economically as the dominant society, yet feel their language and culture has been systematically marginalized in public institutions (such as the courts, civil service or national media) in relation to the dominant language and culture.

So there are various dimensions on which ethnic groups can face injustice — including race, class and culture — and groups are often located at different places on these different dimensions. For example, a group may be privileged in terms of race yet disadvantaged in terms of class (eg., Portuguese in North America), or it may be privileged in terms of class and race but disadvantaged in terms of cultural recognition and accommodation (eg., Catalans), and so on.

The misdiagnosis argument, then, as we understand it, claims that the presence of MCPs leads people to ignore (or minimize) the salience of the race and class dimensions of inequality, and to exaggerate the salience of the cultural dimension. It leads people to assume that racial and class inequalities are either unimportant or derivative of cultural inequalities.

Why would MCPs lead people to believe this? One possible explanation is that people's sense of justice is zero-sum: enhanced sensitivity to one form of injustice inevitably entails reduced sensitivity to other forms of injustice. On this view, people who are keenly sensitive to issues of racism or sexism, for example, are inevitably less sensitive to issues of class inequality or cultural accommodation, and vice versa. But is this true? Is it not possible that the different dimensions of our sense of justice are mutually reinforcing — ie., that people who have the awareness and motivation to look out for one form of injustice are also likely to be more open to considerations of other types of injustice? Conversely, perhaps those people who have a stunted sense of justice regarding race, say, are also likely to have a stunted sense of justice regarding gender or class.

To be sure, there are circumstances where a fixation on one form of injustice can blind people to other forms. The paradigm case, historically, is Marxism, which was ideologically committed to the

view that class inequality was the only "real" inequality, and that all other forms of inequality including sexism and racism were epiphenomenal, and would disappear with the abolition of classes. In this case, it was an explicit and foundational part of the Marxist ideology that one dimension of inequality had primacy over the others. Marxism systematically misdiagnosed a range of inequalities because it dogmatically assumed class was the primary inequality, without looking at the evidence in particular cases.

In order to avoid misdiagnosis, we need to avoid these sorts of dogmatic presumptions. Since the salience of different kinds of disadvantage differs between groups, and over time, it is important for people to be open-minded about this, and to be willing to consider the claims and the evidence as they are raised by various groups. The issue then becomes whether MCPs encourage or discourage this sort of open-minded approach to the salience of different forms of inequality. Does multiculturalism have a foundational ideological commitment to the primacy of cultural inequalities over other inequalities, comparable to the Marxist commitment to the primary of economic inequalities? Does it encourage people to assume that cultural inequalities are the real problem, without examining the evidence in particular cases? Or do MCPs instead make space for an open debate about their relative salience?

Defenders of MCPs would argue that multiculturalism, in both theory and practice, has helped to open up this debate. After all, multiculturalism emerged as part of the New Left's rejection of the Marxist dogmatic assertion of the primacy of class. Multiculturalists were not suggesting that we should replace class inequality with cultural inequality as the mono-causal motor of history, but rather contesting the very idea of a mono-causal motor of history. It was contesting the idea that all inequalities can be reduced to one "real" inequality, and insisting instead that culture, race, class, and sex are all real loci of inequality, of varying salience, not reducible to each other.

This seems clear enough in the case of multiculturalist theorists. It is a central claim of most multiculturalist theorists that the relative salience of inequalities relating to race, class and culture varies greatly across different groups in society. Paradoxically, this is particularly clear in the case Barry and Gitlin cite, of African-Americans. All of the major multicultural theorists who have written on African-Americans have emphasized that what distinguishes this case from that of some other minority groups in the United States or other Western democracies is precisely the overwhelming salience of race and class in comparison with cultural difference.[7] None of the multiculturalist theorists asserts that the accommodation of cultural difference is the main problem facing African-Americans. Indeed, African-

7. See Spinner 1994; Young 1995; Fraser 1998; Kymlicka 1998: chap. 5.

Americans are often discussed precisely to illustrate the point that there is no one model or formula for determining the relative salience of these different forms of injustice.

One might respond that even if theorists do not assert the primary of cultural inequalities over other dimensions of inequality, the actual implementation of MCPs encourages a kind of false consciousness amongst the members of minority groups, leading them to blame their fate on cultural misrecognition rather than other factors of race and class. But is it likely that the presence of MCPs blinds group members to the salience of race and class in their lives?[8]

To say that some groups face cultural inequalities that warrant remedying through MCPs is not to say that these are the only inequalities they face, or that they are the most important ones. Nor is it to assert that all groups face such inequalities. It simply says that cultural inequalities are one "real" form of injustice that we must be sensitive to, alongside others, when evaluating the situation of different groups, and that provide a legitimate basis for potential claims. The task of arriving at a correct diagnosis of the causes of a particular group's disadvantage is not always an easy one. Even in the case of African-Americans, there is a long-standing and still-unresolved dispute about the relative significance of race and class (eg., Wilson 1980). Arriving at an informed judgement on these issues requires that we have a conceptual vocabulary to describe all of the different dimensions of inequality, and also political space in which to discuss them freely and evaluate their relative salience. One could argue that the theory and practice of multiculturalism is intended precisely to supplement and enrich our conceptual tools and political spaces for arriving at a more adequate diagnosis of the full range of injustices faced by different groups in our society.

In short, none of the arguments for the alleged harmful impact of MCPs on the WS are self-evident. They may seem to have some initial plausibility, but there are equally plausible arguments why MCPs would strengthen the WS. Many of the these critiques blame MCPs for problems that in fact predate the adoption of MCPs (eg., inter-ethnic mistrust; fatalism about economic structures); others assume political energies and moral sensitivities are zero-sum (ie., that concern for cultural inequality inevitably reduces concern for other struggles). It should be clear, we hope, that this debate cannot be resolved by more armchair theorizing, or by trading anecdotes. We need to look more closely and systematically at the evidence.

8. Indeed, Barry himself says that most people (unlike the elites) are unaware of the presence of MCPs, and so presumably their self-understandings are unaffected by them (Barry 2001: 295). This raises a puzzle about who exactly is supposed to be making the misdiagnoses. Is it academic political theorists who write on multiculturalism, or policy-makers, or minority members themselves? Barry's main focus is on the former, but even if it is true that a handful of academic political theorists misdiagnose the situation of various groups, how could this affect the broader decision-making processes regarding the WS? Barry himself claims that these academic theories are "esoteric" and are "virtually unknown to the wider public" (Barry 2001: 365-6, quoting Pascal Zachary). But if the broader public is blissfully unaware of both academic MC theories and actual MC policies, how then does the misdiagnosis argument work?

2 • Section 2: What are multiculturalism policies?

In order to test the empirical critique, we need first to come up with a more rigorous definition of MCPs. Unfortunately, there is no consensus in the literature on how to define the term "multicultural policies". Many writers employ the term without ever defining it. Those who do make an effort to define it offer very different accounts of the necessary or sufficient conditions for a policy to qualify as a "multicultural" policy.

Given this lack of consensus, any account that we provide will inevitably be contestable, and to some extent stipulative. Some commentators will find our definition unduly narrow, others will find it unduly broad. We will discuss some of these objections as we go. However, for reasons we explain below, we think it unlikely that expanding or narrowing the definition of MCPs would change the basic empirical findings we present in section 5.

What then do we mean by MCPs? To begin with, as we noted earlier, we are focusing on the treatment of ethnocultural groups. This is already to narrow the field compared to some other accounts of MCPs. In some contexts, the term multiculturalism is used to cover a broader range of forms of diversity, including gender/sexual orientation/disability and so on. On this broader view, "multiculturalism" is virtually co-extensive with "the politics of recognition". For this paper, however, we are restricting the term multiculturalism to the context of ethnocultural diversity.

Even if we limit our focus to ethnocultural groups, there is still plenty of scope for disagreement about what counts as a "multicultural" policy towards such groups. In the account we give below, we have tried as much as possible to follow what we take to be the most common usages of the term, in both public as well as scholarly debate. However, we have also tried to ensure that our account reflects the issues raised by the critics. For this reason, we have excluded from our account of MCPs any policies that simply involve the non-discriminatory access to, or non-discriminatory enforcement of, the traditional civil and political rights of citizenship for the individual members of ethnic groups. In some countries, the rhetoric of multiculturalism is advanced to defend such non-discriminatory protection of the common rights of liberal-democratic citizenship. For example, some German politicians have invoked multicultural rhetoric to eliminate legal provisions that made it more difficult for ethnic Turks than for ethnic Germans to become citizens, and to extend the scope of anti-discrimination laws to cover the Turks. While described

by some politicians as a form of "multiculturalism", and defended as "recognizing" or "accommodating" Germany's ethnic diversity, these are not the sorts of policies that our critics view as a threat to the WS. Respecting the common individual rights of citizenship is indeed one essential form of accommodating the members of minority groups, but the critics are not objecting to "recognizing" immigrants in this sense — ie., as equal individual citizens. They are only concerned with policies that go beyond the protection of traditional individual rights of citizenship to provide some additional form of public recognition or support or accommodation of ethnic groups, identities and practices. Since this is the concern of critics, we will limit our definition of MCPs to such policies of public recognition, support and accommodation.

But what does it mean to provide public "recognition", "support" or "accommodation" to ethnic groups? It is difficult to answer this question in the abstract, since different groups seek quite different forms of recognition, support and accommodation. To help identify these policies more precisely, it is useful to distinguish different categories of ethnic groups, and to see how Western states have accommodated them (or not). For the purposes of this paper, we will focus on three types of ethnic groups: immigrants, national minorities, and indigenous peoples. As we noted at the very start of this paper, there have been dramatic changes in how many Western states have treated these groups, and it is worthwhile to briefly sketch these changes.

2.1 Immigrants

The first trend concerns the treatment of immigrant groups. In the past, the most important countries of immigration (ie., Australia, Canada, New Zealand and the US) had an assimilationist approach to immigration. Immigrants were encouraged and expected to assimilate to the pre-existing society, with the hope that over time they would become indistinguishable from native-born citizens in their speech, dress, recreation, and way of life generally. Any groups that were seen as incapable of this sort of cultural assimilation were prohibited from emigrating in the first place, or from becoming citizens. This was reflected in laws that excluded Africans and Asians from entering these countries of immigration for much of the twentieth-century, or from naturalizing.

Since the late 1960s, however, we have seen a dramatic change in this approach. There were two related changes: first, the adoption of race-neutral admissions criteria, so that immigrants to these countries are increasingly from non-European (and often non-

Christian) societies; and second, the adoption of a more "multicultural" conception of integration, one which expects that many immigrants will visibly and proudly express their ethnic identity, and which accepts an obligation on the part of public institutions (like the police, schools, media, museums, etc.) to accommodate these ethnic identities.

These two-fold changes have occurred, to varying degrees, in all of the traditional countries of immigration. All of them have shifted from discriminatory to race-neutral admissions and naturalization policies. And all of them have shifted from an assimilationist to a more multicultural conception of integration. Of course, there are important differences in how official or formal this shift to multiculturalism has been. In Canada, as in Australia and New Zealand, this shift was formally and officially marked by the declaration of a multicultural policy by the central government. But even in the United States, we see similar changes on the ground. The U.S. does not have an official policy of multiculturalism at the federal level, but if we look at lower levels of government, such as states or cities, we often find a broad range of multiculturalism policies. If we look at state-level policies regarding the education curriculum, for example, or city-level policies regarding policing or hospitals, we often find that they are indistinguishable from the way provinces and cities in Canada or Australia deal with issues of immigrant ethnocultural diversity. As in Canada, they have their own diversity programs and/or equity officers. As Nathan Glazer puts it, "we are all multiculturalists now" (Glazer 1997).[9] Similarly, in Britain, while there is no nation-wide multiculturalism policy, many of the same basic ideas and principles are pursued through their race relations policy.[10] All of these countries have accepted the same two-fold change — adopting race-neutral admissions and naturalization policies, and imposing on public institutions a duty to accommodate immigrant ethnocultural diversity — although the degree and formal recognition of the latter change varies from country to country.

So the first trend is the shift from the exclusion and assimilation of immigrants to multicultural integration. This trend applies primarily to countries of immigration — ie., countries which legally admit immigrants as permanent residents and future citizens. Amongst such countries, the main exception to this trend is France, which retains an assimilationist conception of French republican citizenship.

It is a different story, however, in those countries that do not legally admit immigrants, such as most countries of northern Europe. These countries may well contain large numbers of "foreigners", in the form of illegal economic migrants, asylum seekers or "guest-

9. Experts in immigration and integration issues have repeatedly demolished the mythical contrast between the American "melting pot" and the Canadian "mosaic", yet the myth endures in the popular imagination.

10. For the British model of multiculturalism through race relations, see Favell 2001.

workers", but these groups are not admitted as part of an immigration policy. As it happens, even some of these countries have adopted aspects of a "multicultural" approach (eg., Sweden and Netherlands). But in general, the trend from assimilation to multiculturalism is one that has taken place within countries of immigration.

What then are the specific MCPs that reflect this shift in approach? For the purposes of this paper, we will take the following nine policies as the most common or emblematic forms of immigrant MCPs:

1. constitutional, legislative or parliamentary affirmation of multiculturalism, at the central and/or regional and municipal levels;
2. the existence of a government ministry or secretariat or advisory board to consult with ethnic communities;
3. the adoption of multiculturalism in school curriculum;
4. the inclusion of ethnic representation/sensitivity in the mandate of public media or media licensing;
5. exemptions from dress-codes, Sunday-closing legislation etc. (either by statute or by court cases);
6. allowing dual citizenship;[11]
7. the funding of ethnic group organizations or activities;
8. the funding of bilingual education or mother-tongue instruction;
9. affirmative action for disadvantaged immigrant groups.[12]

Some commentators have suggested including a tenth policy — namely, a policy of admitting large numbers of immigrants as permanent residents and future citizens. Some people view this sort of pro-immigration policy as itself a form of MCP, on the assumption that only a country that is willing to accommodate diversity would voluntarily admit immigrants as future citizens. However, the link between immigration policy and MCPs is complex. Many critics of MCPs are in fact defenders of more open borders: they are happy with the idea of greater ethnic and racial diversity in the population, but simply oppose any government recognition or accommodation of this diversity through MCPs. This is a very long-standing view amongst libertarians. Conversely, in some countries, support for MCPs is dependent on sharply limiting the number of new immigrants who can take advantage of these policies. This is often said to be the case in Britain. The quasi-multiculturalism policies adopted in the 1970s (under the race relations heading) were part of a package in which the government said to Britons: "we will close the door to new immigrants; but we expect you to accept and accommodate the immigrants from the

11. As we noted earlier, we do not consider non-discriminatory access to citizenship as itself a form of MCP, in part because it would not be contested by our critics of MCPs. Naturalization policy only qualifies as an MCP where it has been modified in order to accommodate immigrant ethnic identities, most obviously by recognizing and accommodating the desire of immigrants to maintain a link with their country of origin through dual citizenship. As with many of these criteria, questions can be raised about the exact motive for these policy shifts. In some cases, dual citizenship has been allowed, not in order to accommodate the desires of immigrants within the country to maintain their previous nationality, but rather to enable emigrants or expatriates who live outside the country to retain a link with the country. But this is not the standard case in countries of immigration.

12. Including affirmative action as an MCP is potentially controversial, since it need not involve any recognition or affirmation of cultural difference. Indeed, some of its defenders have defended it precisely as a tool of assimilation. By "artificially" fostering integration into common institutions, it discourages the formation of distinct "ethnic economies" in which members of particular groups specialize in a particular economic niche and reproduce the cultural traditions associated with that niche. So this is a case of a policy that "recognizes" distinct groups, for the purposes of making various admission or employment decisions, but which need not be centrally concerned with "accommodating" ethnocultural diversity. However, in many cases, the

Caribbean and South Asia who have already arrived". Re-opening the door to immigration was seen as undermining the tenuous support for MCPs.[13]

So for our purposes, we will limit immigrant MCPs to policies that concern the treatment of immigrant groups that already reside on the territory of the state, such as the nine policies listed above.

2.2 Sizeable national minorities

The second trend concerns the treatment of substate/minority nationalisms, such as the Québécois in Canada, the Scots and Welsh in Britain, the Catalans and Basques in Spain, the Flemish in Belgium, the German-speaking minority in South Tyrol in Italy, and the Hispanics in Puerto Rico in the United States.[14] In all of these cases, we find a regionally-concentrated group that conceives of itself as a nation within a larger state, and mobilizes behind nationalist political parties to achieve recognition of its nationhood, either in the form of an independent state or through territorial autonomy within the larger state.

In the past, most if not all of these countries have attempted to assimilate or suppress these forms of substate nationalism. To have a regional group with a sense of distinct nationhood was seen as a threat to the state. Various efforts were made to erode this sense of distinct nationhood, including restricting minority language rights, abolishing traditional forms of regional self-government, and encouraging members of the dominant group to settle in the minority group's traditional territory so that the minority becomes outnumbered even in its traditional homeland.

However, there has been a dramatic change in the way most Western countries deal with substate nationalisms. Today, all of the countries we have just mentioned have accepted the principle that these substate national identities will endure into the indefinite future, and that their sense of nationhood and nationalist aspirations must be accommodated in some way or other. This accommodation has typically taken the form of what we can call "multination federalism": that is, creating a federal or quasi-federal subunit in which the minority group forms a local majority, and so can exercise meaningful forms of self-government. Moreover, where the group has a distinct language, this language is typically recognized as an official state language, at least within their federal subunit, and perhaps throughout the country as a whole.

At the beginning of the twentieth-century, only Switzerland and Canada had adopted this combination of territorial autonomy and offi-

adoption of affirmative action policies has gone hand-in-hand with a commitment to reform the institution to make it more accommodating of members of minority groups (eg., the adoption of multiculturalism in school curricula, or changes to the work schedule or work uniforms to accommodate minority groups). Affirmative action to recruit more teachers or police officers from minority communities is also often defended as a way of making these institutions better able to accommodate the needs of the ethnic groups in their clientele. So affirmative action is often, though not always, part of a larger package of MCPs.

13. A similar comment applies to refugee policy. While there may be a general trend for pro-MCP countries to have generous policies on the admission of refugees, this is not always the case, as witnessed by the harsh treatment of refugees in Australia, compared with the (formerly) generous openness to refugees in Germany, even though the former is pro-MCP and the latter not. Policies about whether to admit people as immigrants or refugees, and policies about how to accommodate them once admitted, raise quite distinct issues.

14. We could also include the French- and Italian-speaking minorities in Switzerland, although some people dispute whether they manifest a "national" consciousness.

cial language status for substate national groups. Since then, however, most Western democracies that contain sizeable substate nationalist movements have moved in this direction. The list includes the adoption of autonomy for the Swedish-speaking Aland Islands in Finland after the First World War, autonomy for South Tyrol and Puerto Rico after the Second World War, federal autonomy for Catalonia and the Basque Country in Spain in the 1970s, for Flanders in Belgium in the 1980s, and most recently for Scotland and Wales in the UK in the 1990s.

This, then, is the second major trend: a shift from suppressing substate nationalisms to accommodating them through regional autonomy and official language rights. Amongst the Western democracies with a sizeable national minority, the most obvious exception to this trend is France, in its refusal to grant autonomy to its main substate nationalist group in Corsica. However, legislation was recently adopted to accord autonomy to Corsica, and it was only a ruling of the Constitutional Court that prevented its implementation. So France too may join the bandwagon soon.

Other complicated exceptions include Northern Ireland, where Catholics are not territorially concentrated; and Cyprus, where a civil war broke out over the refusal by the dominant Greek community to share power with the Turkish minority. Even in these cases, however, we see movement in the direction of greater recognition of minority nationalism. Northern Ireland has recently adopted a peace agreement that explicitly accords Catholics a number of guarantees in terms of representation; and Cyprus is debating a UN-brokered proposal to adopt a form of multination federalism, based partly on the Belgian model. Another complicated case is the Netherlands, where the sizeable Frisian minority lacks territorial autonomy or significant language rights, although this is largely because (virtually alone amongst such sizeable national minorities in the West) the group has not in fact mobilized along nationalist lines to acquire such rights. It is not clear that the Netherlands would reject such claims if clearly supported by most Frisians. Amongst Western countries, perhaps the only country which remains strongly and ideologically opposed to the official recognition of substate national groups is Greece, where the once-sizeable Macedonian minority has now been swamped in its traditional homeland.

We can call this is a shift towards a "multicultural" approach to substate national groups, although this terminology is rarely used by these groups themselves, who prefer the language of nationhood, self-determination, federalism and power-sharing. What then are the specific policies that are indicative of this shift? We consider the following six policies as emblematic of a multicultural approach to substate national groups:

1. federal or quasi-federal territorial autonomy
2. official language status, either in the region or nationally
3. guarantees of representation in the central government or on Constitutional Courts
4. public funding of minority language universities/schools/media
5. constitutional or parliamentary affirmation of "multinationalism"
6. according international personality (eg., allowing the substate region to sit on international bodies, or sign treaties, or have their own Olympic team)

It is important to emphasize that this category only refers to "sizeable" national minorities. There are many much smaller national groups within the Western democracies who lack the numbers or territorial concentration to be able to exercise territorial autonomy or to support separate institutions such as mother-tongue universities. This would include, for example, the Slovenians in Austria, the Sorbs in Germany, the Germans in Denmark, the Tornedal-Finns in Sweden, and so on. We have, somewhat arbitrarily, set the dividing line between "small" and "sizeable" national minorities at 100,000 people, although all of the groups just mentioned are in fact under 50,000 people. The treatment of such small national minorities raises a different set of issues, and deserves a separate category, which we have not been able to cover in this paper.

2.3 Indigenous peoples

The third trend concerns the treatment of indigenous peoples, such as the Indians and Inuit in Canada, the Aboriginal peoples of Australia, the Maori of New Zealand, the Sami of Scandinavia, the Inuit of Greenland, and Indian tribes in the United States. In the past, all of these countries had the same goal and expectation that indigenous peoples would eventually disappear as distinct communities, as a result of dying out, or inter-marriage, or assimilation. Various policies were adopted to speed up this process, such as stripping indigenous peoples of their lands, restricting the practice of their traditional cultures, languages and religions, and undermining their institutions of self-government.

However, there has been a dramatic change in these policies, starting in the early 1970s. Today, all of the countries we have just mentioned accept, at least in principle, the idea that indigenous peoples will exist into the indefinite future as distinct societies within the

larger country, and that they must have the land claims, cultural rights (including recognition of customary law) and self-government rights needed to sustain themselves as distinct societies.

We see this pattern in all of the Western democracies. Consider the constitutional affirmation of Aboriginal rights in the 1982 Canadian constitution, along with the land claims commission and the signing of new treaties; the revival of treaty rights through the Treaty of Waitangi in New Zealand; the recognition of land rights for Aboriginal Australians in the *Mabo* decision; the creation of the Sami Parliament in Scandinavia, the evolution of "Home Rule" for the Inuit of Greenland; and the laws and court cases upholding self-determination rights for American Indian tribes (not to mention the flood of legal and constitutional changes recognizing indigenous rights in Latin America). In all of these countries there is a gradual but real process of decolonization taking place, as indigenous peoples regain their lands, customary law and self-government.

This is the third main shift in ethnocultural relations throughout the Western democracies. Here again, we will call this a shift towards a more "multicultural" approach, although this term is not typically used by indigenous peoples themselves, who prefer the terminology of self-determination, treaty rights, and aboriginality or indigeneity. What are the specific policies that are indicative of the shift to a more multicultural approach? We consider the following nine policies as emblematic of the new approach:

1. recognition of land rights/title[15]
2. recognition of self-government rights
3. upholding historic treaties and/or signing new treaties
4. recognition of cultural rights (language; hunting/fishing)
5. recognition of customary law
6. guarantees of representation/consultation in the central government
7. constitutional or legislative affirmation of the distinct status of indigenous peoples
8. support/ratification for international instruments on indigenous rights
9. affirmative action

These, then, are the specific policies that we consider the most important or paradigm forms of MCPs, for the specific cases of immigrants, national minorities and indigenous peoples. It is inevitably a partial list: one could quickly think of other possible policies to include, if one wanted to expand the list indefinitely. However, we

15. As with most of these criteria, finer distinctions can and should be made here. For example, in many countries, states recognize indigenous title, but retain subsurface rights over minerals or oil and gas.

believe that this is a fair representation of the sorts of policies that have been adopted or debated by various Western countries, defended by advocates of multiculturalism, and attacked by their critics.

There are other kinds of ethnocultural groups, often tied to the unique circumstances of particular countries. An important case, already mentioned, is that of the African-Americans. Indeed, some of the critics who argue that MCPs harm the WS are primarily concerned with this particular case. Although they state their critique in a very general form that condemns MCPs across the board, their real concern is with this one group in particular. Given its importance, we return to this case in section 7 below. However, we also want to test the critique in its general form. And so we have focused on three types of groups that are sufficiently common across a range of Western countries that we can make cross-national comparisons.

As we noted earlier, our definition and list of MCPs is not necessarily equivalent to that of any particular critic (or defender) or MCPs. We think our view is broadly consistent with the implicit definition of MCPs used by two of the most influential critics — namely, Todd Gitlin and Alan Wolfe. However, it's important to note that our definition of MCPs is broader than that offered by Barry. Consider the issue of education. Barry specifically denies that the adoption of a multicultural curriculum within common public schools qualifies as a form of MCP. To qualify as an MCP, on his view, an educational policy must go beyond recognizing or accommodating diversity within a common curriculum in common schools. One way it can go beyond is to create institutional separateness — that is, separate publicly-funded schools for distinct ethnic or religious groups. This is a lively issue in many Western countries, often debated as a form or (or implication of) "multiculturalism". And as we have seen, Barry is particularly concerned about the impact of institutional separateness on trust and solidarity and hence the WS (Barry 2001: 88). Yet in places, Barry wants to narrow the definition of MCPs even further, to restrict it to policies that involve some form of group-specific legal right or exemption (Barry 2001: 294-5). A policy that granted all groups a right to public funding for separate schools would not qualify, on this very narrow definition, since there is no group-specific right or exemption. Educational policy would only qualify as an MCP if it allowed specific groups to be exempted from general educational laws (eg., allowing fundamentalist Christians or Muslim girls to be exempted from sex education classes) or granted specific groups specific rights to educational facilities (eg., granting one ethnic group the right to mother-tongue education, but not others).

We have obviously not restricted our account of MCPs in this way. Depending on how broadly or narrowly the idea of group-differentiated rights/exemptions is interpreted, it is possible that only two of the nine immigrant MCPs we identify would qualify as MCPs on Barry's definition (ie., group-specific exemptions and affirmative action).[16] We have several reasons for not following Barry's narrow definition.[17] First, as Barry himself notes, his definition is wildly at odds with everyday usage, since for many people the idea of a multicultural curriculum is the very paradigm of an MCP (Barry 2001: 234). Second, Barry's emphasis on the narrow set of group-specific rights/exemptions seems more relevant to his philosophical critique of MCPs than his empirical critique. Most of Barry's book is devoted to arguing that MCPs tend to violate liberal principles of freedom and equality, and for this philosophical purpose he argues that group-specific rights/exemptions are more likely to be illiberal or inegalitarian than policies that accommodate diversity within common rules in common institutions. However, it is not clear whether he thinks that the empirical critique advanced in the final chapter of his book applies exclusively or even primarily to the narrower range of policies. After all, according to Barry, MCPs in this more narrow sense of group-specific rights and exemptions tend to be adopted without any public discussion, and are often completely unknown by the general public (Barry 2001: 295). The crowding, corroding and misdiagnosing effects Barry attributes to them seem to require a significant level of public awareness, and on Barry's own account, this public awareness applies more to the broader issues such as multicultural education rather than to the narrow issues of group-specific exemptions. Moreover, Barry expresses sympathy with Gitlin's empirical critique, yet Gitlin (like Wolfe) argues that the crowding, corroding and misdiagnosis effects apply to the broader range of culturalist policies, not just the narrow range Barry emphasizes. Indeed, the case Gitlin spends most time on in his book is precisely the struggles over multicultural textbooks in the public schools. So it is possible, although not certain, that Barry intends his empirical critique to apply to broader forms of MCPs. Finally, and most importantly, we doubt that adopting the narrow definition of MCPs would affect the test results. It is possible, in principle, that countries which are categorized as "strongly" MCP on our broad criteria might turn out to be "weakly" MCP on Barry's narrow criteria (and vice-versa). However, Barry himself suggests otherwise. While he does not offer a systematic categorization of countries as more or less multicultural in their public policies, he does observe that MCPs have primarily been adopted within the traditional countries of immigration, and that within this camp Canada has "gone further along the path of multiculturalism than Britain or the United States" (Barry 2001: 294). This suggests a ranking in which

16. By contrast, virtually all of the nine MCPs we identify under indigenous people would, we assume, qualify under Barry's definition. Or would they?

17. One additional reason is that it is unclear (to us) what policies would qualify under this more narrow definition. In the case of national minorities or indigenous peoples, for example, does the decision to create a territorial subunit controlled by the minority group qualify as a group-specific right, given that the state would not create such a subunit for immigrant enclaves? Does according official language status to the language of a national minority qualify as a group-specific right when the languages of equally-large immigrant groups are not given this status? (For example, German is an official language in Belgium, but German-speakers are outnumbered by Arab-speakers. So too with Romansch in Switzerland). Barry expressed general support for the policy of according territorial autonomy and official language status to national minorities, and according land claims and self-government to indigenous peoples, so long as these groups exercise their self-governing powers in accordance with liberal constitutional values. Yet it is not clear whether he views these policies that recognize and empower particular groups and support their languages and separate institutions as exceptions to the rule that group-specific policies are illegitimate, or as somehow not involving group-specific rights. Since we are not sure how to apply Barry's narrow criteria, we have stuck instead with the more familiar broader definition

Canada is more strongly MCP than the US/Britain, which in turn are more strongly MCP than, say, Austria or Germany. This is entirely consistent with our own ranking, which is developed below. So we suspect that adopting Barry's narrow criteria would not significantly affect the country rankings, and hence would not affect the empirical findings about how the level of MCPs affects WS. However, this conclusion must be provisional, until someone engages in a systematic attempt to categorize countries on Barry's narrower criteria.

So we believe that our test speaks directly or indirectly to the critique raised by Gitlin, Wolfe and Barry. It is important to note, however, that there are other versions of the argument that MCPs erode the WS that our approach does not test. For example, David Miller has argued that what he calls "radical" multiculturalism is likely to erode the WS. On his view, unlike Gitlin/Wolfe/Barry, MCPs are not inherently corrosive of the WS. They are dangerous only if they are not supplemented with policies that nurture an overarching political identity. In the British context, therefore, he is not opposed to MCPs that tell citizens there are many different and legitimate ways of "being British", and that being British is not inconsistent with the public expression and accommodation of other identities, including "being Muslim" or "being Scottish". However, he insists that MCPs recognizing and accommodating minority identities must be accompanied by policies that actively promote the sense of "being British". He therefore opposes any philosophy of multiculturalism that would suggest that minorities should be absolved or discouraged from adopting such a pan-ethnic superordinate political identity. This is the philosophy he calls "radical multiculturalism" — ie., the philosophy of recognizing minority identities without simultaneously linking them to an overarching identification with (and loyalty to) the larger political community and state (Miller 1995: chap. 5; Miller 2000: 105-6). He distinguishes this sort of "radical" multiculturalism from moderate multiculturalism, which combines MCPs with nation-building policies to inculcate overarching political identity and loyalty.

Miller's argument raises issues that are of both theoretical and political importance. At the theoretical level, his argument rightly insists that in trying to understand the impact of MCPs on the WS, it is a mistake to view MCPs in isolation from the larger context of public policies that shape people's identities, beliefs and aspirations. Whether or not MCPs encourage trust or solidarity, for example, will heavily depend on whether these MCPs are part of a larger policy package that simultaneously nurtures identification with the larger political community. In the absence of appropriate nation-building policies, a particular MCP may reduce solidarity and trust, by focusing exclusively on the minority's difference. But in the presence of

such nation-building policies, the same MCP may in fact enhance solidarity and trust, by reassuring members of the minority group that the larger identity promoted by nation-building policies is an inclusive one that will fairly accommodate them.

So Miller is right to emphasize the link between MCPs and nation-building policies. It is potentially misleading, however, to describe this point in terms of a contrast between "radical" and moderate multiculturalism. So far as we can tell, no country in the West has adopted radical multiculturalism. All Western countries adopt a range of policies to inculcate overarching national identities and loyalties, including the mandatory teaching of the nation's language, history and institutions in schools, language tests for citizenship, the funding of national media and museums, and the diffusion of national symbols, flags, anthems and holidays, to name just a few. Even in those Western countries that have strongly moved in the direction of MCPs, the resulting approach is best described as "robust forms of nation-building combined and constrained by robust forms of minority rights".[18] So all of the countries that we describe as "strongly" or "modestly" MCP fall into the moderate category on Miller's terminology — we do not believe there is any Western democracy that has adopted "radical" MCP in Miller's sense. However, it is certainly true that countries vary in the strength and effectiveness of their nation-building policies, and this affects the impact of any particular MCP.

This then raises an important political point — namely, that even if there is evidence that some strongly or moderately MCP countries have had more difficulty sustaining the WS, the appropriate remedy may not be to reduce or abolish the MCPs. The problem may instead lie with the inadequate or inept nation-building policies. Countries with MCPs that are worried about issues of trust and solidarity may respond, not by weakening their commitment to MCPs, but rather by strengthening their nation-building policies, for example by providing greater funding for immigrants to learn the official language, or by providing citizenship education classes, or establishing citizenship oaths and ceremonies for immigrants who naturalize.

This indeed is precisely what we see in the last few years in some Western countries, such as the Netherlands or Britain. Netherlands has decided that more effort must be spent on encouraging and enabling immigrants to learn the official language (Fermin 2001; Bauböck 2003; Entzinger 2003). So too has Britain, which has also adopted a national policy of promoting citizenship education in the schools, and creating citizenship ceremonies and oaths (White Paper 2002). These shifts in Britain and Netherlands have been described as a "retreat from multiculturalism" in a recent paper by Christian

18. Kymlicka 2001: 3. For a more detailed discussion of the enduring centrality of nation-building policies, even in pro-MCP countries like Canada or Australia, see Kymlicka 1998; 2001.

Joppke (Joppke 2003; *cf.* Brubaker 2001). But in fact he does not cite any examples of MCPs that have been replaced or abolished in either the Netherlands or Britain. The change he describes, rather, has been to strengthen and improve the nation-building policies that accompany those MCPs. It is particularly puzzling to describe the new British policy as a retreat from multiculturalism, since it is explicitly modelled on Canadian policies.[19] For example, the new citizenship oaths and citizenship ceremonies, as well as the language tests for citizenship, are drawn in part on similar Canadian policies, and are defended in part by emphasizing their role in the success of the Canadian approach to immigrant integration. Indeed, with the adoption of these enhanced nation-building policies, Britain has become closer to, not farther from, the Canadian model of immigrant integration, with its "robust nation-building combined and constrained by robust minority rights". So it is quite misleading to describe enhanced nation-building policies as a retreat from MCPs.

Why then would Joppke and others describe these policy shifts as a "retreat from multiculturalism"? Part of the answer, we think, is that these shifts, while not necessarily repudiating actual MCPs, are often accompanied by a shift away from the *rhetoric* of multiculturalism. In several countries, the discourse or rhetoric of multiculturalism has become less fashionable. Fewer politicians extol its virtues or identify themselves as "multiculturalists", although nor do they propose to abolish or retrench any actual MCPs.[20]

This raises one final point of clarification regarding our test. Our focus, as we have repeatedly stressed, is on multiculturalism *policies*, and on the complaint that such policies erode the WS. We are not addressing the impact of multiculturalist rhetoric or discourse. In many cases, policies and discourse go together. Countries with strong MCPs are likely to be characterized by the rhetoric of multiculturalism. But the relationship between multiculturalist policies and multiculturalist rhetoric is complicated. One can have multiculturalist rhetoric without MCPs. For example, as we noted earlier, in Germany today the rhetoric of multiculturalism is invoked to defend policies of the non-discriminatory enforcement of traditional individual civil and political rights. Conversely, one can have multiculturalist policies without multiculturalist rhetoric. This is the case in Britain today, where the Home Secretary David Blunkett has explicitly expressed his dislike for the term "multiculturalism". It is also true, to a lesser extent, in Canada and Australia, where the word multiculturalism is less common than ten or fifteen years ago.[21]

We emphasize this point in part to avoid potential misunderstandings about our categorization of countries in section 4. When we describe Germany as "minimally" MCP we are referring to the rel-

19. Even in the Dutch case, where policy-makers talk explicitly about a rejection of multiculturalism, many MCPs remain in place, including consultative bodies, affirmative action, funding for minority religious schools, funding for mother-tongue education, and so on.

20. For more speculation on the decline of the rhetoric of multiculturalism, despite the persistence of MCPs, see Kymlicka 2003.

21. Conversely, countries that have dogmatically rejected the discourse of multiculturalism may contain a (minimal) number of MCPs. This is true, for example, of France (Schain 1999). As Schain argues, the anti-multiculturalist government rhetoric in France obscures as much as it reveals about France's actual policies.

ative absence of multiculturalist policies, not the absence of multiculturalist rhetoric. Conversely, when we describe Australia as strongly MCP, we are referring to the wide range of MCPs that are present, not to the (declining) level of multiculturalist rhetoric. But we also emphasize this point because it raises an interesting issue about the empirical critique of multiculturalism. All of the critics we have cited claim that multiculturalism *policies* erode the WS. But it is possible that what some of them are really concerned about is the rhetoric or discourse of multiculturalism. For example, it is not clear that either the misdiagnosis effect or the corroding effect really depends on the presence of MCPs, rather than simply multiculturalist discourse. We are not aware of any critics who have attributed the erosion of the WS to multiculturalist rhetoric, rather than MCPs, but it is a hypothesis that might be worth investigating. In this paper, however, we are focused exclusively on multicultural policies, particularly the 24 policies listed above.

With these clarificatory comments in place, we can now turn to an examination of the evidence.

3 • Section 3: The available evidence

What then is the evidence that MCPs erode the WS? The critics themselves provide no systematic evidence to support their claims. They offer anecdotes of an apparent tension between MCPs and the welfare state — such as Gitlin's story about the students at UCLA — but do not cite any empirical studies that show a correlation between the adoption of MCPs and the erosion of the WS.

This is perhaps not surprising because, so far as we can tell, there are no empirical studies on this topic for critics (or defenders) to cite. There is remarkably little systematic evidence available with which to test the contending interpretations of the relationship between MCPs and the welfare state. Several bodies of literature touch on the issues, but without confronting them directly.[22]

There is an enormous comparative literature on the welfare state, with a strong tradition of empirical research, but it has not focussed on the implications of MCPs. Many studies have analyzed the factors shaping the social role of the state with the aid of cross-national data sets and multiple regression analysis. This literature seeks to explain variation in social spending across OECD countries by reference to a wide range of factors, including the level of economic development, the openness of the economy, the size of the elderly population, the relative strength of organized labour, the reli-

22. The section builds on Banting 1999 and 2000.

gious profile of the population, the historic dominance of parties of the left or right and, in more recent studies, the structure of political institutions.[23] Similar factors emerge in a related literature that expands the dependent variable from the level of social spending to different broad versions of the welfare state, as in Esping-Andersen's three "welfare state regimes" (Esping-Andersen 1990, 1996) and the extensions of his classification offered by others (Castles 1989, 1996; Ferrera 1996). However, none of these studies has integrated MCP into their analysis. The closest they come is the recent focus on the implications of political structures, which concludes that federalism and decentralization — one way in which countries can seek to accommodate national minorities — is negatively associated with social expenditures as a proportion of GDP. One recent contribution to this literature finds that decentralization has more powerful (negative) effects on social welfare spending than other institutional variables, such as the level of corporatism in decision-making, the nature of the electoral system or the presence of a presidential system of government.[24] However, such studies do not distinguish between countries such as Canada, Belgium, Spain and the United Kingdom, where federal or quasi-federal institutions were adopted at least in part to accommodate sub-state nationalism, from countries such as Australia, Germany and the United States, where federalism owes its roots to other considerations.

There is a small but growing literature that explores the implications of ethnolinguistic or racial diversity of the population for a range of economic and social outcomes. Development economists, including some associated with the World Bank, have tackled the issue in their efforts to explain the poor economic performance of a number of developing countries, especially in Africa. Their primary concern is that ethnic tensions lead to communal rent-seeking in government, poor macro-economic policies and in some cases high levels of violent conflict, all of which retard the rate of economic growth in developing countries. While the main focus of this literature is the impact of ethnolinguistic and racial diversity on economic growth, the findings do touch on broader social issues as well. For example, while the association between ethnic diversity and the size of the state is weak, spending on private as opposed to public education tends to be higher in countries with more religious and linguistic diversity, and transfer payments tend to be lower in countries with high levels of ethnic diversity.[25] Given the incidence of ethnic diversity around the planet, however, these results tend to be dominated by the experience of Third World countries, and their conclusions cannot be applied directly to explanations of the levels of social support across western democracies.

23. This literature is enormous. For two major recent contributions, see Huber and Stephens 2001; and Swank 2002.

24. Swank 2002. See also Huber and Stephens 2001, Huber, Ragin and Stephens 1993, Hicks and Misra (1993), Hicks and Swank 1992, and Crepaz 1998. For an early analysis of the importance of decentralization, see Cameron 1978.

25. See, for example, Easterly 2001a and 2001b; Easterly and Levine 1997; James 1987, 1993; Nettle 2000; and Grafton, Knowles and Owen 2002.

There have been episodic attempts to incorporate ethno-linguistic diversity in analysis of development of the welfare state in OECD countries. The dominant interpretation that emerged from the first generation of research in this field highlighted the strength of organized labour, both economically and politically, as a key determinant of the postwar expansion of social expenditures (Stephens 1979, Korpi 1983, Esping-Andersen 1985). However, Stephens also found that ethnic and linguistic diversity was strongly and negatively correlated with the level of labour organization. The implication would seem to be that social heterogeneity is likely to weaken the mobilization of the working class by dividing organized labour along ethnic and linguistic lines, making it more difficult to focus on an agenda of economic inequality as opposed to inter-communal relations. Unfortunately, subsequent generations of this research did not follow up on this lead.[26] However, there has been a recent flurry of interest in the area among scholars who emphasize ethnic and racial diversity in explaining why the United States did not develop a European-style welfare state (Alesina, Glaeser and Sacerdote 2001), and in explaining differences in social expenditures across cities and states within the United States (Alesina, Baqir and Easterly 1997; Hero and Talbert 1996; Plotnick and Winters 1985). In Europe, political scientists seeking to understand the strength of radical right-wing parties point to a potent cocktail of resentments against racially-distinct immigrants and social transfers to them, leading one scholar to worry about the basic viability of a multicultural welfare state (Kitschelt 1995; also Swank and Betz 2003).

The key point from our perspective, however, is that all of these studies focus on ethnic diversity as a demographic phenomenon and are silent on the implications of the adoption of MCPs in response to such diversity. Existing studies tell us nothing about whether the adoption of formal MCPs increases a negative relationship between ethnic diversity and social redistribution, as the critics suggest, or potentially mitigates it, as the defenders reply. We therefore have to find a way of illuminating this issue more directly.

4 • Section 4: how to test the compliant?

In this paper, we rely on two forms of evidence to test the complaint that the adoption of MCPs weakens the welfare state. First, we present cross-national statistical evidence to determine whether there is a correlation between countries that have adopted formal MCPs and levels of social redistribution. Second, because this is an issue in which nuance and subtlety are important, we present short

26. Interestingly, this observation also applies to Stephens' own recent work, which does not incorporate ethno-linguistic diversity. See Huber and Stephens 2001.

case studies of the evolution of social policy in two countries that clearly have adopted strong version of MCPs.

Developing cross-national statistical evidence requires classifying countries in terms of the extent to which they have adopted MCPs. Unfortunately, there is no comprehensive and authoritative classification of western democracies in this regard, and we have therefore carried out an initial classification of our own. We classify western democracies as having adopted weak MCPs, modest MCPs or strong MCPs on the basis of whether or to what extent they have adopted the various MCPs listed earlier in section 2. Moreover, we classify western democracies for each of three types of minorities: immigrant communities, national minorities and indigenous peoples.

In the case of *immigrant groups*, for example, we previously listed nine MCPs that have often been demanded, debated, and sometimes adopted in Western democracies. To recall, these are: (1) parliamentary affirmation of multiculturalism; (2) the existence of a government ministry or secretariat or advisory board to consult with ethnic communities; (3) the adoption of multiculturalism in school curricula; (4) the inclusion of ethnic representation/sensitivity in the mandate of public media or media licensing; (5) exemptions from dress-codes, Sunday-closing legislation etc.; (6) allowing dual citizenship; (7) the funding of ethnic group organizations or activities; (8) the funding of bilingual education or mother-tongue instruction; (9) affirmative action. If a particular country had adopted most or all of these policies for much of the relevant period we are examining (1980 to the late 1990s), we have categorized it as "strong". If it only adopted one or two, we have categorized it as "weak". If it falls in-between, we have categorized it as "modest". On this basis, we have categorized countries this way:

STRONG: Australia, Canada, New Zealand
MODEST: Britain, Netherlands, Portugal, Sweden, US
WEAK: Austria, France, Germany, Greece, Spain, Switzerland.

We were not able, yet, to track down sufficient information to categorize with confidence a range of other Western countries with sizeable immigrant populations, including Norway, Finland, Ireland, Denmark, Italy and Belgium. It is almost certain that they all fall into either the "modest" or "weak" category. To our knowledge, none of these countries have adopted the sort of wide-ranging MCPs found in countries like Canada and Australia. But we do not know which of them have more modest MCPs, and which have only weak MCPs. So our immigrant categorization includes a fourth category:

WEAK/MODEST: Belgium, Denmark, Finland, Ireland, Italy, Norway

Similarly, in the case of *sizeable national minorities*, we have categorized countries based on the extent to which they have adopted the six MCPs we listed earlier, namely, (1) official language status, regionally or nationally; (2) federal or quasi-federal territorial autonomy; (3) guarantees of representation in the central government or on Constitutional Courts; (4) public funding of minority language media/universities/schools; (5) constitutional or parliamentary affirmation of "multinationalism"; (6) according international personality. If a country has adopted most or all of these, we have categorized it as "strong"; if only one or two, as "weak"; and if in-between as "modest". Based on these criteria, we have categorized those Western democracies that contain sizeable national minorities this way:

STRONG: Belgium, Canada, Finland, Spain, Switzerland
MODEST: Italy, UK, US (with respect to Puerto Rico)
WEAK: France, Greece

We have not been able to confidently locate the Netherlands on this scale. As noted earlier, the Frisian minority in the Netherlands is substantial (700,000) and territorially located, and so clearly qualifies as a sizeable national minority. It appears to have fairly weak MCPs, although in this case, unlike France or Greece, it is unclear to what extent this is due to opposition from the central government, or simply due to the lack of interest or demand from the Frisians themselves.

Finally, with respect to *indigenous peoples*, we have categorized countries based on the extent to which they have adopted the nine MCPs we listed earlier, which were: (1) recognition of land rights/title; (2) recognition of self-government rights; (3) upholding historic treaties and/or signing new treaties; (4) recognition of cultural rights; (5) recognition of customary law; (6) guarantees of representation/consultation in the central government; (7) constitutional or legislative affirmation of the distinct status of indigenous peoples; (8) support/ratification for international instruments on indigenous rights; (9) affirmative action. We have categorized countries as "strong" if they have adopted all or most of these, "weak" if they have adopted few or none of them; and "modest" if they fall in-between. On this basis, we have categorized those Western countries containing indigenous peoples as:

STRONG: Canada, Denmark, New Zealand, US[27]
MODEST: Australia, Finland, Norway, Sweden
WEAK: None

27. There was some dispute amongst our correspondents about whether to list the US as "strong" or "modest" in its approach to indigenous peoples. On the one hand, the "domestic dependent nations" status recognized by the US Supreme Court in the 19th-century has provided American Indian tribes with a legal status throughout much of the 19th and 20th centuries that most indigenous peoples around the world could only dream of. On the other hand, that status has recently been whittled away by the increasing assertion of state jurisdiction over Indian reservations, and there has been no dramatic re-affirmation of indigenous rights in the US to match the Treaty of Waitangi Commission in New Zealand; the "reconciliation" process in Australia; or the constitutional entrenchment of indigenous rights in Canada. We have decided to leave the US in the "strong" category, in part to avoid any charges of biasing the analysis. If the US were included in the "modest" category, as some experts suggested, the numbers would even more strongly refute the critics' argument.

Given the limited resources at our disposal, this classification must obviously be considered preliminary. Undoubtedly some refinement in our judgments about individual countries may be in order. However, we are confident that the classification represents a reasonable starting point for discussion.

One further clarification is important. Since we are examining the relationship between MCPs and the WS in the period from 1980 to the late 1990s, we are categorizing countries based on the policies they had in place for a substantial portion of those years. This is the two-decade period in which the debate over MCPs has been most intense, and in which several countries adopted or significantly extended MCPs, and our aim is to assess the impact of these policy choices on the WS. As a result, these rankings may not reflect the most recent changes in some countries. For example, with the legislation adopted in Britain in 1998 to devolve powers to Scotland and Wales, and the subsequent coming into operation of the Scottish parliament and Welsh assembly, one could argue that Britain should now fall into the strong-MCP category in its approach to sizeable national minorities. However, this change is too recent to have affected the evolution of the WS from 1980 to the late 1990s. If devolution has an eroding effect on social redistribution, it will only show up in later years. Similarly, some commentators have argued that Netherlands and Britain have recently "retreated" from multiculturalism in their treatment of immigrant groups, and so moved from the "modest" to the "weak" category. As we noted above, it is not clear whether this is an accurate description of the policy shift, but in any event, this shift is too recent to have affected British social programs. So our categorizations are based on the policies adopted during the period we are studying. We categorize a country as "strongly" or "modestly" MCP if it had in place strong or modest MCPs for a significant portion of the twenty-year period we are studying, and we are interested in the relationship between these policies and the WS during that period.

Having categorized countries in this way, we then look for correlations between levels of MCP and two types of variables: changes in the levels of interpersonal trust prevailing in different countries; and changes in the strength of the welfare state.[28] Interpersonal trust is often depicted by critics of MCP as an intermediate variable between the adoption of such policies and the erosion of the welfare state. MCPs are seen as eroding the feelings of trust and solidarity across groups within society; and this erosion in trust in turn weakens support for redistributive social programs, both by undermining pro-redistribution coalitions and by sparking resistance to transfer programs that are seen as disproportionately assisting other

28. Because of lack of data on key variables, Greece, New Zealand and Portugal are excluded from the analysis.

groups that are not trusted. To test this idea, we draw on data on the levels of interpersonal trust in different countries produced by the World Values Study (see Appendix One for details on this data set). These data measure overall levels of interpersonal trust among citizens generally, not attitudes about the trustworthiness of specific social groups within the population. If the general story about MCPs eroding trust were true, however, one would expect to find overall trust levels in countries that have adopted such policies falling relative to countries that have not.

For evidence of changes in the strength of the welfare state, we rely on four indicators:

1. social spending as a proportion of GDP;
2. the redistributive impact of government taxes and transfers;
3. the level of child poverty;
4. the level of income inequality.

Each of these indicators taps a different dimension of the social role of the state. Social spending as a proportion of GDP measures the proportion of the nation's resources directed by government to social purposes. On its own, however, this indicator says little about the extent of redistribution that emerges from these expenditures. The second indicator measures the redistributive impact of government by comparing inequality in market incomes and inequality in disposable incomes (after taxes and transfers are taken into account), and is perhaps the indicator that goes most directly to the heart of the questions raised by the critics of MCPs. The third and forth indicators capture important social outcomes. The level of child poverty measures the extent to which one vulnerable section of the community is protected; and the level of inequality measures the overall distribution of well-being in the country. Although these last two indicators do not focus directly in social policies, they provide indirect measures of the strength of the welfare state. Appendix One provides details on the ways in which these measures are calculated, as well as descriptions of the OECD data base on Social Expenditure (SOCX) and the Luxembourg Income Study, the two datasets on which we draw.

It is important to emphasize that our focus is on *change* in measures of trust and social redistribution from the early 1980s to the late 1990s, not on differences in the overall *level* of trust and social redistribution in different countries. When critics argue that there is a correlation between MCPs and a weakened welfare state, they are not arguing that only weak welfare states adopt MCPs. Their claim is that even if countries with strong welfare states adopt MCPs, they will have more difficulty *sustaining* the strength of their welfare states over

time, due to the crowding-out, corroding and misdiagnosis effects, than countries with only weak MCPs. So their argument is not that countries with strong MCPs will necessarily have lower absolute levels of trust or redistribution than countries with weak MCPs. Rather, their claim is that countries adopting strong MCPs are likely to have witnessed greater decline in levels of trust and redistribution as compared to countries with weak MCPs. Their claim is not about differences in absolute levels, but about changes in levels over time. Hence our test, too, focuses on the size and direction of changes in trust and redistribution in the 1980s and 1990s.

To illustrate this point, we do not ask why Australia, Canada and the United States did not develop European-style welfare states during the postwar years. Rather, we are interested in changes in levels of social redistribution in these countries since their adoption of stronger MCPs in recent decades in comparison with changes in social redistribution in countries that did not. If trust and social redistribution faded in such countries to a greater extent than in other countries, then the critics' case gains considerable support. But if there is no systematic relationship between the adoption of MCP and changes in trust and social redistribution, the critics' case is considerably weakened.

In carrying out this exercise, we look separately for relationships between MCP and trust, and between MCP and social redistribution. Ideally, one would like to incorporate both trust and MCPs into a larger model of the factors associated with social spending and redistribution across OECD countries. However, such an effort remains for the next stage of research. Because of the evidence discussed earlier that ethnic diversity on its own may constrain the redistributive role of the state, such a model would need to distinguish between levels of ethno-linguistic diversity as a social phenomenon and the adoption of formal MCPs. Unfortunately, there appears to be no data set currently available that would allow one to track changes in the level of ethno-linguistic diversity in OECD countries over time. Moreover, because the adoption of MCPs is more likely in countries with high levels of ethnic diversity, there may well be problems of collinearity.[29] All of this suggests that our analysis represents a first step, and that many issues remain for further research.

Finally, because context and nuance are particularly important in studies such as this, we supplement the cross-national statistical data with more qualitative case studies of the dynamics of MCPs and social redistribution in two countries, Canada and Belgium. Canada represents a leading exhibit for both advocates and critics of MCPs along all three of our dimensions: immigrant minorities, national minorities and indigenous peoples. Belgium is a country that

29. It might be objected that our own analysis is constrained by this difficulty. Certainly, if a clear relationship between the adoption of MCPs and the erosion of the welfare state did emerge from our evidence, subsequent work would be required to disentangle the effects of social diversity from the adoption of MCPs. However, a finding that there is no consistent relationship between MCPs and social redistribution, despite the possible additional influence flowing directly through the diversity-redistribution link, would seem to be even more compelling evidence that the adoption of MCPs does not erode the welfare state.

has radically redesigned its political institutions to reflect and accommodate one dimension of multiculturalism, sub-state nationalism. If there were a general tension between MCPs and social redistribution — if crowding out, corroding or misdiagnosis effects are powerful consequences of the adoption of MCPs — one would expect to find evidence of its pernicious effects in these two countries.

5 • Section 5: The data

The results of our examination of measures of change in trust and social redistribution are clear: there is no consistent relationship between the adoption of MCPs and the erosion of the welfare state. Tables 1, 2 and 3 provide our measures of change in trust and the welfare state. (The detailed data on levels, from which the measures of change were calculated, can be found in Appendix Two.) We discuss the results for each type of minority group separately:

5.1 Immigrant minorities

Table 1 summarizes our five indicators in the case of immigrant minorities. On average, the level of trust in countries with strong MCPs declined less than in the modest and weak groups; only the weak/modest group did better on average. Moreover, the standard deviations indicate that there is almost as much variation within our groups as in the sample as a whole.

The result is the same when attention shifts to our four welfare state indicators. Some readers may be surprised that, despite decades of cuts in many countries, social expenditures have continued to rise as a proportion of GDP. Demographic and cost pressures in major programs such as pensions and health care have clearly counterbalanced retrenchment efforts. However, there is no consistent relationship between the extent of increase and MCPs. It is true spending grew somewhat more in weak-MCP countries, but this was influenced significantly by catch-up in Switzerland, which started the period with very low spending levels.[30] A paired comparison of Canada and Australia on one hand and France and Germany on the other gives the advantage to the two strong-MCP countries. Moreover, when attention turns to redistribution, strong-MCP countries strengthened their redistributive role more than did weak-MCP countries (although redistribution did erode in the middle group, which includes the United Kingdom and the United States).

30. There is an added problem that the OECD changed the way in which it measures social spending in Switzerland and, as a result, our indicator overstates the rate of growth over this period.

		Trust %Δ		Social Spending %Δ		Child Poverty Rate Δ in percentage points		Inequality %Δ		Redistribution %Δ	
Category	**Country**	**Country**	**Average**	**Country**	**Average**	**Country**	**Average**	**Country**	**Average**	**Country**	**Average**
Strong	Australia	-17.0	-3.8	57.5	46.4	2.0	1.8	10.7	9.1	7.5	15.3
	Canada	9.5		35.3		1.5		7.4		23.0	
Modest	UK	-32.8	-6.2	35.7	10.4	2.9	0.9	13.9	8.6	-9.1	
	Netherlands	19.4		-12.5		5.4		-2.7		-0.5	-3.1
	Sweden	-0.2		6.9		-2.2		12.2		1.0	
	US	-11.4		11.5		-2.6		11.0		-3.8	
Weak	Austria		-5.5	15.0	39.4	10.2	4.7	0	-0.3		10.9
	France	-8.1		36.5		0.5		-3.4		11.4	
	Germany	23.5		34.5		7.8		7.0		10.4	
	Switzerland	-19.0		86.2		5.7		-0.6			
	Spain	-18.2		24.7		-0.5		-4.7			
Modest/Weak	Belgium	14.7	15.5	1.2	20.3	3.7	3.5	10.1	6.7	1.8	6.0
	Denmark	9.5		2.4		4.4		1.2		11.0	
	Finland	16.3		43.2		1.4		8.1		11.8	
	Ireland	15.3		-6.5							
	Italy	31.7		36.4		8.8		11.8		-3.2	
	Norway	5.4		45.2		-0.4		2.2		19.0	
Average %Δ All			2.4		26.7		3.0		5.3		6.1
Standard Deviations											
Strong		18.7		15.7		0.4		2.3		10.9	
Modest		21.8		19.8		3.9		7.6		4.5	
Weak		19.9		27.5		4.6		4.5		0.7	
Modest/Weak		9.0		23.7		3.5		4.8		8.8	
All		18.3		25.1		3.8		6.3		9.4	

Notes: See Appendix One for data sources and details of calculations, and Appendix Two for the data upon which the calculations are based
Zeros indicate no change; blank cells indicate insufficient data to complete calculation

TABLE 1

MCPs and Immigrant Minorities: Change in Trust and Social Redistribution

The two indicators that measure social outcomes point in different directions. The inequality measure shows a general drift upwards in our period, reflecting the impact of all of the forces debated in the literature on the welfare state: globalization, technological change, political conservatism, social policy retrenchment, and so on. It is true that the weak-MCP countries seem to have resisted the trend slightly more than the other two categories. But the child poverty rates point in precisely the opposite direction. Child poverty rates shows a general pattern of increasing rates over our time period but, unfortunately for critics of MCPs, child poverty grew more in the weak-MCP and the weak/modest groups of countries than in the strong-MCP group. In general, however, there is no consistent relationship, with variation within groups similar to that in the sample as a whole.

Clearly, there is no evidence of a systematic relationship between the adoption of MCPs and the erosion of the welfare state here.

5.2 National minorities

Table 2 provides the same data for the case of the recognition and accommodation of national minorities. While the details are different, the overall conclusion is the same: no clear relationship between MCP and the strength of the welfare state. Average levels of trust actually strengthened slightly in strong-MCP countries, while deteriorating in modest-MCP countries and in France, the only weak-MCP country in this table. Social spending grew somewhat faster in strong MCP counties, while redistribution strengthened by about the same amount in both the strong-MCP group and France, while eroding in the modest group. Critics of MCPs might take some heart from the data on changes in child poverty and inequality, but it is worth noting that the large variation within sub-groups. Once again, the overall pattern is no pattern.[31]

5.3 Indigenous peoples

Table 3 completes the evidence by providing measures for the case of indigenous peoples. Because a smaller number of countries have indigenous peoples and none has been classified as weak-MCP, the patterns are even more tenuous and vulnerable to the experience of particular countries. Once again, the data reveal no evidence of a systematic relationship. For what it is worth, change in trust measures between the strong and modest groups is basically a

31. There is a complication here that should be noted. As we have seen, one feature of a strong MCP approach towards sizeable national minorities is the adoption of a federal or quasi-federal regime that devolves substantial powers of self-government to a region dominated by a national minority. These powers of self-government often include jurisdiction over issues that affect both MCPs and WS. As a result, many of the questions we have been addressing in this paper at the national level also arise at the substate level. For example, the Quebecois, Scots, Flemish and Catalans have all been engaged in their own debate about how adopting substate-level MCPs would affect substate-level WS policies. A full investigation of the relationship between MCPs and WS would need to examine their relationship at this substate level as well. It would be interesting to see, for example, whether substate governments with strong MCPs (like Quebec) have fared worse, in terms of changing levels of WS spending, than substate governments with only weak MCPs (like Flanders).

This issue arises most clearly in multination states that have devolved power to self-governing regions. But it arises in all federal countries, even those not affected by minority nationalisms. For example, while the central government in Germany has historically adopted only a weak MCP approach, some *Lander* governments have adopted stronger MCPs at the substate level. It would be interesting to test whether *Lander* with stronger MCPs have fared worse, in terms of changing levels of WS spending, than *Lander* with weaker MCPs. So too in the

TABLE 2

MCPs and National Minorities: Change in Trust and Social Redistribution

		Trust %Δ		Social Spending %Δ		Child poverty rate Δ in percentage points		Inequality %Δ		Redistribution %Δ	
Category	**Country**	**Country**	**Average**	**Country**	**Average**	**Country**	**Average**	**Country**	**Average**	**Country**	**Average**
Strong	Canada	9.5	3.2	35.3	38.1	1.5	2.4	7.4	4.1	23.0	12.2
	Belgium	14.7		1.2		3.7		10.1		1.8	
	Finland	16.3		43.2		1.4		8.1		11.8	
	Spain	-18.2		24.7		-0.5		-4.7			
	Switzerland	-19.0		86.2		5.7		-0.6			
Modest	Italy	31.7	-4.2	36.4	27.9	8.8	3.0	11.8	12.2	-3.2	-5.4
	UK	-32.8		35.7		2.9		13.9		-9.1	
	US	-11.4		11.5		-2.6		11.0		-3.9	
Weak	France	-8.1	-8.1	36.5	36.5	0.5	0.5	-3.4	-3.4	11.4	11.4
Average %Δ All			-1.9		34.5		2.4		6.0		4.5
Standard Deviations											
Strong		17.8		31.2		2.4		6.4		10.6	
Modest		32.8		14.2		5.7		1.5		3.2	
All		20.9		23.7		3.4		7.0		11.3	

Notes: See Appendix One for data sources and details of calculations, and Appendix Two for the data on which calculations are based.
Zeros indicate no change; blank cells indicate insufficient data to complete calculation

United States. State governments in the US have considerable discretion both respect to MCPs (eg., in terms of providing minority-language services) and in terms of WS policies (eg., qualification requirements and funding levels for welfare programs). It would be interesting to test whether state governments in the US with stronger MCPs have fared worse, in terms of changing levels of WS spending, than states with weaker MCPs.

TABLE 3

Multiculturalism Policy and the Welfare State: Indigenous Peoples

Change in Trust and Social Redistribution, Early 1980s to Late 1990s

		Trust %Δ		Social spending %Δ		Child poverty rate Δ in percentage points		Inequality %Δ		Redistribution %Δ	
Category	**Country**	**Country**	**Average**	**Country**	**Average**	**Country**	**Average**	**Country**	**Average**	**Country**	**Average**
Strong	Canada	9.5	2.5	35.3	16.4	1.5	1.0	7.4	6.6	23.0	10.0
	Denmark	9.5		2.4		4.0		1.2		11.0	
	US	-11.4		11.5		-2.6		11.0		-3.9	
Modest	Australia	-17.0	1.1	57.5	38.2	2.0	0.2	10.7	8.3	7.5	9.8
	Finland	16.3		43.2		1.4		8.1		11.8	
	Norway	5.4		45.2		-0.4		2.2		18.9	
	Sweden	-0.2		6.9		-2.2		12.2		1.0	
Average %Δ All			1.7		28.9		0.5		7.5		9.9
Standard Deviations											
Strong		12.0		17.0		3.3		5.0		13.5	
Modest		13.9		21.8		1.9		4.4		7.5	
All		12.1		21.7		2.4		4.3		9.4	

Notes: See Appendix 2 for data sources and details of calculations

Zeros indicate no change; blank cells indicate insufficient data to complete calculation

dead heat. Social expenditures did grow more slowly in countries with strong commitments, but the change in redistribution is almost identical in both groups. In terms of social outcomes, child poverty grew slightly less in the modest group, but inequality grew slightly more. Moreover, on virtually all of these dimensions, variation within groups was as large as variation in the sample as a whole.

In short, we see no consistent relationship between adopting MCPs and changes in either trust or redistribution. We can make the same point in another way. All Western welfare states have been facing a series of challenges over the last 20 years, from pressures for economic competitiveness, deficit reduction, technological change, aging populations, political conservatism, and so on. These challenges have led to changes in all welfare states. On average, for example, across the Western world:

- social spending increased by 26%
- redistribution increased by 6.1%
- child poverty increased by 3 percentage points;
- inequality grew by 5.9%.

These numbers represent the norm for how Western welfare states responded to the challenges of last 20 years of the 20th century. If the critics were correct, we would expect countries with strong MCPs to have fared worse than average. Focusing on the case of immigrant minorities, however, the result is exactly the opposite for three of the four WS measures. Countries with strong MCPs have done better than average on changes in social spending, redistribution and child poverty.

5.4 Narrowing the sample

So far, we have been looking across the broad sweep of the Western democracies. In fairness, however, it must be said that most of the critics are focused on a narrower set of countries, and it is possible that if we reduce the sample, a pattern may emerge that is obscured when the full set of Western democracies is included.

For some critics, the focus is quite narrow — namely, the "Anglo" countries. In Barry's book, for example, virtually all of the examples he discusses of MCPs (and virtually all of the multicultural theorists he criticizes) are drawn from the UK, US, Canada and Australia. He argues that MCPs have had deleterious effects at least in these four countries. Narrowing our sample to these four countries should, therefore, provide a particularly good test of his theory. As we noted earlier, although Barry does not provide a systematic ranking

of countries in terms of their level of MCPs, he does say that Canada has "gone farther down the path" of MCPs than the United Kingdom and the United States (Barry 2001: 294), and implies that Australia is closer to Canada in this regard (eg., Barry 2001: 169). If his argument is correct, we should expect Canada and Australia to have fared worse on WS measures than the US and the UK. In fact, the results are just the opposite. If we compare the performance of these four countries on social spending and redistribution, which is Barry's main concern, the strong-MCP pair has superior performance than the more modest pair, especially in the overall redistributive impact of the state, which strengthened in Canada and Australia and weakened in the United Kingdom and the United States.

MCP Ranking	Social Spending %	Redistribution %
Canada	35.3	23.0
Australia	57.5	7.5
United Kingdom	35.7	-9.1
United States	11.5	-3.8

In short, the more we narrow our focus to the countries that are of most concern to the critics, the more problems their argument faces. The statistical evidence from across a large sample of Western democracies provides no support for the critics, but if we narrow our focus to the Anglo countries, the evidence actually contradicts the charge.

5.5 Summary

The cumulative weight of the statistical evidence is clear. While specific indicators for specific groups occasionally move in the direction predicted by critics of MCPs, there are at least as many indicators moving in precisely the opposite direction; and the most comprehensive measure of the social role of the state, the redistribution measure, consistently favours the strong-MCP group. Moreover, for most of our measures, variation within groups is similar to variation in the sample as a whole. The bottom line is that there is no evidence of a consistent relationship between the adoption of MCPs and the erosion of the welfare state.

6 • Section 6: Two case studies

Critics of our analysis might object that such statistical evidence cannot hope to capture the context and nuance that is important in assessing the relationship between MCPs and the welfare state. We therefore look more closely at the experience of two countries that have adopted MCPs by putting Canada and Belgium under the microscope. Ideally, such case studies would include a detailed analysis of the politics of social policy and the nature of coalitions supporting the WS, to look for evidence of crowding out, corrosive impacts and misdiagnosis. However, this level of microanalysis goes beyond the scope of this paper. Rather, we provide an overview that asks whether there is prima facie evidence of the adoption of MCPs generating a backlash against social programs or undermining the redistributive role of the state.

6.1 Canada

During the postwar era, Canada built its own version of the welfare state, one that combined universal public health care with substantial income transfer programs. While the Canadian social policy regime was less extensive than that in many northern European countries, it did represent a more ambitious social role for the state than that prevailing in its giant neighbour to the south. Starting in the 1970s, Canada also adopted a strong set of MCPs.[32]

There is no question that in recent decades the Canadian welfare state has been under substantial pressure, and a long series of incremental policy changes have restructured and in some cases weakened social programs. The sources of these pressures have been diverse: globalization, technological change, the aging of the population, the fiscal weakness of Canadian governments in the 1980s and early-mid 1990s, a resurgence of conservative doctrines in political discourse, and so on. In all of this, the Canadian story is a variant of the experience of western nations generally. It is hard, however, to find evidence that MCPs have been a powerful contributor to cuts in the welfare state. The story is the same whether one looks for evidence of a powerful and sustained backlash against MCPs, or for signs that the adoption of MCPs have injected inter-communal conflicts into the heart of social policy discourse, or for evidence that there has been an overall weakening of social redistribution in the country.

As in all pluralist polities, MCPs are subject to active debate and contest. But there is little evidence of a sustained backlash against MCPs undermining political forces committed to the welfare

32. For a discussion of MCPs in Canada, see Kymlicka 1998, chaps. 1-8, especially chap. 3, which lists 13 specific MCPs.

state. At the level of public opinion, polls have shown that support for the multiculturalism policy in Canada has remained fairly stable between 55-70%.[33] Moreover, a recent analysis of the relationships between ethnic diversity, trust and support for social redistribution finds that, although increasing ethnic/racial diversity does have negative implications for levels of interpersonal trust, there is no relationship with measures of support for the welfare state (Soroka, Johnston and Banting 2002).

The restructuring of the party system points in the same direction, although the story is more complex. During the 1970s and 1980s, there was a broad multi-party consensus in favour of MCPs in Canada. During the 1990s, however, a rather inchoate resentment against Quebec, immigration and aboriginal claims did emerge in certain parts of the country, and was one factor fuelling the sudden emergence in 1993 of the Reform Party, a populist, neoconservative party based largely in the west. There is no question that this process injected a more radically conservative voice into Canadian politics and social policy discourse. However, the rise of Reform also split the political right into two parties, Reform and the historic Conservative Party, with the result of significantly reducing the right's chances of electoral victory. Moreover, popular disgruntlement with multiculturalism eased as the decade progressed, and Reform found itself encumbered with an image of enthnocentrism that was a major handicap during subsequent elections, especially in the populous regions of central Canada. As the party struggled to establish itself, it changed its name, muted its criticism of multiculturalism and increasingly supported the main lines of immigration policy. In addition, the party now has significant representation of people of colour in its parliamentary caucus. Throughout all of this turmoil and restructuring, the centrist Liberal Party reigns supreme, without serious electoral threat from a divided right.

Nor is there evidence that the adoption of MCPs has injected inter-community conflicts into the heart of social policy discourse. Welfare recipients and the poor more generally are not socially distinctive in Canada: they do not stand out in linguistic, ethnic or racial terms. Although newly arrived immigrants receive settlement services and language training, most immigrant communities have integrated economically, achieving average incomes comparable with, if not higher than the Canadian average.[34] Aboriginal peoples do suffer strikingly high levels of economic and social distress, and are heavily dependent on social transfers. In the main, however, their problems are addressed through separate programs, and do not infuse debates about mainstream social programs.[35] As a result, the dominant public

33. The most systematic polling data on support for MCPs in Canada is in Angus Reid 1991. For information about other polls, see Reitz and Breton 1994: chap. 2; Driedger 1996: 261-3; Ekos 1996; Canadian Issues 2002: 4-5. Barry claims that most Canadians oppose the policy. He bases this claim on a single poll result from 1993. According to Barry, "nearly three-quarters of respondents [in this poll] rejected the idea that Canada is a multicultural nation", and he asserts that this "amounts to a direct repudiation of the Canadian Multiculturalism Act" (Barry 2001: 292). This is a misreporting of the poll, which did not ask Canadians whether they approved of either the policy or the principles it is based on. The results of this poll are consistent with other polls showing that most Canadians want immigrants to adopt Canada's liberal-democratic values and to learn an official language, but within these two constraints support the idea of accommodating diversity through MCPs. The public's insistence on these two constraints — adopting liberal-democratic values and learning an official language — does not contradict the principles of the Multiculturalism Act. On the contrary, these two constraints are explicitly included in the Act, as guiding principles of the policy.

34. There is some initial evidence that immigrants in the 1990s did not integrate economically as well as in the past. If this pattern persists despite the recent strengthening of the economy, the political dynamics might change.

35. An exception may be over-representation of urban aboriginals in welfare caseloads in some western cities. It is revealing, however, that little is known about this question.

perception of the poor does not have a distinctive racial or ethnic hue.

The pattern is similar when one examines the accommodation of Quebec nationalism. Successive efforts to reconcile Quebec and Canada through constitutional reforms during the last quarter century were intense, exhausting and often divisive.[36] But they did not shake the underpinnings of the Canadian welfare state. Federal institutions have played an important role in the evolution of the Canadian welfare state from the beginning, and it is possible to argue that the complexities of federalism did limit the development of a more ambitious social policy during the postwar years (Banting 1987). But the constraints inherent in decentralized institutions have not been rooted primarily in resistance to transfers between language communities. Certainly, it is hard to find examples in the last twenty years of efforts to cut social programs that were driven primarily by anti-Quebec sentiment. Dependence on social benefits is not significantly higher in Quebec than elsewhere, and is certainly lower than in Atlantic Canada, the poorest region in the country. Not surprisingly therefore, the regional politics of retrenchment in programs such as unemployment insurance have tended to pit the federal government against political representatives, not just of Quebec, but of the Atlantic provinces as well. A similar pattern pervades debates about the inter-regional transfers designed to equalize the capacity of rich and poor provincial governments to provide public services. Such inter-regional transfers have become controversial in many federations. But attacks on the Canadian equalization program seem no more intense than criticisms of the equivalent program in, say, Germany. More importantly, such criticism as does exist is not aimed primarily at Quebec.[37] When the conservative premier of Ontario, one of Canada's richest provinces, recently criticized the equalization program for encouraging dependency in poor regions, his target was Atlantic Canada, the part of the country with the *lowest* presence of immigrant, national and indigenous minorities.

Nor is it easy to interpret debates over decentralization of social policy simply as covert efforts to reduce inter-communal redistribution. As in most systems of multi-level governance, there has been an active debate over decentralization in Canada, and some movement in that direction has taken place. However, the case for decentralization has been led by Quebec, which is a modest beneficiary on a per capita basis of inter-regional redistribution; and decentralization of authority over programs tends to be accompanied by adjustments in financial transfers to compensate for the differing fiscal capacity of provincial governments. While decentralization can be advanced as a method of reducing inter-communal redistribution,

36. Barry argues that one of the reasons Canada does as well as it does is that Canadians as a whole have rejected proposed constitutional reforms that would have extended and entrenched the MCP approach (Barry 2001: pp. 313-14). Whatever the validity of this claim, it does not reduce the extent to which Canada is a strongly MCP country in practice.

37. One exception came during the 1997 election when the platform of the Reform Party proposed a revision of the equalization program which, if adopted, would have removed Quebec from the list of recipient provinces. However, the implications for Quebec were not made explicit, and the proposal was largely ignored during the campaign. Banting 1999: 127.

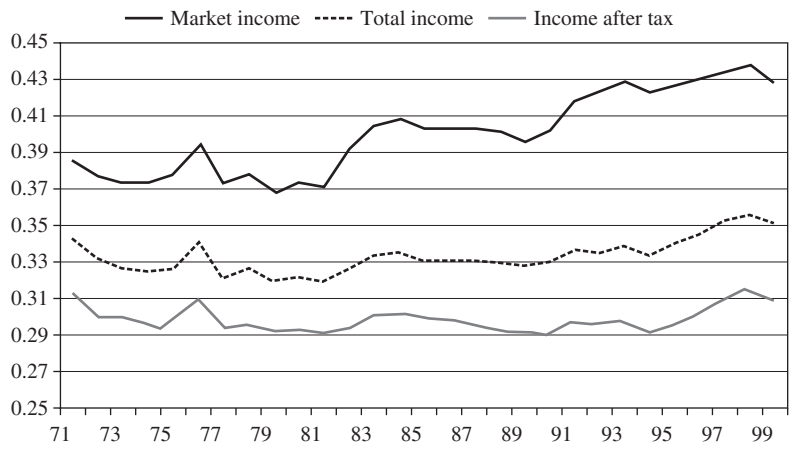
as we shall see in the case of Belgium, the Canadian case indicates that it is not a uniform pattern.

Finally, the evolution of Canadian social policy over the last twenty years provides no support for the proposition that the adoption of MCP significantly erodes the welfare state. As the tables discussed in the previous section confirm, there is little evidence of a serious erosion of the social role of the Canadian state. Because Canada began to develop its MCPs in the area of immigrant minorities in the early 1970s, before the period covered by out comparative data, it is worth looking at social redistribution over a longer time period to make sure that damage had not already been done by 1980. Figure 1 speaks to this question. Market inequality was relatively stable in the 1970s and then, as in many countries, rose in the 1980s and 1990s. But the distribution of total income, which includes government transfers, and income after taxes have remained remarkably stable, with a slight growth in inequality in the second half of the 1990s fading in 1999. It is worth noting that inequality in 1999 was slightly lower than in the early 1970s, when Canada began to develop its MCP. This is a record few western countries can claim. Moreover, there is little evidence of attempts to exclude minorities from social programs: there has been no lengthening of residency periods for immigrants seeking to qualify for support; funding for aboriginal programs rose rather than fell during the economically difficult decade of the 1990s; and inter-regional transfers suffered fewer cuts than many other public programs.

In short, Canadian experience does not support the proposition that the adoption of formal MCPs erodes the welfare state. Historically, relatively decentralized federal institutions, themselves part of

FIGURE 1

Inequality in Canada, 1971-1999: gini coefficients



Source: Statistics Canada

a strategy to accommodate Quebec nationalism, may have constrained the scope of welfare state development during the postwar years. But the record of the last twenty years suggests that it is possible to combine strong multicultural policy and commitments to social redistribution established in earlier times.

6.2 Belgium

Although the Belgium case reveals a different interaction between MCPs and the welfare state, the conclusion is broadly similar. The transformation of Belgium from a unitary to a federal state is one of the most dramatic efforts to accommodate substate nationalism in western democracies. In this area, Belgium stands as a strong exemplar of the MCP approach. Moreover, there is no question that social policy debates are increasingly defined in inter-communal terms. In terms of historical development, however, it is clear that the growth of substate nationalism precipitated these changes, and that the restructuring of both institutions and discourse was the result, not the cause of inter-communal tensions. As we shall see, it is possible to argue that federal institutions, once in place, reinforce the inter-communal nature of social policy debates. But there is little evidence that such efforts have actually contributed to the erosion of the welfare state itself.

Belgium was born as a unitary state on the French model in 1830, and remained highly centralized during the period in which it built the basic planks of its comprehensive welfare state. The universal system of social security system provides high-quality health care and income protection from major social risks, financed primarily through social security contributions, and managed jointly with the "social partners," representatives of business, labour and professional groups. The system that had emerged by the beginning of our time period was comparatively generous, with total public social spending as a proportion of GDP in 1980 among the highest in the OECD.

This centralized polity came under immense strain as a result of the rise of Flemish nationalism. The integrated party system gave way to communal systems; and four major waves of constitutional reform in 1970, 1980, 1988 and 1993 transformed Belgium into a complex federal state, with substantial powers exercised by three Regions and three Communities, each with its own parliament and government. The Regional governments take responsibility for territorially-based issues, such as infrastructure, urban planning, the environment and economic programs, while the Communities are responsible for linguistically-sensitive matters such as education, broadcasting,

cultural policy and tourism. Belgium now stands as a relatively decentralized federation.

The welfare state stands as an exception to this pattern, remaining highly centralized. Social security, including income transfers and health care, is the largest and most important function still lodged with the central government, and social programs involve a significant implicit transfer of resources from Flanders, the affluent Flemish-speaking region in the north of the country, to Wallonia, the poorer French-speaking region in the south. Policy-making within the central government is subject to the exacting *concertation* mechanisms that characterize Belgian corporatism. Major policy decisions require the consent of federal representatives from both language communities, as well as the social partners who are also bi-national in character. As a result, changes in social security programs require high levels of consensus among both linguistic blocs and social groups.

Despite this consultative tradition, the highly centralized nature of social policy has come under powerful pressure, and the politics of bi-nationalism have clearly infused social policy discourse in the last decade. During the 1990s, Flemish nationalists demanded that important social programs, especially health care and family benefits be decentralized. This demand sprang from two concerns: a desire to design social policy more fully in light of Flemish priorities and preferences; and a desire to reduce inter-communal transfers. Tensions over inter-regional transfers have been particularly intense in Belgium. Studies during the early 1990s pointed to an "income paradox:" although earnings were higher in Flanders, the disposable income available to citizens after taxes and social security benefits were taken into account appeared to be higher in Wallonia, suggesting that redistributive mechanisms were overcompensating for inter-communal inequalities. Not surprisingly, Flemish politicians objected, with more radical nationalists asserting that Flemish taxes had, in effect, bought each Wallonian family a new car in recent years. Although subsequent studies suggested that the income paradox disappeared after the early 1990s, the politics lingered. More recently, evidence suggested that per capita consumption of public health care was significantly higher in Wallonia than in Flanders. In part, this pattern reflected demographic and economic factors (more elderly and more unemployed people), but it also reflected heavier reliance on diagnostic tests and specialist services for the same medical problem (Van Parijs 1999). Flemish commentators quickly objected to subsidizing what they saw as expensive cultural preferences in Wallonia.[38]

In 1996, the Flemish Parliament began to prepare for a new phase of constitutional reform, by endorsing nationalist proposals in

38. Once again, later studies suggested that early reports overstated the differences between Flanders and Wallonia, and that differences between urban and rural areas (and especially between Brussels and the rest of the country) were far greater. See de Cock 2002.

principle and setting studies in motion. In the run-up to the 1999 federal election, it demanded that health care and family benefits be decentralized. Despite considerable political investment in the cause on the Flemish side, however, the proposals have been blocked by determined resistance from Wallonia. Political leaders from that community fear that decentralization, especially without alternative forms of inter-regional transfers, would weaken social protection in their region. They also fear that removing such a key function from the central government would also erode the bonds of social solidarity among Belgians more generally, and put the survival of the Belgian state itself at risk.[39] Because constitutional changes in Belgium require a two-thirds vote in the federal Parliament, and therefore a bi-national consensus, Walloon objections have prevailed. The issue was not resolved, as many Flemish politicians had hoped, by the 1999 election, and consensus on the issue remains elusive (de Cock 2002).

Thus the Belgian case does reveal inter-community conflict over social policy. Moreover, it is arguable that the new institutions of Belgian federalism reinforced the intensity of debates. The existence of a Flemish Parliament created a venue for the development and expression of decentralist proposal, and political leaders in the Flemish parliament were more committed to decentralization than their Flemish counterparts in the federal parliament, whose fundamental role requires a continuous effort to fashion inter-communal compromises with Walloon leaders. Federal institutions are obviously not the primary cause of inter-communal conflict in Belgium, but the redesign of federal institutions probably has accentuated the definition of social policy discourse in inter-communal terms.

The Belgian case suggests that stories about crowding out, corrosion of solidarity and misdiagnosis do not capture all of the dynamics in this area. The Belgian story is not a story of crowding out; nationalists have focused on social programs with intensity. It is a story about the corrosion of a pan-Belgian sense of community and related political organizations, such as the old party system. But this transformation was driven by the power of nationalist politics, and the adoption of federal institutions was probably the only way in which Belgium could persist as a single state. Once federal institutions were in place, they contribute to the definition of social issues in inter-regional terms, a pattern found in a number of multination federations. Unlike in Canada, however, there are no other regional voices to diffuse the bi-national discourse.

Thus when attention focuses on the nature of discourse, institutional change reinforced the definition of social issues in inter-communal terms. However, when attention shifts to policy outcomes, the measure adopted in this paper, the Belgian case does not support the

39. In addition, the decentralization agenda generated some unease within the Flemish Socialist Party. Although it supported decentralization, it insisted that reform be done in ways that preserve social solidarity (Banting 1999, p. 124).

argument that the adoption of an MCP approach has led to the erosion of the welfare state. Health care and family benefits remain central responsibilities. Social spending as a proportion of GDP has remained stable for the last two decades. And although indicators of inequality have crept up marginally, the increase is well within the range of many countries in the OECD.

6.3 Summary

More qualitative analyses do reveal more complex and nuance interactions between MCPs and the welfare stare. But the broad conclusions here are consistent with the weight of the statistical data. There is no evidence here that the adoption of MCPs consistently weakens the welfare state. The Canadian case shows that strong MCPs can be adopted without "ethnicizing" debates over the WS; the Belgian case shows that even when MCPs do lead to an ethnicizing of social policy debates, they do not necessarily erode the WS more than elsewhere, and may indeed be the only way to protect the state from splitting up entirely.

7 • Section 7: summary and reflections

To return to our original question, do multiculturalism policies erode the welfare state? The evidence in this paper is clear. There is no evidence that countries that have adopted strong MCPs have seen erosion in their welfare states relative to countries that have resisted such programs. This result is not surprising. Students of social policy established long ago that the social role of the state is rooted in core features of the political economy of each country. As we have seen, when explaining levels of social spending, analysts have turned to such factors as economic growth, the openness of the economy, unemployment levels, the age structure of the population, the religious complexion of the country, the strength of organized labour, the ideological position of historically dominant political parties, and the structure of political institutions. There are hints that the level of ethno-linguistic diversity should be added to this list; and certainly federalism and decentralization, one instrument for the accommodation of sub-state nationalism, turn out to be negatively associated with social expenditures. But in comparison with such core structural factors, it would be surprising if MCPs generally proved to be a powerful factor. Undoubtedly, our analysis has limits, and we hope it stimulates further research, including the inclusion of MCP status in general models of change in the welfare state. Nevertheless, the

preliminary evidence marshaled here is clear: the case advanced by critics of MCP is not supported.

Conclusions flowing from cross-national analyses do not necessarily apply with equal force to individual countries. We acknowledge that there may well be individual cases in which there is a tension between MCPs and the welfare state. In particular, the U.S. is a complex case. Certainly, the politics of race have played a corrosive role in the politics of social policy in that country, and it is not surprising that many of the examples advanced by critics of MCPs come from American experience. However, we would advance two qualifications. First, it is important to distinguish between the impact of race and the impact of MCPs on the politics of social policy in the US. Second, it is important not to generalize from US experience to other contexts.

Race is a thread running through the history of the US social programs long before MCPs. During the passage of the Social Security Act in 1935, resistance from southern congressmen and other conservatives led to the exclusion of agricultural and domestic labourers, denying coverage to three-fifths of black workers; and southern congressmen led a successful campaign in the name of "states' rights" against national standards in public assistance, leaving southern blacks at the mercy of local authorities (Quadagno 1988; Orloff 1988). In the 1960s, racial politics swirled around Aid to Families with Dependent Children (AFDC) and the Great Society programs. As welfare rolls expanded and new poverty programs were put in place, the profile of the poor became racially charged. Black families represented close to half of the AFDC caseload and Hispanic groups were increasingly over-represented. Resentment against these programs did help fracture the New Deal coalition and the base of the Democratic Party. White union members, white ethnics and southerners deserted their traditional political home, especially in presidential elections, in part because of its image on race and welfare issues (Skocpol 1991). The effect was so powerful that the Democratic Party sought to insulate itself in the 1990s by embracing hard-edged welfare reforms, including the 1995 reforms signed by President Clinton. In this context, it is not surprising that MCPs in the 1980s and 1990s were swept into a toxic social politics. But the racialization of US social policy was well established before then, and it seems inappropriate to lay the blame for the fragmenting of pro-welfare state coalitions solely or primarily at the feet of MCPs.[40] That whites are reluctant to support welfare policies that disproportionately benefit blacks and Hispanics is a well-established factor in American history: we have seen no evidence to suggest that adopting MCPs has exacerbated that regrettable trend, or that this reluctance would somehow have disappeared or

40. As noted earlier, several analysts have noted the role of race and ethnicity in explaining differences in social expenditures across cities and states within the US. In the spirit of this paper, it would be interesting to expand this analysis by attempting to distinguish between ethnic diversity and MCPs in explaining variations in social spending within the US.

lessened in the absence of MCPs.[41] In addition, it is important not to extrapolate from the distinctive politics of race in the US to other contexts.

How to maintain and strengthen the bonds of community in ethnically diverse societies is one of the most compelling questions confronting Western democracies. The growing diversity of Western societies has generated pressures for the construction of new and more inclusive forms of citizenship and national identity. The evidence in this paper suggests that debates over the appropriateness of multiculturalism policies as one response to this diversity should not be pre-empted by unsupported fears about their impact on the welfare state.

Appendix

1. Measures of trust and social redistribution

1.1 *Trust*

Data on trust come from the World Values Survey, which has been conducted in multiple waves in a growing number of countries, with 43 being involved by the early 1990s. (For more on the World Values Survey, see Inglehart, Basanez and Moreno 1998). The trust variable measures the level of general interpersonal trust, rather than trust in particular institutions or social groups, and is drawn from responses to the question: "Generally speaking, would you say that most people can be trusted or that you can't be too careful in dealing with people." The figures for 1981, 1990 and 1995-97 in Appendix Two represent the percentage of respondent who provide "trusting" responses to the question. Figures for "change" in Tables 1-3 are the change in the response between 1981 and the latest observation for each country as a percent of the 1981 level.

1.2 *The Welfare State and redistribution*

This paper employs four indicators of the strength of the welfare state and redistribution in countries: public social expenditures as a percent of GDP; the redistributive impact of government taxes and transfers; the child poverty rate; and the level of income inequality. Data for public social expenditures as a percent of GDP are from the OECD Socx data set, and can be obtained from *www.oecd.org*. Data on the three other measures are from the Luxembourg Income Study (LIS), a cooperative research project that has established a collection of household income surveys from countries around the world. The LIS team harmonizes and standardizes the micro-data

41. William Galston, who served as a domestic policy advisor to Bill Clinton, has responded to Barry's claim that multiculturalism has eroded the welfare state in the United States by saying that "as a piece of serious political analysis, it is a fantasy", and "doesn't survive cursory inspection" (Galston 2001). According to Galston, the roots of the weakness of the American welfare state, including its racial dynamics, are independent of, and lie far deeper than, MCPs.

from the different surveys to facilitate comparative research. Because the original country surveys were conducted in different years, LIS-based research normally compares countries in 5-year periods (early 1980s, late 1980s, early 1990s, etc), a practice followed here. More information on the LIS database can be found at www.lis-project.org.

The four specific measures employed in this paper are calculated as follows:

a *Public social spending as a % of GDP*: In general terms, public social expenditure includes expenditures on health, income transfers and social services (but not education). In specific terms, the category includes: old age benefits, disability cash benefits, occupational injury/disease benefits, sickness benefits, services for elderly and disabled people, survivors, family cash benefits, family services, active labour market programs, unemployment benefits, health, housing benefits and other contingencies. Appendix Two provides the basic levels of public social expenditures as a percent of GDP for 1980, 1990 and 1998. The figures for "change" in Tables 1-3 measure the change between 1980 and 1998 as a percent of the 1980 level. There has been no adjustment for the extent to which "public social expenditure" includes above-average benefits and services for minorities that formed part of the classification scheme for strong/modest/weak MCP. However, given the size of the communities involved, it is doubtful that collinearity between the two variables is a significant problem.

b *Redistribution*: This measure captures the extent to which inequality in market incomes is reduced by government taxes and transfers. Following the approach normally employed by LIS researchers, the measure is the difference between inequality in market income (MI) and inequality in disposable income (DPI), which takes account of taxes and transfers, expressed as a proportion of market income. The formula is: the gini for MI minus the gini for DPI divided by the gini for MI. Figures for specific periods in Appendix Two (e.g., the 1980s) are for this measure of redistribution. Figures for "change" in Tables 1-3 are the change in this redistribution measure between the two periods as a percent of the earliest period.

LIS advises that the LIS data for France in 1981 are from the CERC Survey of Women with Children and are not a representative sample. Measures for the "early 80s" for France therefore come from the 1984 data. LIS also warns that the data for MI for Italy and Belgium (1985 and 1988) data are

really for net income and incorporate the effects of taxes. As a result, market ginis are lower and redistribution is underestimated in those years. (Communication from David Jesuit of LIS). This complication does not affect the data for DPI that are the basis of the inequality measure discussed below in (d). We are indebted to Vince Mahler, Jonathan Schwabish and David Jesuit for assistance in clarifying the data, and especially to Vince Mahler for sorting out technical problems associated with "zero" DPI responses and for sharing his data with us.

c *Child Poverty Rate*: In the LIS database, the poverty line is set at 50 percent of median adjusted disposable income for all persons. Appendix Two reports the child poverty rate, defined as the percentage of all children in poverty, for specifics periods (eg, the early 1980s). The figures for "change" in Tables 1-3 are the change in the rate of child poverty between the earliest and latest data available for each country. In this calculation, a change from a child poverty rate of 6% in the earliest period to 8% in the latest period is a change of 2.

d *Inequality*: Data on inequality are for disposable income for all households, the LIS aggregate income variable labeled DPI. This measure includes both market income and the effects of taxes and government transfers. Figures for specific periods in Appendix Two (e.g., early 1980s) are gini coefficients, a measure of inequality in which the higher the number, the greater the level of inequality. Figures for "change" in Tables 1-3 are the percentage change in the gini coefficient for the earliest and latest periods available for each country (i.e., the change between the earliest and the latest gini coefficients expressed as a percent of the earliest gini coefficient).

1.3 *The sample of countries*

Countries included in the analysis are western democracies, and had democratic political institutions throughout the period under study (1980s to late 1990s). The primary limitation on inclusion in the sample was availability of data. Only countries for which data was available for at least two of the five measures were included, and as a result Greece, Portugal and New Zealand are not included.

Notes: See Appendix One for data sources and details of calculations

Country	Trust (% trusting)			Public Social Expenditures (% of GDP)			Child Poverty Rate%				Inequality in Household Disposable Income (gini coefficients)				Redistribution			
	1981	1990	1995 /97	1980	1990	1998	Early 80s	Late 80s	Early 90s	Late 90s	Early 80s	Late 80s	Early 90s	Late 90s	Early 80s	Late 80s	Early 90s	Late 90s
Australia	48.2		40.0	11.3	14.4	17.8	13.8	15.0	15.8		0.281	0.304	0.311		0.294	0.293	0.316	
Austria		31.8		23.3	25.0	26.8		4.8	15.0			0.227	0.277					
Belgium	29.2	33.5		24.2	24.6	24.5	4.0	3.8	4.6	7.7	0.227	0.232	0.224	0.25	0.454	0.452	0.504	0.462
Canada	48.5	53.1		13.3	18.3	18.0	14.8	14.8	15.3	16.3	0.284	0.283	0.281	0.305	0.239	0.276	0.313	0.294
Denmark	52.7	57.7		29.1	29.3	29.8		4.7	5.0	8.7		0.254	0.236	0.257		0.365	0.447	0.405
Finland	57.2	62.7	47.9	18.5	24.8	26.5		2.8	2.3	4.2		0.209	0.21	0.226		0.374	0.371	0.418
France	24.8	22.8		21.1	26.5	28.8	7.4	8.3	7.9		0.298	0.287	0.288		0.37	0.403	0.412	
Germany	32.3	37.9	39.9	20.3	20.3	27.3	2.8	4.6	10.6		0.244	0.247	0.261		0.374	0.411	0.413	
Ireland	41.1	47.4		16.9	19.0	15.8		13.8				0.328						
Italy	26.8	35.3		18.4	23.9	25.1		11.4	13.2	20.2		0.306	0.289	0.342		0.278	0.29	0.269
Netherlands	44.8	53.5		27.3	27.9	23.9	2.7	5.2	8.1		0.26	0.256	0.253		0.404	0.421	0.402	
Norway	61.5	65.1	64.8	18.6	26.0	27.0		4.3	5.2	3.9		0.233	0.231	0.238		0.344	0.387	0.409
Spain	35.1	34.2	28.7	15.8	19.3	19.7	12.7		12.2		0.318		0.303					
Sweden	56.7	66.1	56.6	29.0	31.0	31.0	4.8	3.5	3.0	2.6	0.197	0.218	0.229	0.221	0.521	0.498	0.51	0.526
Switzerland		42.6	34.5	15.2	19.8	28.3	4.3		10.0		0.309		0.307					
UK	43.3	43.7	29.1	18.2	21.6	24.7		12.5	18.5	15.4		0.303	0.336	0.345		0.35	0.301	0.318
US	40.5	51.1	35.9	13.1	13.4	14.6		25.0	24.3	22.4		0.335	0.336	0.372		0.232	0.242	0.223

TABLE 4

MCPs and the welfare state: levels of trust and social redistribution

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Comments on Schnapper and Banting & Kymlicka

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1 • Introduction

Dominique Schnapper and Will Kymlicka have raised two issues that are both of theoretical and of political importance. The first issue concerns the relationship between linguistic pluralism and the future of democracy. The second issue concerns the relationship between multiculturalism policies and the future of the Welfare State.

I would like to approach these issues by exploring the implications of the two papers for a topic that has not yet been investigated here: that of the future of the European Union. Indeed, most of the time these two questions of multiculturalism inside the borders of the nation-state, on the one hand, and of multinationalism at the European scale, on the other, are interlinked. They are connected since the arguments used to deny the possibility of both a European democracy and an ambitious European social policy are often the same as those used to contest multiculturalism policies inside the borders of the nation-states. This is particularly obvious in France, a country in which the most fervent opponents to multiculturalism policies are also the most fervent opponents to the European integration process.

The point I would like to make is precisely that it shouldn't be so since these two questions are very different, both theoretically and practically.

2 • Linguistic pluralism and democracy

Regarding the relationship between linguistic pluralism and democracy, Dominique Schnapper has raised a question that is too often neglected by European political scientists. While much has been

written to celebrate the "cultural diversity" of the European Union, the relationship between language and democracy has not been worked out properly by the advocates of a "post-national model".

Dominique Schnapper's paper has the merit of reminding us that linguistic unity within national boundaries was one of the imperatives of modern nation-state building process since it facilitated communication between people and elites, the acquisition of skills essential for social mobility and the diffusion of a homogeneous public culture. Above all, Dominique Schnapper's paper recalls us that a common language is not only a means for economic development and human mobility. It is also a means for the democratic process. This is the reason why the issue of "language" cannot be relegated to the private sphere, as religion has. A common language should not be reduced either to a purely instrumental or to a purely ethnic dimension. A common language also has a civic aspect, since it is a necessary condition for a deliberative democracy. Indeed, if political decisions are going to be made in a genuinely democratic way — i.e. through public discussion in which all sections of the society have their voice heard — one crucial requirement is the existence of a common language. No one can doubt that compromises and deliberations have little chance of taking place among people who do not understand each other.

This is precisely the reason why public recognition of several languages inside a given polity could, according to Dominique Schnapper, threaten democratic life itself. History has shown that very few countries have succeeded in dissociating cultural loyalty from political loyalty. Dominique Schnapper thus remains pessimistic about the possibility of combining the plurality of cultures and languages in a common public sphere with the minimum political unity necessary for a genuine democracy.

However, we should be careful to avoid a misunderstanding regarding the implications of linguistic pluralism. More precisely, I think that Dominique Schnapper's paper raises, though implicitly, two different questions which should be clearly distinguished from each other.

- The first question concerns the hypothesis of a public recognition of the regional languages *inside* the borders of the existing nation-states. A recognition that could threaten the "republican" (in the French-speaking world) or the "liberal" (in the English-speaking world) conception of citizenship.
- The second question is that of the official recognition of all the national languages in the European Union. This latter type of linguistic pluralism — i. e. the continuing existence of lan-

guage divisions among the peoples of Europe — could, still according to Dominique Schnapper, threaten the possibility of establishing a genuine democracy at the European scale. Although negotiations inside the European institutions are increasingly carried out in English, these debates will remain opaque to a vast majority of citizens. Consequently, Schnapper emphasizes, that only a minority of people will consider themselves "citizens of Europe". Hence a democratic deficit for the European Union.

I believe that these two types of linguistic pluralism are too often conflated. They have both different causes and different implications. Indeed, there is no connection between them. What I would like to argue is that Dominique Schnapper's second proposition — i.e. a European democracy is difficult to conceive because there is no European common language — cannot be inferred from the first proposition — i.e. the public recognition of several languages inside the national states could threaten democratic life.

More precisely, I fully agree with Dominique Schnapper that a democratic society is characterised by a tension between the rational, formal and abstract principles of citizenship and the communitarian and ethnic reality of civil society. Therefore, I do not deny that a common official language has played, and should continue to play, a key role in fostering the democratic values.

However, while I am prepared to admit that the first type of linguistic pluralism (inside the borders of the nation-state) could indeed threaten democratic life, I don't think that linguistic pluralism is a problem for the European Union.

Why? Simply because the European Union is not a nation and has no vocation of becoming one. Indeed, one should not confuse the nation-building process which took place in the XIXth century — and which was characterised, as Dominique Schnapper has recalled us, by the imposition of a common language and the "invention of traditions" (Hobsbawn, 1997) — with what is taking place at the European level.

Far from being a federal state, the European Union should be viewed as a federation of democratic states. According to this latter perspective, the Union has no vocation to replace the national bonds and loyalties and democratic life should continue to take place primarily at the state level. Alexis de Tocqueville considered this situation — in which the local state or the nation remains the primary focus of political identity and allegiance — as the fate of a true federalism — one founded on the association and not on the subordination of the different states.

Hence a frequent misunderstanding regarding the implications of linguistic pluralism for the European Union. If one considers the European Union as a federal state or as a nation-state writ large, there is no doubt that the language divisions among the peoples of Europe have to be overcome — since this linguistic pluralism undermines the possibility of a genuine European democratic life. This might be the reason why Jürgen Habermas, one of the advocates of this "federal state model" has suggested the imposition of English as the "first second" language for all future European citizens (Habermas, 1995).

However, there is another way of conceiving the European Union in which the democratic debates will continue to be carried on in the vernacular language of each national community. If one considers the EU as a federation of democratic states, the European debates could perfectly be "translated" by the national representatives into the language and the symbolic references of their respective states. According to this perspective, the European Union should be founded on an indirect democratic control by which the representative of each country receives its instructions from a national executive elected directly or through a parliamentary vote. If one wants to overcome the democratic deficit of the European Union, one should look not so much towards a hypothetical European public opinion but rather to separarate bodies of public opinion that could nurture the negotiations at the European level. What matters is to relaunch the national political debate on Europe and to consolidate democratic political control inside the nation-states rather than reinforce the accountability of the European Union.

The debates on the Maastricht treaty which took place in France and in Denmark ten years ago or, more recently on the Nice treaty in Ireland, have all illustrated this logic. These referenda provided an opportunity for lively democratic debates on the European future. They thus reinforced democratic life. Yet, they were national and not European debates.

Should we deplore it? I don't think so since the aim of the European construct is not to reproduce the democratic and the identification logic, which prevails inside the nation-state. The constitution of a European *demos* united by a common language should thus be considered neither as a pre-requisite nor as the aim of European integration.

Moreover, the absence of such a *demos* united by a common language should not be considered a weakness for the European Union. Indeed, this linguistic pluralism reinforces the unique character of a polity founded on an open deliberation and confrontation

process among distinct peoples and distinct political identities. According to this perspective, mutual recognition among the peoples of Europe — what Joe Weiler calls a "multiple demoi" model (Weiler, 2001) — ought to be equated neither with a sense of common identity nor with a common language.

Once again, my aim here was not to understate the importance of a common language for democratic life. The only point I wanted to make is that the problems raised today inside the borders of European states by the emergence of "multiculturalism" should not be conflated with those raised at the European level by the development of a multinational co-operation.

3 • Multiculturalism policies and the welfare state

The second issue is that of the relationship between multiculturalism policies and the future of the Welfare State. On this topic, Will Kymlicka has discussed in details the argument according to which multiculturalism policies would make it more difficult to sustain social solidarity. Hence Will Kymlicka's and Keith Banting's effort to test whether multiculturalism policies have or not in fact eroded the welfare state in those Western countries that have adopted them. Their conclusions are fairly clear since, according to them, both the data and the case studies suggest that there is no general connection between adopting multiculturalism policies and changes in the Welfare State over the last two decades of the XXth century.

Once again, I don't intend to approve or to contest this specific conclusion. I would rather like to come back to an argument used against multiculturalism policies which is very similar in its content to those used to deny the possibility of a genuine social solidarity at the European scale. Will Kymlicka has called this argument the "corroding effect". According to it, multiculturalism policies would weaken redistribution by reducing trust and solidarity among citizens. Indeed, citizens have historically supported the Welfare State and been willing to make sacrifices to support their co-citizens because they viewed these citizens as "one of us" bound by a common identity and a common sense of belonging. *Contra* this argument, Will Kymlicka has argued that multiculturalism policies could actually help to strengthen the trust and solidarity needed for a strong welfare state since by adopting multiculturalism policies, the state can be seen as trying to encourage minorities to trust the larger society.

However, Kymlicka agrees with David Miller that multiculturalism policies should be supplemented with policies that nurture an overreaching political identity and hence should be combined with nation-building policies. In other words, Will Kymlicka does not contest the argument according to which the pursuit of social solidarity presupposes national communities in which mutual trust stem from a shared identity. If he has shown that multiculturalism policies do not necessarily undermine national identity, he seems to take for granted that a shared national identity is the only basis for substantiating aspirations towards social justice.

It is precisely this assertion — so often used to contest any possibility of a European solidarity — that I would like to discuss rapidly. More precisely, as far as I can see, this argument relies on two distinct premises:(1) trust and mutual identification are actually linked to nationality;(2) mutual identification, hence a common identity, is a necessary condition for social solidarity.

Regarding the first premise, I wonder if there is so much evidence that mutual identification and trust are still linked to nationality. As far as Europe is concerned, I would be tempted to think that educational, class and political cleavages matter as much as national differences. For instance, does a British political scientist really have more in common with, say, a British farmer than with a French political scientist?

More seriously, it seems to me that in our modern liberal democracies, our social obligations arise in the first place from belonging to a specific social security system. I thus agree here with the argument made by Brian Barry (1996): the primary reason why he has to contribute to the pension of an unknown person living in Rotherham and not to that of another person living at equal distance but in Rennes is that he belongs to the same social security system as the former, but not as the latter. Even if it is true that he most probably shares the nationality of the former and not of the latter, one should not confuse these two facts by concluding that our social obligations are necessarily connected to a shared nationality.

Regarding the second premise, I wonder about the concrete meaning of the claim that a national feeling, or belonging, is a necessary condition for social justice. Would that mean for instance that the foreigners living and working in our nation-states should be excluded from social and unemployment benefits? If there is no doubt that the Welfare State was established within the borders of the nation-state, the social rights differ precisely from the political rights in that they are granted to all those who live and work in a given territory, whatever their nationality.

Regarding the European Union, the very same argument makes it difficult to explain the redistributions that have taken place in the last decades among the richer and the poorer regions of the European Union. These redistributions are often understated. Yet, historically they have played a key role in stabilising the young Spanish and Portuguese democracies and in anchoring them to the European Union.

This fact implies that the argument to the effect that there cannot be any form of social solidarity where there is no common identity could easily be reversed. Could there be any sense of a common identity where there is no social solidarity? Rather than denying the possibility of any genuine solidarity where there is no common identity, one can hope that some kinds of redistribution among different nationalities could help foster mutual identification.

Once again, this is not to deny the importance of the national level. For many reasons, it still is as the most appropriate place both for a genuine democratic debate and for effective social justice. But it should be so for instrumental and not for normative reasons.

4 • Conclusion

Dominique Schnapper's paper begins with a famous quotation by John Stuart Mill (1999: 394) "it is in general a necessary condition of free institutions that the boundaries of government should coincide in the main with those of nationalities".

However, one should not forget that Mill immediately added "but several considerations are liable to conflict in practice with this general principle" (Mill, 1999, p. 394 quoted by Varouxakis, 2002, p. 21).Mill spent more than half the chapter explaining the difficulties which oblige people of different nationalities "to make a virtue of necessity, and reconcile themselves to living together under equal rights and laws" (Mill, 1999, p. 394). This consideration is preceded by this emphatic declaration: "If it be said that so broadly marked a distinction between what is due merely to a human creature is more worthy of savages than of civilized beings, and ought, with the utmost energy, be contended against, no one holds that opinion more strongly than myself" (Mill, 1999, p. 393).

Mill thus considered that national feelings were facts of life that had to be taken into account but "certainly not ones that should be promoted or encouraged" (Varouxakis, 2002, p. 31). Put differently, the link between nation, liberty and democracy was for him inevitable given the circumstances of his time, "in the present state of

civilization" (Mill, 1999, p. 393) but was neither eternal nor conceptual.

Hence this question: have circumstances now changed to such an extent that democracy and social justice can be pursued not only inside but also beyond the borders of the nation-state?

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Questions for Schnapper and Banting & Kymlicka

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Does cultural diversity —and multicultural policies designed to accommodate it- undermine democracy and economic solidarity? Many critics of supranational integration as well as most contemporary defenders of some form of liberal nationalism would answer positively. Indeed, the claim is that, other things being equal, the prospects for democracy and economic solidarity are better enhanced in contexts of cultural homogeneity. Both papers discuss whether there is really such a trade off. Yet their authors approach the problem from different perspectives, focus on different aspects and reach quite divergent conclusions, a fact that, in itself, reflects the multiple and complex dimensions of this theme as well as its polemic nature. Instead of linking the two contributions by asking a single question, I would like to draw the attention of the panellists to some of the potential implications of their arguments for the challenging transformations underway in contemporary democratic polities.

1 • Schnapper and the nation-state

Let me begin with some remarks on Dominique Schnapper's paper. Although Schnapper doesn't specifically address the issue of economic solidarity, she expresses concern that the gradual decline of the nation-state model in favour of the strengthening and public recognition of other hallmarks of identity may come at the expense of democracy and a common sense of citizenship. In particular, she is worried about the effects on the democratic order of the linguistic dimension of this new trend towards the accommodation of cultural diversity. Indeed, Schnapper claims that the emergence of new policies designed to officially recognise multilingualism in the public sphere will surely undermine democratic practices and erode what she calls "the common political space".

The claim is justified on various grounds. On the one hand, Schnapper reminds us that, historically, linguistic homogenisation has been key to nation building and democratization in modern societies. The experiences of Belgium and Canada are to be viewed, she argues, as somehow confirming the rule. Despite official bilinguism, democratic stability is assured in both countries by the preponderance, *de facto*, of one language and, therefore, constitutional recognition of diversity becomes mostly symbolic. In the case of Switzerland, the balance between democracy and plurilinguism is regarded as exceptional. According to Schnapper, taking into account its unique historical and political circumstances, it is not at all clear that this experience may be usually extrapolated to illuminate other situations.

On the other hand, Schnapper strongly emphasises that language is not only an identity marker, nor simply a means for economic development, but also the primary instrument of democracy.

Consequently, she doubts the possibility of maintaining a common public space, where citizens engage in political life, in the absence of a common language and a common sense of citizenship, thereby endorsing some of the main arguments that critics of multicultural policies have put forward, that is, that a high degree of cultural convergence is necessary to create a genuine democratic community and to foster the wide cooperation and levels of civic education that are required to implement social schemes.

I think Schnapper is right to encourage us to seriously assess the risks of cultural accommodation policies (in particular, some of the linguistic policies that Kymlicka and Banting include within what they designate as MCPs) for democracy. Nevertheless, I disagree with the underlying picture of the dilemmas that multicultural states are facing today and of the role of the state in these complex settings.

First of all, it is in the context of what could be called "fractured nationhood" (that is, where nation building policies aimed at making the cultural and the political congruent have failed) that, I believe, the discussion on MCPs becomes meaningful. This requires to acknowledge that in most cases — and France might be an exception here — the alleged success of the nation-state model is dubious. The strategies towards cultural and linguistic assimilation undertaken by most liberal states had important shortcomings in terms of ethnocultural conflict between majorities and minorities as well as long struggles for equality and recognition. In these contexts, public recognition (by the state) of the existing pluralism within its borders is often crucial to the preservation of democracy and social unity.

Consider, for instance, the case of Spain. After suffering a civil war and a long dictatorship, the formal recognition of several official languages and of the so-called "historical nationalities" (and of their self-governing institutions) by the 1978 Constitution provided the framework from which to begin a difficult process of reconciliation, democratisation and modernisation of society. Nowadays, most people would agree that the explicit recognition of linguistic and cultural diversity — including the fact that many Spaniards see their identities as primarily linked to being members of, say, the Catalan or the Basque nation — has been key to the success of that process. Democratisation, economic solidarity and welfare have been enhanced, and not impeded, through the constitutional recognition of cultural and linguistic diversity in Spain (not just symbolically, since it even implied the attribution of self-government rights to national minorities).

I think a comparable logic applies to other countries. It is probably true that stability is more vulnerable in these contexts. Yet the success of the model is remarkable once we keep in mind that previous nation-building policies designed to forcibly assimilate citizens into the dominant language or culture had caused deep fractures within the society that *already* threatened democratic values, trust and stability. A crucial question, therefore, arises: had multicultural policies not been adopted, would we still have a united, democratic state in cases like Spain? One could reasonably speculate on the multiple costs of forceful assimilation and lack of recognition of linguistic diversity (from scarce democratic participation and civic commitment to ethnic conflict, terrorism and even civil war).

In short, returning to Schnapper's paper, even if she is right in stressing that public accommodation of linguistic and cultural diversity involves important challenges for political integration, democracy and justice, I think that she dismisses too quickly the relative success of some experiences. More importantly, she overlooks the context of *lack* of political unity and mutual trust upon which many multilingual/multinational democracies had to be built. As a result, her reasoning can be easily interpreted as constraining political action within the following dilemmatic situation: either we preserve linguistic and cultural homogeneity in order to make democracy work; or we follow the path of recognition of cultural and linguistic rights to the detriment of democracy. But this is a false dilemma. As I suggested, it might be that minority rights are recognised *precisely* to make democracy work, to transform existing institutions to make them more inclusive and representative.

One of the reasons why the nation-state model of sovereignty has become obsolete in the new globalised world is linked to the fact that neither liberalism nor economic progress and mobilisation have

involved the withering away of identities and group attachments that were once seen as irrational (especially by nineteenth-century liberal philosophers and twentieth-century modernisation theorists). As Schnapper herself reminds us, there are few states whose citizens share language, traditions, religion or ways of life. She also admits that many claims for cultural recognition flow from the same underlying democratic principle. We could therefore phrase her views as a conflict of fundamental values. However, as with any other conflict of this sort, the tension cannot be resolved by merely sacrificing one of the competing values entirely. The more sensible solution is to balance them case by case, making finer gradations in order to preserve, or reach an equilibrium among, the core principles involved. As regards multilingualism, this may imply the need to move forward towards complex forms of mutual knowledge of various vernacular languages, a policy that Schnapper also envisages as possible. Undeniably, this option requires economic as well as personal efforts. Yet it is important to be aware that bilinguism has become quite common in countries like Spain or Canada, where people normally assume that there are multiple spheres of government and civic life conducted in different languages and that the common political space is the sum of all of them. In any event, the implementation of other rights (like social and political rights) also requires huge public investments and we don't consider this as a valid reason to suppress them or reduce their significance.

This points to another potential problem with Schnapper's argument as far as the role of the state and other political institutions is concerned. Cultural minorities in many Western societies do not generally complain that the state has restricted their negative freedom, preventing them from developing their cultures and languages in the private sphere. Rather, they complain that these ought not to be seen as private interests while the culture and identity of the majority is regarded as representing the "general will" or the "common interest". Historically, citizenship has not been neutrally defined as a way to transcend all sorts of particularism, as many liberals claim. State institutions have systematically used linguistic assimilation to foster and privilege a particular *culture* which has progressively become identified as *the* "common culture", which defines national identity. As a result, a new form of oppression and domination emerged between members of different cultural groups that should not be neglected. Perhaps not all cultures are compatible with the values underlying democracy — and this seems to be, in some passages, Schnapper's main preoccupation — but this a different question that cannot be answered in abstract terms and, in any case, provides no grounding for the strong claim that linguistic pluralism is not compatible with democracy.

2 • Banting & Kymlicka and worldwide solidarity

Let me turn now to Will Kymlicka and Keith Banting's paper. After examining the basic features of MCPs and describing the main complaints that have been put forward against them, Kymlicka and Banting undertake a careful and systematic empirical analysis in order to determine whether the adoption of these policies in different countries has led to an erosion of the welfare state. The conclusion is, basically, that the criticism is groundless. There is not enough evidence, they claim, to assert that there is a trade-off in practice between a commitment to MCPs and a commitment to the welfare state.

Now, starting from this conclusion, there seem to be reasons to be optimistic about the consolidation of democracy and economic solidarity in the face of deep cultural pluralism. However, one could wonder whether the same reasoning applies when we think about the central question that has been submitted to discussion, not as a domestic challenge, but rather as a challenge for justice at the international level. To start with, what implications can be drawn — if any — from their conclusions for the construction of Europe?

Contemporary Europe provides a new scenario from which to contemplate a gradual change in the traditional locus of sovereignty. Yet there is strong evidence that these transformations have not resulted in a decrease of concern about cultural identities. Far from being in decline, ethnocultural conscience has even gained force. In this context, European institutions probably cannot recreate — at least not without fierce opposition — the same assimilatory features that characterised the emergence of nation-states (appeals to the existence of a common culture, religion or identity) in order to reassert themselves as legitimate political units. Sceptics about the success of European integration beyond the economic level claim that to expect a strong sense of citizenship and solidarity to arise from people's subjection to a set of abstract and distant institutions is unrealistic. It is true that European institutions helped provide a wider political space for co-operation on economic and social issues traditionally confined to the realm of state sovereignty. And yet one can still think that the building of any supranational polity faces the task of finding a way to consolidate democracy, solidarity and social cohesion in the face of deep diversity.

Kymlicka and Banting's arguments could be seen as implying that there is no such a problem (or, more precisely, that the existing problems to achieve transnational justice are not related to the factor

of cultural diversity). But this is not necessarily so. If the correlation that they have tested is between adopting MCPs and *changes* in the welfare state, a central question remains open: what is the role of multiculturalism when the aim is to expand the circles of solidarity in order to create — and not just sustain — some redistributive scheme at the supra-state level? Of course, this is a pressing issue beyond the European framework too. Current huge inequalities and famines in the world should urge theorists to provide an account of the grounds for economic solidarity at the transnational level, a context essentially marked by deep cultural diversity as an essential component.

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Between Mill and Hallstein. Cultural diversity as a challenge to European integration

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1 • The Austro-Hungarian "precedent"

In a study published in 1929, Oscar Jászi offered an exhaustive analysis of the bundle of centrifugal forces that had led to the breakdown of the Habsburg monarchy at the end of the First World War. His approach was uncompromisingly critical in view of the spectacular policy failures that ended up causing the dissolution of the empire. Nonetheless, he could not fully refrain from expressing some basic commitment to what he considered to be a unique historical attempt. According to Jászi (1961 [1929]: 3), this uniqueness derived from the effort to hold together a "variegated mosaic of nations and people and to build up a kind of universal state, a "supranational" monarchy, and to fill it with the feeling of a common solidarity." For the Hungarian author, such an attempt had to be considered to be one of the most ambitious experiments ever undertaken in human history:

> "For, if the Habsburgs had been able really to unite those ten nations through a supranational consciousness into an entirely free and spontaneous cooperation, the empire of the Habsburgs would have surpassed the narrow limits of the nation state and would have proved to the world that it is possible to replace the consciousness of national unity by the consciousness of state community. It would have proved that the same problem which Switzerland and Belgium have solved on a smaller scale among highly civilized nations under particular historical conditions should not be regarded as a historical accident, but that the same problem is perfectly solvable even on a large scale and among very heterogeneous cultural and national standards."

To begin a paper dealing with the present-day situation in the European Union (EU) with a reference to the Austro-Hungarian monarchy may seem rather far-fetched. It is obvious that there are crucial differences between the two types of political order. However, there are also a few interesting common elements, which may

justify, without aiming at a systematic comparison, to draw a few parallels between the "Kakania" so meticulously portrayed after its demise in the writings of Robert Musil and a "EUkania" still in the making. One of these elements is the sheer level of institutional complexity characteristical of both political settings, a complexity that involves the risk of institutional deadlocks. Another element can be found in a deficit of democratic legitimacy, although one should add that this deficit was certainly much more pronounced and consequential in the empire of the Habsburgs than it is in the case of the EU. An additional similarity is that in both polities the support for the genuinely supranational level of rule expressed by the "mass public" was or is relatively weak, as people tend to concentrate their loyalty on their respective national communities. Nonetheless, in both cases there was or is a comprehensive area of political regulations and economic governance beyond national borders, with significant distributive effects. Finally, both the Habsburg monarchy and the EU constitute political orders characterized by a marked cultural heterogeneity. Jászi (1961 [1929]: 3) made out "almost ten nations and twenty more or less divergent nationalities" in the Austro-Hungarian system. Diversity is a highly relevant factor in EU politics as well. Its importance will become even more palpable in the course of the coming enlargement. At present, the Union has 15 members that make for 11 official languages in its institutional operations. The successive admission of a dozen of new member states that is projected after 2004 will imply a sharp increase of both economic and cultural diversity within the EU.

Coming to grips with diversity is certainly not a minor challenge involved in the political integration of Europe. The magnitude of this challenge becomes immediately evident when we think of the central role nationalist movements played during the last two centuries in European history. Typically, nationalist conflicts are articulated by politicizing the meaning of cultural differences. Jászi's analysis of the reasons that led to the breakdown of the Habsburg system is full of examples that show the force of processes of this kind, and there is little evidence that this force has become a phenomenon of the past when we look at the situation in present-day Europe. Against this background, one can reasonably argue that, so far, a broad agreement on overcoming nested traditions of nationalist strife between states and peoples has been one of the main normative driving forces of European integration. At the same time, according to the official discourse of EU politics, this goal is to be pursued without threatening historically established cultural identities, at least as long as these correspond to the identities of member states.

The aim of this paper is to explore — in rather preliminary and tentative terms — to which extent a very important form of diver-

sity, namely linguistic diversity, is an impediment for creating a common public sphere and bringing about the "supranational consciousness" Jászi had in mind when referring to the failed normative potentials of the "Kakanian" world. The starting point for this exploration is the well-known hypothesis put forward by John Stuart Mill, who assumed that there is a strong connection between the prospects for democratic rule and the existence of a linguistically integrated public. In more or less implicit ways, the hypothesis seems to have reemerged in the current debates on democratizing the European Union. My next step is to reassess Mill's argument by pointing at the experiences of West European democracies that have followed a multilingual path in their institutional development. The paper's last section focuses on the importance of recognition as a mechanism for sustaining intercultural solidarity in a polycentric and diverse European polity.

2 • Mill *vs.* Hallstein

The debate on the implications cultural diversity has for the political integration of Europe seems to oscillate between two poles that can be related, if one is prepared to put things in a bold and simple manner, to the names of John Stuart Mill and Walter Hallstein. On the one hand, contributions drawing their inspiration from "grand" political theory often show a preference for creating or preserving political units with a high level of linguistic and cultural homogeneity. On the other hand, the pragmatically oriented "official" discourse that underpins the process of European integration is typically eager to celebrate diversity without reservations.

In one of the canonical texts of modern liberalism, the *Considerations on Representative Government*, John Stuart Mill (1972 [1861]: 392) wrote:

> "Free institutions are next to impossible in a country made up of different nationalities. Among a people without fellow-feeling, especially if they read and speak different languages, the united public opinion, necessary to the working of representative government, cannot exist. The influences which form opinions and decide political acts are different in the different sections of the country. An altogether different set of leaders have the confidence of one part of the country and of another. The same books, newspapers, pamphlets, speeches, do not reach them. One section does not know what opinions, or what instigations, are circulating in another."

If one adopts such a perspective, the prospects of sustaining representative forms of rule depend on the degree of national and linguistic unification attained within a given political unit. For Mill, a

collectively rooted "fellow-feeling" is a substantial requisite for the successful development of democratic institutions. His view is grounded on the assumption that a liberal democracy will only be able to cope with situations of intense political conflict as long as its citizens share some fundamental identity patterns, as manifested by language and culture. In Mill's model, language works as the cement of a shared political culture. Such a shared culture is needed if the institutions of a liberal democracy are to function in a proper way. Thus, to a substantial extent, cultural homogeneity or at least a minimum degree of cultural affinity become a requisite for the exercise of civic solidarity.

An interesting aspect of Mill's often-quoted assertion is that it points at the instrumental and the expressive dimensions of language, although without using these categories explicitly, and situates them in the context of democratic theory. Language is seen as an expressive symbol, as one of the most characteristic manifestations of national identity. Accordingly, Mill interprets linguistic differentiation as a symptom of lacking political cohesiveness. Yet language pluralism is also a negative feature in instrumental terms, as it is an obstacle for the flow of political communication beyond nationality borders and it inhibits the formation of a common public sphere. What is described in the *Considerations*, can thus be called a vicious circle of non-integration: The lack of foundations supporting a common identity leads to rigid communicative barriers. Such barriers, then, obstruct the process of forming a shared political identity.

Mill's approach entails a clear normative preference for creating democracies that are homogeneous along linguistic and cultural lines, as cultural diversity is taken to be a major impediment to civic solidarity. During a long period of time, lasting way into the 20th century, this preference remained a standard ideological orientation for liberal nationalists, who tended to adopt the approach *one people, one state*. This approach attained a quasi official character as a guideline for the political restructuring of Central and Eastern Europe after World War I. The former territorial domains of imperial rule were subdivided in accordance with Woodrow Wilson's interpretation of the nationality principle. The balance of restructuring Europe by applying the Wilsonian formula was questionable, to say the least, as the principle of nationalities was often implemented following opportunistic criteria. All over the Eastern half of the Continent, significant minorities saw themselves as victims of the political concessions made to new titular nations provided with their "own" states. The whole interwar period was marked by intense conflicts resulting from this situation (Galántai 1992). As far as Mill is concerned, we should keep in mind that in his line of reasoning the preference for cultural

homogeneity has rather the quality of an empirically derived conclusion than the status of an a priori judgment. In other passages of the *Considerations* in which nationality issues are discussed, it becomes clear that one major focus of preoccupation for Mill is the Austro-Hungarian domain of rule. Thus, his argumentation does not really put under closer scrutiny if there is general empirical evidence that gives the preference a robust analytical and empirical foundation.

Mill's legacy in contemporary thinking on democracy and diversity has remained strong. Thus, in the debate on Europe's political future, it is frequently assumed that the high degree of cultural heterogeneity within the EU acts as a factor obstructing the making of a common civic identity among Europeans. In Germany, for example, this case has been made by Dieter Grimm, a constitutional lawyer and former member of the Federal Constitutional Court. Grimm (1995) raises the question to which extent the constitutionalization and democratization of the EU's institutional framework might offer an apt remedy against the deficient political legitimacy of transnational decision-making. He turns out to be highly skeptical in this respect, as, in his analysis, the possibilities of formulating a basic European consensus are contingent upon requisites that cannot be included in a constitutional agenda. From Grimm's point of view, plans elaborated with the intention of solidifying the EU's democratic foundations are doomed to irrelevance or failure if they do not count with the support of a dynamics of cultural integration operating across national borders. The constitutional expert questions that there is a chance of creating a European community of participation without having previously created a European community of communication. The approach adopted by Grimm is straightforward: There can be no European democracy as long as there is no European public sphere; there can be no European public sphere as long as there is no European people (in the sense of a demos united by strong civic bonds); and there can be no European people as long as there is no common European language. Thus, in quite a Millian vein, linguistic differentiation is seen as a particularly challenging form of cultural diversity if a democratic polity is to be institutionalized.

More or less one century after the publication of the *Considerations*, the German Walter Hallstein, the first President of the European Commission, joined Mill in reflecting on the relationship between linguistic diversity and the legitimation bases of political integration. Referring to the situation he had been observing in the European Community, Hallstein makes the following remarks:

> "Europe is diversity. We want to preserve the wealth and the difference of characters, of talents, of beliefs, of habits, of customs, of taste. (...)

> The fact that the Europeans do not speak the same language cannot disturb us. Switzerland provides us with the classical example showing that linguistic variety does not constrain, but rather enrich, and we wish for our Belgian friends that they can soon be cited as another example. The multiplicity of languages is not an obstacle but an incentive. The experiences with our European officials in Brussels (...) prove this."[1]

The multilingual orientation that the European project has had since its very beginning responds to the obligation to protect cultural diversity. With his diversity-sensitive understanding of integration, Hallstein is a true spokesman of the generation of founding fathers of the European Union, who were confident that the functional spillovers of the Common Market would not really affect the realm of *cultural* identities. The process of integration should rather imply giving up monolithic conceptions of national belonging and contribute to the formation of new patterns of *political* identification on a European scale.

Thus, the Treaty on European Union, signed in Maastricht in 1992, bolstered a tendency that was already visible in the previous institutional development of the integration project: The goal of establishing "an ever closer union" based on common political values and the goal of preserving the diversity of cultures — a diversity which comes to mean in the first place the diversity of the cultures of nation-states — are seen as mutually reinforcing components in Europe's semi-constitutional architecture. The "Charter of Fundamental Rights of the European Union", solemnly proclaimed by the European Parliament, the Council and the Commission in Nice in December 2000 contains a condensed version of a message consistently repeated in the Union's successive basic treaties and political declarations. The following paragraphs are from the Charter's Preamble:

> "The peoples of Europe, in creating an ever closer union among them, are resolved to share a peaceful future based on common values.
>
> Conscious of its spiritual and moral heritage, the Union is founded on the indivisible, universal values of human dignity, freedom, equality and solidarity; it is based on the principles of democracy and the rule of law. It places the individual at the heart of its activities, by establishing the citizenship of the Union and by creating an area of freedom, security and justice.
>
> The Union contributes to the preservation and to the development of these common values while respecting the diversity of the cultures and traditions of the peoples of Europe as well as the national identities of the Member States and the organisation of their public authorities at national, regional and local levels; it seeks to promote balanced and sustainable development and ensures free movement of persons, goods, services and capital, and the freedom of establishment."

1. Hallstein 1973: 112 (original text in German).

Article 22 of the Charter of Rights consists of one short sentence that puts additional stress on the political significance of diversity in the EU: "The Union shall respect cultural, religious and linguistic diversity."[2]

The official adoption of the principle of "integral multilingualism" by European institutions can be understood as a tribute the Union deliberately pays to cultural diversity. In this respect, the EU's language policy is a genuine expression of a multinational constellation. The dominant players in this constellation, though, are not national communities *tout court*, but nation-states. Languages possess a formally equal status in the EU only as state languages. Assigning all state languages the same official status was supposed to create an important symbolic barrier against potential setbacks provoked by nationalist resentments (Coulmas 1991). After the ratification of the Treaty of Rome in 1957, the elites devoted to securing a fragile European consensus were eager to keep away from the conflicts that might have been involved in raising language issues, as the quote taken from Hallstein indicates. Officially, there is no European policy pretending to define common linguistic standards for the transnational community in formation. Nor does the EU have, if we leave aside the continuous declarations of good will and the need to respect the prerogatives of the member states, a proper program telling us in which areas and in which ways cultural and linguistic diversity should be protected. After all, in the real life of European institutions, de facto agreements create a context in which "integral" multilingualism is largely replaced by a much more selective language regime, a regime that is typically based on French and/or English.

Regardless of their obviously different implications, both Millian and Hallsteinian views of the relationship of cultural diversity and political integration in Europe seem inclined to conflate normative preferences and empirical assessments. The Millian perspective establishes an extremely rigid connection between a common language, a culturally integrated public sphere and a shared civic identity. Such a perspective underestimates the integrative capacity of multilingual democracies, while it may overestimate the communicative cohesiveness of publics using the same linguistic standard. Ultimately, it even precludes the possibility of leading a politically productive intercultural dialogue on a common democratic ground. Inversely, approaches to diversity following the Hallstein model neglect the problem that the making of a civic identity transcending given national affiliations is likely to imply more than simply adding up cultural differences. Thus, the declared aim of protecting diversity requires a political consensus that must rely on some shared cultural

2. Charter of Fundamental Rights of the European Union, in: Official Journal of the European Communities, 18.12.200, C 364/1-C 364/22. The Charter has sometimes been portrayed as an embryonic sketch of a European constitution; however, it is not a legally binding document.

understanding. As far as the language issue is concerned, for example, sociolinguistic evidence often shows that a conflict potential between different language communities is a structural feature of modern multilingual polities (Fishman 1999). It is hard to imagine how a common European civic space is to be institutionally moulded without taking such evidence into account.

3 • Linguistic diversity in West European democracies

What can be said today, some 150 years after the original publication of the *Considerations*, about the prospects for democracy in the context of linguistic differentiation when we look at the findings made available by research in the field of comparative politics? Robert A. Dahl (1971: 105-107, 120-121), one of the leading theorists of liberal democracy of our times, took up the language issue in a broad empirical study that tries to determine the conditions of stability of democratic regimes. In the study, multilingualism is regarded as a typical feature of subcultural pluralism, a category that also includes the effects of religious, ethnic and regional differentiation. According to Dahl's findings, such a structural pluralism, that is characteristic of multinational states, often imposes major restrictions on the capacity democratic systems have for politically integrating different groups. Dahl (1971: 108) refers explicitly to the Mill hypothesis and observes:

> "That subcultural pluralism often places a dangerous strain on the tolerance and mutual security required for a system of public contestation seems hardly open to doubt. Polyarchy in particular is more frequently found in relatively homogeneous countries than in countries with a great amount of subcultural pluralism."

Similarly, Dankwart Rustow (1975: 56-58), one of the pioneering figures of contemporary "transitology" (i.e. the research on transitions to democracy), argues that the combination of modernization, democratization and linguistic heterogeneity gives rise to severe political challenges. Rustow does not say that these challenges can't be mastered. Yet, in his view, political actors in multilingual democracies must show an extraordinary flexibility and ability to learn in order to overcome group antagonisms that are often based on different linguistic identities. Finally, David Laitin (2000), to mention a more recent example, after analysing a data set covering 148 countries, presents a result that can hardly be taken as a confirmation of Mill's thesis: According to Laitin, language conflicts tend to be more conducive to institutional mediation than other politically salient

forms of cultural heterogeneity. Moreover, their potential for instigating a dynamics of ethnic violence seems to be remarkably low compared to other expressions of cultural differentiation. However, as the focus is primarily on the phenomenon of violence, the effects that linguistic cleavages have on the quality of democratic rule are of secondary importance in this kind of analysis.

All in all, the overtly skeptical attitude characteristic of Mill has certainly not disappeared from present-day discussions devoted to political cohesion in linguistically segmented democracies. Mill's thesis continues to be very influential, as we can see in the type of approach adopted by scholars such as Dieter Grimm. At the same time, our knowledge about the mechanisms of integration available in democratic polities that have only "weak" communicative foundations is still highly fragmentary. There is remarkably little research at our disposal that shows how, in linguistically segmented contexts, processes of political communication work at the micro-levels of society. Against this background, the picture we get when looking at the political implications of multilingualism is, at any rate, a complex one. To put forward a categorical and rigid assessment when describing the interplay of linguistic diversity and democratic politics, as Mill did in 1861, does not look like a very promising strategy today.

How has linguistic pluralism affected the institutional development of democracy in the West European context? It has to be taken into account that the variation of language policy constellations in the region is quite high. In some cases, the monolingualism of the state largely corresponds to the sociolinguistic reality of a country as, for example, in Iceland. Among the EU member states, Portugal seems to come pretty close to such a situation. In other cases, the monolingualism of a state is not as much a reflection of a society's linguistic structures, but rather an expression of the political intention to ignore cultural pluralism in the name of an officially stipulated collective identity. In the EU, France and Greece can be taken as the main exponents of this kind of approach to language policy. Broadly speaking, however, EU members are prepared to officially acknowledge the existence of different linguistic communities on their territory. Accordingly, there is a wide range of measures that regulate language pluralism in West European democracies. At one end of the spectrum, we will find more or less symbolic concessions made in order to protect the individual rights of speakers of minority languages, at the other end, a policy of generalized bilingualism applied to all public institutions (Kraus 2000: 146-148).

A multilingual social structure is a challenge for modern democratic polities. In a nutshell, the challenge consists in weakening the tensions to be expected between the promotion of administrative effi-

ciency on the one hand, and the requirements of democratic legitimation, on the other hand. These two aspects can roughly be related to the instrumental and to the expressive dimensions of language respectively. The challenge is well captured in Mill's hypothesis: Functional communication barriers obstruct the formation of a shared political identity; at the same time, such barriers are likely to remain high as long as there is no common political will striving to transcend them. In order to confront the problem, however, the model of a "glossophagic" state, a state that aims at imposing a system of public monolingualism and at devouring minority languages (Laponce 1987: 201), is certainly not the only way of responding to the challenge. Often enough, multilingualism served as a starting point for distinctive paths of institutional pluralism. Institutional pluralism must not be considered a priori as an obstacle in the process of consolidating democratic structures. Countries such as Switzerland, Belgium and Finland have a democratic record that is definitely not below "average" West European standards. Seen in this light, the "problem" does not reside in the institutional specificities of multilingual democracies. The problem is that the more or less canonical contributions to the theory of liberal democracy were formulated in a context that made cultural and linguistic homogeneity a more or less implicit background condition of political integration.[3] From the corresponding angle, diversity was typically perceived as an anomaly to be erased by appropriate forms of institutional engineering. Thus, the "dogmatic monolingualism" characteristic of the mainstream of modern liberal-democratic thinking had little to offer in order to grasp original and interesting ways to manage diversity in a democratic institutional setting.

Here, I would like to get back to a central point of concern for John Stuart Mill, namely the public sphere and its importance as a central site for defining common civic commitments. There are obvious affinities between Mill's postulate of a culturally united public and the dominant versions of the French republican model. France might be the paradigmatic example of how a unified space of political communication was systematically formed "from above", i.e. by the state and its institutions. Since the 19th century, the goals of linguistic homogenization and of creating a public sphere that should guarantee the intertwining of civil society and political society became virtually exchangeable. The fervent celebration of the *francophonie*, that continues to be a recurrent feature of Republican political culture, was nurtured by the — obviously questionable — conviction that only the French language embodied the enlightened revolutionary message of 1789, thus transcending all social and cultural particularisms.

The examples of multilingual democracies such as Belgium, Finland or Switzerland stand in manifest contrast with Jacobin pat-

3. *Cf.* Tully (1995: 58-98), who describes the ideological universe of early liberal constitutionalism as an "empire of uniformity".

terns of polity-building and Westminster models of majority rule. An aspect that is often neglected when these countries are brought into focus is that the possibilities for direct and extensive communication within the population remained fairly limited long after democratization. Let us look at a few figures that take us back to a core assumption made in the Mill hypothesis. In Switzerland, in a survey realized in 1972, approximately 40% of the German-Swiss and 50% of the Romands declared that they only were competent in their own mother tongue. For Belgium, linguistic census data are only available until the year 1947.[4] According to the results reported for that year, the proportion of bilingual persons was 16% in the whole country, bilingualism referring to the competence to communicate both in Dutch and in French. Even in Finland, where linguistic borders have a profile that is much more blurred than in the cases of Switzerland or Belgium, data collected in 1950 show that after several decades of democratic politics the bilingualism practiced by public institutions was not a societal bilingualism: The proportion of those who regarded themselves as bilingual was 8% within the Finnish-speaking group and 46% within the Swedish-speaking group.[5]

Obviously, such data do not provide us with a framework that would be solid enough for developing a general model of multilingual political publics. But they might nonetheless indicate that, under the safeguard of the mutual recognition of linguistically defined group identities, democratic integration did take place in multilingual societies. This is not to say that the paths followed by these societies were free of conflict, but, at any rate, they opened a terrain that so far has furthered the coexistence of citizens under conditions of both political equality and awareness of difference.[6] To varying degrees, the spaces of political communication in the three countries considered are divided along linguistic lines. For instance, linguistic differentiation is a graspable reality at the level of the broadcasting media controlled by public authorities. It is also a factor present in the day-to-day activities of political institutions. In multilingual democracies, by definition, the political debate is a debate led in different languages; simultaneously, it is also a debate that transcends linguistic borders. We may assume that in communicative settings of this kind, multilingual individuals play an important bridging role, insofar as they are able to act as discursive mediators between different communities in the process of articulating political demands. In this sense, they may help to articulate the "supranational consciousness" Jászi was thinking of when writing about the prospects for diverse polities. Accordingly, it should be noted that, in a rudimentary form, attempts at encouraging the use of multilingual repertoires in the domains of public communication can also be discerned in the late period of the Habsburg monarchy, whose linguistic scenery

4. In later counts, the authorities abstained from establishing the numerical size of language groups in order to avoid controversies; see McRae (1986:35).
5. The figures are taken from the systematic comparative work on multilingual democracies produced by McRae (1983: 67-68; 1986: 39-40; 1997: 99-100).
6. See Holenstein (1998) for an assessment of the meaning of multilingualism in Switzerland from the perspective of political philosophy; see Van Parijs (2000) for a similar analysis of the Belgian case. The Canadian situation offers many interesting elements of comparison, especially from a normative angle; see Kymlicka 1998 and Taylor 1994.

was far more complex than the situation we find in Belgium or in Switzerland.[7]

Almost 150 years have passed since Mill wrote his *Considerations*, but the truth seems to be that our knowledge about the bases and rules of political communication in multilingual democracies remains surprisingly limited. If we look at the present situation in the EU, it would be more than helpful if we were able to rely on empirically informed models that would shed some light on the *micro* structures sustaining public spheres in the context of cultural and linguistic differentiation. After all, neither the relationship between communication and politics nor the role of the public sphere in modern democracies can be properly analyzed if language is regarded as a factor that is exogenous to the political process. Often enough, setting the linguistic terms of communication is an eminently political issue. A democratic public that is segmented along cultural and linguistic lines requires special mechanisms for collective decision-making, protecting those areas that are substantial for the reproduction of specific group identities from the pressures of an alleged "general will". At the same time, a heterogeneous democratic public must still be able to define a "common good", however fragile and provisional this may be, and to generate a widely accepted frame that makes for political cohesion. In multilingual democracies, we may assume, such a frame is created by a horizontal interlocking of public spheres, an interlocking that implies that actors representing diverse realms of politics and civil society raise their specific demands in a way that relates them to each other. Processes of intercultural mediation — "translations" in a very literal sense — apparently play a central role in sustaining the corresponding political dynamics. Against this background, a "politics of translation" will remain a highly important aspect in the process of building transnational institutions for an integrating Europe.

4 • Recognition as solidarity

In the course of its institutional development, the EC/EU has acquired more and more features of a polycentric multinational community. This community lacks a hegemonic force controlling the process of political integration. At the same time, the emergence of a European level of governance has strongly affected the sovereign character of the member states. Due to the successive Europeanization of decision-making structures, unilaterally conceived national initiatives have become obsolete in many important policy areas. The dynamics of Europeanization is also loosening up the traditional

7. This observation should at least hold for the Western part of the monarchy, known as *Zisleithanien*, that pursued a relatively flexible course in its nationality policies after the *Ausgleich* of 1867; the public regulation of multilingualism in the territories represented in the Austrian Crown Council is described by Goebl (1997).

interconnection of cultural and political identities that constituted a typical feature of sovereign statehood. While EU member states show a growing disposition to give up rigid ways of interpreting old prerogatives regulating the institutional articulation of collective identities, the EU itself does not claim to acquire new prerogatives in that domain. Therefore, the EU may well be considered to constitute a post-sovereign order that implies a clear departure from formers models of national rule. The Union has little pretensions to create a close transnational fit between the realms of politics and culture; its declared aim is rather to protect the plurality of politically relevant cultural attachments that can be found in the sphere of its institutional activities.[8]

To work out a new approach towards cultural pluralism hardly was, if it played any role at all, one of the main preoccupations of the political architects of an integrating Europe. Nevertheless, to a considerable extent, integration has implied paving the way for a politics of recognition on a European scale. However, the enactment of cultural recognition in the EC/EU is not exempt from contradictions. On the one hand, recognition is biased towards the identities embodied by nation-states. Subnational, transnational or intercultural and "hybrid" patterns of identification play a clearly subordinate role in the Union's institutional approach towards diversity. Thus, cultural identities often become a tactical device used to underpin the articulation of nation-state interests in the system of intergovernmental bargaining. On the other hand, the preponderance of nation-state based legitimation discourses in EU politics makes it extremely difficult to find a common response to the challenges cultural diversity poses for the Union. Up to now, respect for the national identities of the member states has the highest priority in the policy packages set up by the European Union, as far as cultural matters are concerned. The Union's institutions seem overwhelmed by the dilemma involved in finding a balance between the protection of diversity and the development of a common political framework for Europeans. Institutional inertia, however, will not provide for proper defense against the dynamics of "negative" integration. In view of the developments observable in the field of economic and social policy, this term has been coined in order to describe the tendency that, because of the lack of explicit political deliberation and regulation, matters of collective concern, end up becoming the object of "invisible" market forces. Culture should not be regarded as a domain that is immune to this kind of tendency. The way the language issue is dealt with in the realm of European institutions is a good case in point: The option for nondecision-making in the field of language policy is not a real support for cultural pluralism; it will end up producing very specific and selective results. Instead of breeding an interplay of identities that is

8. A suggestive interpretation of the EU as a post-sovereign political community is presented by MacCormick (1999: 123-136).

free of domination, negative integration in the field of culture will lead to standardization without a political debate.

What could a politics of recognition that offers a more balanced perspective for dealing with diversity in the EU look like? While observing general criteria of equality, as listed in the "Charter of Fundamental Rights", the Union would have to find innovative ways of dealing with the diversity of cultures in the process of transnational institution-building. Neither should diversity be reduced to the particular identities of homogeneous nation-states, nor should it be declared a matter of a "benign neglect" expressing a supposedly abstract cosmopolitanism. Subsidiarity might be a potential point of departure for implanting such an understanding of recognition in Europe's institutional setting. The dangers of experiencing painful clashes of different cultural identities in the European polity would be reduced by splitting up identity levels according to the principle of subsidiarity and by allowing people to remain sovereign "within their own circle". All institutional attempts at cultural standardization in the Union realized at the expenses of smaller communities — the choice of a limited number of European languages for official communication in a few functional domains, for instance — should be accompanied by appropriate compensations to the members of the negatively affected collectivities. In the context of transnational integration, cultural diversity would be institutionalized, but to varying degrees and with different implications at different political levels. Specific loci of deliberation or policy-making, for example, might be governed by specific language regimes, shifting from more selective to more integral forms of multilingualism. The more participatory the issue area involved, the more flexible and generous the corresponding language regulations would obviously have to be. Subsidiarity breaks up the rigid connection between legitimate forms of rule, which are supposed to meet general democratic standards, and the institutionalization of single and exclusive identity patterns that has typically been realized by sovereign nation-states (Kraus 2003).

By focusing on the language issue, one realizes that recognition plays an elementary role in culturally differentiated political communities if group relations are to be permeated by a moment of reflexivity. Although it may well be conceived of as a freedom located in a transnational space, the freedom of European citizens still is a socially embedded freedom. Multilingual democracies pay tribute to the embeddedness of civic identities by recognizing the existence of specific linguistic commitments. Similarly, the construction of the transnational order of the EU requires from all parties involved that they learn to see that the sociocultural dimension of political integration is a fundamental aspect in the institutional

changes we are going through. Ultimately, the politics of recognition evidences that the citizens themselves can't be regarded as something "given", as a factor that is exogenous to democratic processes. Rather, "citizenization" (Tully 2001: 25) and its institutional regulation must be seen as constitutive aspects of democratic politics. From this perspective, recognition is not seen as a mechanism institutionalizing a static politics of "being", but rather as a device supportive of a politics of "becoming". It thus can be considered to be an important element in an institutional setting in which citizens learn to develop a reflexive approach towards their own identity, an approach that is aware of the existence of other identities and fosters civic attitudes that tolerate the expression of diversity within a democratically shared polity. In this respect, cultural recognition may well turn out to be an important requirement for both the individual and for the collective exercise of civic solidarity.

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21

Cultural diversity, European integration and the welfare state

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1 • Introduction

According to the "American-Neoclassical" approach, stemming from the Tiebout (1956) model, the main advantage of federalism lies in the fact that individuals with similar tastes, including those related to risk-aversion and the provision of public goods, can cluster in the same jurisdictions. According to this view, federalism can favour the maximum differentiation of the characteristics of the individuals clustering in the different states. The starting point of this paper is a criticism of this approach. While the main advantage of federalism is related to the possibility of clustering heterogeneous individuals, the assumption of costless movement from one state to another implicitly implies that individuals are homogeneous in some other important characteristics. For instance, the hypothesis that individuals face low mobility costs involves that they have very minor cultural and linguistic differences. This is not the case in Europe, where cultural-linguistic differentiation is high and federalism is often associated to the protection of the cultural specificity of certain regions.

Cultural-linguistic standardisation and the social protection given by national welfare states can be regarded as two alternative insurance devices: the first increases the probability of alternative employment while the second provides some assistance in case of dismissal from the present employment.[2] A Europe that lacks the horizontal cultural standardisation of the U.S. must necessary rely more on the welfare state than a country like the United States that is characterised by a very large market with low mobility costs. One would expect that in Europe the welfare state should act as a substitute for low horizontal cultural homogenization — an expectation that is consistent with the more relevant role of European states in social protection.

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2. A formal model examining the roles of social protection and cultural standardisation as alternative insurance devices is developed in D'Antoni and Pagano (2002) where it is also argued that Europe, taken as a whole, is likely to be very far from the optimal mix between these two policies. Bowles and

The comparison with the U. S. clarifies the paradoxical problem of European integration. On the one hand, social protection is more necessary when cultural-linguistic differences make it expensive to rely on cultural standardisation as a substitute for it. On the other hand, social insurance is more unlikely to be accepted when these cultural differences prevail. While a full-blown European system of Social Insurance is likely to be unfeasible, the process of economic integration makes it more difficult for the increasingly specialized national economies to insure one sector against the other and to continue to provide the type of social insurance that was traditionally supplied by National welfare states. We argue that a possible way out is a system of mutual insurance among the European national welfare systems.

The paper is structured as follows:

In section 2 we contrast the "Neo-Classical-American" view of federalism with the one that we believe to be closer to the needs of a culturally diverse Europe.

In section 3 we show how economic integration and market mobility at national level were greatly favoured by "institutional complements," such as the existence of an undisputed dominant high culture and the loyalty to a single political unity. Similar features characterised the United States of America but cannot be taken for granted in contemporary Europe taken as a whole.

The focus of section 4 is on the two instruments through which national governments insured their citizens against the risks of the mobile market society: social protection and cultural-linguistic standardisation. We consider the difficult puzzle that the relations of complementarity and substitution between these two insurance devices create for Europe and how, in this respect, the European case is polar to that of United States that, unlike Europe, is characterised by high horizontal cultural homogeneity among states (and, because of many decades of immigration, by lower vertical homogeneity).

In the fifth section, we consider a possible model of "mild European federalism", which combines some degree of cultural integration with some defence of cultural diversity and some protection against "forced" economic mobility.

Finally, in section 6, we argue that European political institutions must support national welfare states. Their capacity to provide social insurance would otherwise be eroded by the productive specialization that is entailed by the process of European economic integration and, more generally, by globalization.

Pagano (2003) develop this framework to analyse the contrasting interests of "cosmopolitans" and "provincials". Arachi and D'Antoni (2003) argue that, if the risks of the workers who have made human capital specific investments in particular sectors are taken into account, the case for social insurance can get stronger as capital markets integration takes place, despite the increase in the distortionary effect.

2 • The limits to the competitive view of federalism

In the neo-classical tradition stemming from the Tiebout (1956) model, federalism is claimed to be an effective way through which citizens can get arrangements for taxes and public goods provisions that are as close as possible to their preferences. If the welfare state is considered an insurance mechanism against the various hazards of life including health, skills redundancy and market fluctuations, federalism could solve the problems that arise from the existence of differences between tastes for state intervention and for redistribution that individuals, with different wealth and different risk aversion, are very likely to have. A federal state offers different jurisdictions among which the agents can choose. Thus, individuals with similar tastes for the "degree" of intervention of the welfare state can cluster in the same jurisdiction. According to this view, some contrasts, which characterize modern democracies, can be overcome by a market mechanism for the demand and supply of state arrangements. This view of federalism relies on the neoclassical model and, in particular, on the Tiebout model for the supply of public goods according to which people can vote with their feet. It can lead to the extreme conclusion that the different states should show little respect for their own minorities because both the majority of the community and the minority may gain if each one of them is organized in different jurisdictions according to its own community values.[3]

Market mobility guarantees the individuals against the hazards of their production activities in two ways. In the first place, individuals can find other employments if their skills become redundant where they are. In the second place, the market for jurisdictions may offer more redistributive arrangements for the most risk-averse individuals. In general, mobility and competition in both the private and public sectors can guarantee better arrangements for all the individuals.

Such a mix of neo-classical model and of some aspects of the American federalist experience can, however, be a very dangerous guide for the institutional design of the European Union. The Tiebout (1956) model relies on the idea that the costs of mobility are zero — a theoretical abstraction that can, perhaps, provide some insights for the American society where mobility costs are relatively low but it is at odds with the European situation, where linguistic differences and other types of community ties make mobility very costly. In Europe federalism is often advocated by communities as a way of protecting sunk investments, such as their language and their ethnic invest-

3. This view originates from Tiebout's (1956) paper on local public goods. Some of the extreme logical consequences of this theory can be found in Alesina and Spolaore (1997). For a complete survey see Innam and Rubinfield (1997). A clear and concise analysis of this problem can be found also in Part II of Cooter (2000).

ments, against the threats of an increasingly mobile society. It is rarely seen as a means for opening opportunities for people to move towards jurisdictions that are closer to their tastes.

The shortcomings of the neoclassical view of federalism for the European case are also related to some more general limitations of this model. While federalism is considered a way of enhancing diversity in the population by clustering people according to their characteristics, this view relies on low mobility costs that can only hold if individuals are homogeneous in other relevant respects. For instance, if individuals are homogeneous in their linguistic characteristics, their mobility is enhanced and they could easily cluster according to the welfare provision offered by the different states. In general, the homogeneity in one dimension can favour the heterogeneous clustering in other dimensions: if the individuals are homogeneous in terms of their preference for welfare provisions, their mobility among jurisdictions is enhanced in other dimensions and they can more easily cluster according to their linguistic and ethnic characteristics. State competition is rather limited; in many cases, it is possible in some spheres only because some monopoly- possibly a cultural-linguistic monopoly- has been established in some other spheres.

3 • Cultural-linguistic standardisation and individual mobility: a multiplicity of institutional equilibria

The neoclassical model can be criticized for a failure to understand the complementarities[4] existing between heterogeneity in some domains and homogeneity in some other dimensions. However, this criticism can be deepened by arguing that the traditional view fails to see the market as an institution that has required a long process of linguistic, legal and customary standardisation and has, in turn, induced a further enhancement of this process. A fair degree of cultural-linguistic standardisation is wrongly taken for granted while it is a crucial institutional precondition for the working of both "political" and economic markets. Indeed, the national state has greatly helped to homogenize the individuals in important cultural-linguistic dimensions and create the conditions for a mobile market society.

Contrary to the neoclassical story the development of markets has not been associated only with increasing diversity but mostly with a great demand for standardisation. Indeed, it has often come together with a growing intolerance for linguistic and cultural diversity.

4. On the concept of institutional complementarity see Milgrom and Roberts (1990) and Aoki (2001). Even if they do not use the term "institutional complementarity", according to Aoki's generous acknowledgement (2001, p. 396) Pagano (1993) and Pagano and Rowthorn (1994) are also "two of the earliest analytical contributions to institutional complementarity".

Pre-market agrarian societies were very often characterised by both horizontal and vertical diversity. The dialect spoken in one village could well differ from the dialect spoken in the next village while in the same village the serf, the priest and the lord would all speak different languages. However, while linguistic diversity was itself a product of geographically and socially immobile economic relations, it enhanced their immobility, stabilising the roles that were very often peacefully transmitted from fathers to sons and from mothers to daughters: the way of speaking was enough to understand the particular slot of society where each individual should fit. Linguistic diversity and social/geographical immobility were complementary and self-reinforcing elements of a very stable institutional equilibrium. One should not be surprised at the fact that these institutions have characterised such a disproportionate share of the "civilised" history of human kind. One should rather wonder how it was possible for such a stable equilibrium to eventually break down and for societies, characterised by linguistic and cultural homogeneity and by social and geographical mobility to finally emerge.

Indeed, the change was only possible if and when a state (a potential national state) had spread a high culture (characterised by a written language) among the large majority of the population. Once a critical mass was reached, a different self-reinforcing process took off: increasing linguistic homogeneity favoured higher levels of social and geographical mobility and, conversely, higher levels of social and geographical mobility stimulated a growing process of linguistic homogenization.

As Gellner[5] suggested, the ideal initial conditions for this process were given by situations where, as an unintended outcome of the power struggles among the political entities of agrarian societies, a single state ruled on a territory in which, despite the existence of many local dialects, there was a shared view of the dominant high culture. This was the case of England and France that were the first countries where a National state could foster the institutions of a national culture and of a national market (see case A in table 1).

Germany and Italy shared with France and England the existence of a dominant high culture and language but lacked a state that could invest in their popularization and start the virtuous self-reinforcing process between cultural-linguistic homogenization and increasing market mobility. Thus, in these two countries there was strong pressure to achieve national unity that, indeed, gave them the possibility to follow the development process of the early industrializers (see case B in table 1).

5. See Gellner (1983, 1998, and 1999). For an account of the important contributions of Ernest Gellner to Political Economy, see Pagano (2003).

TABLE 1

	Loyalty to a political unity	No loyalty to a political unity
Cultural-Linguistic Homogeneity	**(A)** Early national states (England, France)	**(B)** Struggle for national unity (Italy, Germany)
Cultural-Linguistic Heterogeneity	**(C)** Multilingual and multicultural national states (Switzerland, Belgium)	**(D)** Ethnic conflict and ethnic cleansing (Yugoslavia, Turkey, Greece)

However, the model could not be easily replicated in other parts of Europe. A symmetric case arose when more than one high culture existed within a well defined political unity that could command some loyalty from other elements; here the state could try to foster bilingualism and mutual cultural recognition as means of enhancing a virtuous circle between cultural standardisation and economic mobility but the process was far from easy (see case C in table 1). This type of process somehow succeeded in Switzerland and Belgium, whereas it failed in the larger scale case of the Austro-Hungarian Empire.

Even more difficult was the case of areas that had neither a clearly defined dominant language and culture nor a political unity that could command a high degree of loyalty on the population living there. In this cases the raw material was rather unfit for the coming of the modern world of cultural standardisation and required often some rather brutal measures that in some most unfortunate cases took the form of ethnic cleansing (see case D in table 1). According to Gellner, in these cases, "violence and brutality seem to have been inscribed into the nature of the situation. The horror was not optional, it was predestined." (Gellner 1998 p. 54). Imposed ethnic separation (as the between Greek and Turkish or Pakistani and Indian communities) or ethnic cleansing (most recently in the former Yugoslavia) were the most evident expression of this last case.

While the transition from agrarian to industrial market mobile societies is, in general, associated with a move from an institutional equilibrium characterised by linguistic-cultural differentiation and social-economic immobility to one characterised by linguistic-cultural standardisation and social-economic mobility, this move cannot be taken for granted by economic analysis and even less by policy makers. In different areas of the world the move has been more radical than in others: in Europe linguistic-cultural standardisation and social-economic mobility are far more limited than in the United States. The role of market and political competition, as well as the role of social protection, can therefore be very different in these two institutional settings.

4 • Social protection and cultural-linguistic standardisation: institutional complements and alternative insurance devices

Ever since Adam Smith the advantages of a market economy have been associated with those related to the learning-by-doing-advantages entailed by the division of labour. Market economies allow individuals to get from others most of the goods they need through exchange and allow the specialization of economic activities. However, Coase (1937) and Marx well before him have convincingly argued that, even in modern industrial societies, specialized activities are co-ordinated by means other than market exchange.

Indeed, pre-industrial agrarian societies often have a complex division of labour and a high degree of specialization. The social immobility and the static nature of these societies can favour a high degree of specialization. By contrast, the high economic and social mobility that characterises market societies may inhibit specialization and job-specific learning by doing — a consequence that would be at odds with the traditional Smithian wisdom according to which the degree of specialization is only limited by the extent of the market. The rise of nationalism and, in particular, cultural and linguistic standardisation can however greatly decrease the hazards of specialization in a mobile society by making each skill less specific and more easily employable in other occupations. In this sense, cultural and linguistic standardisation can act as a substitute for forms of social protection that redistribute income to the individuals made redundant by the fluctuations and structural changes that characterise the dynamic market economy. Both this kind of redistribution and cultural-linguistic standardisation can act as insurance devices against the hazards of market economies and make market mobility compatible with the drive towards specialization and its related Smithian productivity advantages. The more costly the cultural-linguistic standardisation process, the more convenient its (partial) substitution by forms of social solidarity.

In other respects, cultural standardisation and social protection can be seen as two fundamental complementary institutions that favoured the emergence of a market economy. Nationalism favoured the dominance of a standardised high culture over a certain area and, at the same time, claimed that all the people sharing the same ethnic identity were "brothers" linked together by a special sense of solidarity. Nationalists pushed for both cultural standardisation and social protection and, moreover, the two objectives were, in many respects,

mutually reinforcing. Cultural standardisation reinforced the sense of solidarity and made it easier to agree to forms of social protection. In turn, social protection favoured the feeling of belonging to the same "imagined community" and favoured the conditions under which local dialects and traditions could be abandoned for the national languages and the traditions defining the national identity. By contrast the social solidarity required by redistribution policies may suffer when there is no cultural-linguistic standardisation and, vice versa, the latter may be rather difficult when there is no shared feeling of solidarity among different ethnic groups.

The relations of complementarity and substitution between social solidarity and cultural-linguistic standardisation create a difficult puzzle in situations in which both factors are lacking.

On the one hand a low level of cultural-linguistic standardisation make redistributive policies more important because the liquidity of the skills of the losers is low. On the other hand, the same low-level of cultural-linguistic homogeneity may inhibit social solidarity and make it difficult to implement redistributive policies. Thus, redistributive policies are relatively more needed when they are more difficult.

In order to understand better the nature of this difficulty, one should recall that, in the case of traditional national states, social solidarity had both a vertical and a horizontal dimension (solidarity among the individuals of the same region and among regions) that were associated to the overcoming of sharp vertical cultural divides among social classes and to the elimination of pronounced horizontal cultural differences among the territories of the national state (case 1 of Table 2).

The United States departed from the traditional national states (case 1 of Table 2). The horizontal homogeneity of the population of the different states (linguistic and also cultural) has gone together with a vertical cultural differentiation of the population due to ethnic division associated with its immigration history. Horizontal cultural homogeneity and vertical cultural differentiation have here been associated with a solidarity among different states that has gone rather disjoint from a strong feeling of solidarity within states. In these conditions, (horizontal) cultural standardisation has not been complemented by social protection and has only acted as a substitute insurance device.

Europe, taken as a whole, offers a case symmetric to the United States (case 3 of Table 2). European nations are culturally very heterogeneous but, until recently, European Nations have not had the vertical ethnic differentiation that has characterised the United

TABLE 2

	Vertical cultural Homogenization	Vertical cultural Differentiation
Horizontal Cultural Homogenization	**(1)** Social and Regional Solidarity (*Classic National states*)	**(2)** Regional Solidarity without Social Solidarity (*United States*)
Horizontal Cultural Differentiation	**(3)**Social Solidarity without Regional Solidarity (*Europe*)	**(4)** No Social and No Regional Solidarity ? (*The future Europe ?)*

States.[6] It is not surprising that social solidarity and social protection has been much more pronounced as an insurance device within each state but that Europe, taken as a whole, has very little redistribution among its states. Both horizontal cultural homogeneity and reciprocal protection among states are very weak and, in a way polar to that of the U. S., the social protection offered by each national state is an important substitute for the lack of cultural horizontal homogenization.

The worst future scenario for Europe (case 4 of Table 2) may be that, while horizontal cultural homogeneity and solidarity among its nations stay weak, immigration destroys, in a way similar to the American model, both vertical cultural homogeneity and the social solidarity existing within each state.

The mild model of European federalism, which we consider in the following section, is meant to be one possible way to give Europe a future different from the (4) scenario.

5 • A possible model of "mild European federalism"

Economic theories of federalism based on a mix of the American experience and neoclassical theory provide a poor guide to the understanding of the nature of the European "mild" federalist project. While these theories consider the optimal clustering that could be obtained through the free mobility of individuals, the European project aims at a reduction of the costs of mobility and deals with all the issues related to the existence of costly mobility in situations of cultural and linguistic diversity. Federalism is a way of combining sunk linguistic and cultural investment with a common space that can be obtained by making most individuals bilingual and trilingual and/or accepting some common lingua franca: thus, in this respect, federalism is, at the same time, a way of encouraging individuals towards some limited mobility and a way of defending them against

6. Cultural class differences have often been more pronounced in Europe than the U.S. and, for this reason, despite ethnic differences, vertical mobility has been higher in the U.S. than in Europe. However, despite individual cases of amazing vertical mobility, the vertical hierarchy of the different group has not very much changes and seems, on average, to put severe constrains on the opportunities available to the members of each group.

a too strong "forced" mobility that could destroy the specific cultural and linguistic identity of a particular place. Federalism is also both a way of creating some mild European identity[7] and preserving the identity of particular nations and regions. In some ways it can be regarded as an attempt to reproduce at European level case (c) of our table 1.[8]

European federalism can hardly be a sort of extension of the benefits of competition to the political market. It cannot take for granted the mobility of the individuals and must seek the creation of some minimum cultural-linguistic standardisation by the way of projects such as the Erasmus exchanges for University students or the Bologna process introducing equivalent degrees in European Universities. At the same time, it must protect individuals against the excesses of mobility by some redistribution in favour of the most disadvantaged regions. Europe faces the paradox that we have just considered at the end of the last section: in absence of cultural and linguistic homogenization, costly mobility implies that redistribution is the most useful when it may be the least acceptable. Thus, in the European case, the most important issues become how to foster a self-reinforcing dynamics between some moderate cultural-linguistic standardisation and some moderate mobility without upsetting regional and national identities and how to bring about some redistribution in favour of the poorest areas (that limits the need for mobility) without upsetting the slow process of creating a European solidarity. Since redistribution and cultural-linguistic standardisation are both complements and substitutes, this process requires smooth and balanced progresses in both directions. By contrast, abrupt movements only towards cultural-linguistic standardisation or only towards European-level redistribution are undesirable and, sometimes, dangerous.

An excessive move towards cultural and linguistic standardisation can be undesirable if it is not complemented by a sense of European solidarity. Otherwise, the feelings of insecurity of the groups that are disadvantaged by the move may generate anti-European and pro-national feelings. Indeed, instead of an excessive push in this direction, redistribution policies may be preferred as a "better substitute" for cultural and linguistic standardisation in order to cope with the market uncertainties arising from specialization.

An excessive move towards redistribution policies, which is not complemented by some cultural and linguistic standardisation, may also easily backfire. The "complementary" pre-existence of a shared culture and of a shared identity may be necessary for a widespread acceptance of solidaristic policies. An excessive emphasis on these policies is also undesirable because cultural standardisation

7. To use Anderson's (1991) insightful expression Europe should become a "new imagined community" giving "symbolic utility" to individuals (Pagano 1995). The fact that this collective imagination is engineered by a long and somehow artificial process would not be a historical novelty but would rather make the "creation" of Europe very similar to the process of formation of many national identities (Hobsbawm 1992 and Hobsbawn and Ranger 1983).

8. This is also the case that encompasses Belgium. It is therefore not surprising that, in a very stimulating paper, Van Parijs (2003) gives a qualified positive answer to the question; "Must Europe be Belgian?".

could also have acted as a "better substitute". Indeed, beyond a certain level, some form of cultural and linguistic standardisation could better achieve the same insurance results.

While, within certain limits, American federalism can take for granted conditions of horizontal cultural and linguistic standardisation required by the mobility of the individuals and the competition among states, European federalism must, step by step, try to create some of these conditions. Only if these processes are successful in some dimensions, will some degree of state competition be helpful. In any case, a linguistically divided Europe will have to rely more on the protection of jobs and, in general, of welfare of the individuals in their own nations and regions. If Europe cannot provide a substantial redistribution among regions and within regions, it must at least make redistribution possible within each single national state. Knowing that there is a better employer and a better welfare protection in another region will not help much in a culturally divided Europe. Increased political and market mobility must be complemented and, sometimes, substituted, more than in the American case, by locally based redistribution policies.

6 • Coping with globalization: a "European Insurance Scheme" among National welfare states

While the National state originated a self-reinforcing process between cultural standardisation and economic development, it opened a Pandora Box whose cultural and economic winds could hardly be contained forever within the boundaries of National states. Some National states (Britain with its Commonwealth and the United States with its federal system, with its frontier and with its melting pot of different ethnic groups) developed a sense of "global mission" and started doing to other languages and traditions what the national state had done within its boundaries.[9] The advantages of mobility and cultural standardization could now be reaped at global level.

The resistance of national states has been often unsurprisingly strong. Even when the benefits of cultural standardization were clearly greater than their costs, the cultural standard was not a matter of indifference. The national state was now often there to try to stop the further advancement of that process of cultural homogenization that had been its main task and, perhaps, the fundamental reason for its existence. Globalization meant convergence and suppression of

9. According to Hardt and Negri (2000), the importance of the role of the United States in the process of globalization has been enhanced by its differences from traditional national states that stressed the role of ethnic identity. The legitimacy of the power of the U. S. has rather been based on the belief in the superiority of the American way of life that would mark the boundary between the civilized world and the various realms of evil. In this sense the power of the U.S. is not expressed in the imperialism typical of the traditional national states. It is rather grounded in its centrality in the Empire that should group together all the Civilized World. Since Civilization should not have limits in its struggle against the forces of evil, similarly the Empire (unlike the old forms of imperialism) should have no limits.

cultural differences in the same way in which the success of a national high culture had meant a decrease of cultural and institutional biodiversity within each country. The former cultural standardizers of the age of Nationalism have often become the victims of a historical nemesis that threatens the survival of their own traditions.

Globalization marks a new age. It is different from the Empires that had in the past unified politically the part of the world that was known. The Roman Empire and, after that, the Holy Roman Empire never posed a comparable challenge to cultural diversity. They kept the universal culture and the lingua franca as the distinctive mark of the ruling classes. Modern globalization spreads the global culture well beyond a ruling minority and, in this sense, it may help to decrease inequalities. In the ancient empires political unity was not associated with cultural unity. Modern Globalism is different: while cultural unity may be a factor putting pressure towards greater political integration,[10] political unity is rather weaker and it is mainly based on the dominance of the United States, on local processes of limited political integration such as the European Union and on some, often inadequate, governance by a few international institutions.

Besides its enormously enlarged boundaries, the nature of modern globalism is also fundamentally different from nationalism. The politically united national state could decrease the risks of the market economy by using both universal cultural homogenization and some forms of social protection. While cultural homogenization was achieved through massive intervention in education, social protection required that the risks of the different productive sectors were not strongly correlated. Indeed, social insurance needed a production structure diversified in a considerable variety of sectors. Otherwise the Nation would have put too many eggs in too few baskets and would not be able to insure its citizens.

Globalism lacks both the social insurance programmes and the universal access to education that characterised nation states. Moreover, it limits the capacity of national states to use either the insurance devices associated with redistribution and with the welfare state or the insurance devices based on cultural and linguistic standardisation.

In the absence of a reliable system of "international insurance" national states should compare the gains from trade due to international specialization with the risks entailed by reduced productive diversification. The balance of these two factors should involve an "optimal degree" of specialization. This degree of specialization will be less pronounced than the one that would be obtained by referring only to the "gross" gains from trade according the stand-

10. It is not inconsistent with this view that this integration may first occur among nations sharing the same civilization (common history, traditions and readings). However, it is an open issue whether this should be considered as first step for integration among these civilizations or lead to a disruptive clash among civilizations (see Huntington, 1997).

ard theory of comparative advantage; the "net" gains of international specialization should also take into account the growing costs of supplying internal social protection as the productive diversification of national economies decreases. Unfortunately this "optimal" level of specialization may be difficult to achieve in a globalized economy. Each single individual who moves to the sectors that have become more profitable as a result of international trade gains the full benefits of the new specialization. By contrast, she shares with all the other individuals of the same Nation the increased risk associated with the decrease of the number of productive sectors.[11] Even if national governments realize the divergence between the private and social net benefits of specialization (and, often, they do not seem to do so!) it may well difficult to stop the individuals from specializing according to their own private benefits. An "international tragedy of the commons", free riding on the "pasture" of productive diversification, may easily spread and increase insecurity in the global economy.

Also the use of cultural standardization- the other instrument by which national economies have traditionally insured their citizens against the risks of market mobility — is seriously impeded in an internationally integrated economy.

In the global economy, access to the dominant cultural standard is much more unequally distributed than in the case of national economies of the past. This inequality creates a division among workers endowed with mobile intellectual assets that are easily employable in the global economy and those that have skills that are less mobile and more specific to the national economy.[12] The first workers may find it more convenient to replace social protection with cultural standardization as a form of insurance device and get out of the mutual insurance system that characterizes national states. Like financial capital these workers may become difficult to tax. Their relatively easy exit from a national system of mutual insurance makes it even more difficult to finance the traditional forms of social protection supplied by the national state and worsens the situation of those workers who cannot use the access to the global cultural standard as a (partial) substitute for social protection (D'Antoni, Pagano 2002). Thus, in this respect, the present globalized world shows some puzzling (even, if perhaps, misleading) similarity with the ancient agrarian societies. Also here (especially in some of the countries where a language different from the Anglo-American tradition prevails) a cosmopolitan elite (but much more numerous than that existing in the agrarian societies!) speaks a new Latin that cannot be used as a working language by the majority of the population which, like in the agrarian societies, has only a limited horizontal and vertical mobility. While old forms of inequalities re-emerge in the modern globalized

11. Michele Di Maio has pointed out to me that issue is not only the quantity of the sectors but also their quality. Some sectors may be characterized by more fungible core competencies than others.

12. This is the division that, according to Yael Tamir, (see her very interesting paper in this volume) separates "globalists" and "communitarians" or, using a similar terminology, according to Bowles and Pagano (2004), separates "cosmopolitans" from "provincials". The divide is related to the divide between the global lingua franca and the other languages, wich implies that many non-English-speaking countries have a differential access to the "cosmopolitan" standard. As Van Parijs (2002, p. 72) points out "This ubiquitous asymmetric bilingualism is arguably very efficient. But nothing guarantees that it be fair." Redistributive justice must therefore necessarily include the issue of linguistic justice.

economy the national states, facing a shrinking tax base and increasingly correlated risks, are not able to offer to their citizens the security that they offered in the past.

The dilemma posed in the process of European integration by the "complementarity-substitution" relation between cultural standardisation and social protection can be reframed in this general framework: in many respects, the process of European integration is simply part of the process of globalization and implies that economic integration makes it more difficult for each European economy to offer social protection in a situation of increasing productive specialization. European integration may create a dangerous division between "cosmopolitans" who are able to substitute cultural standardisation social insurance and "provincials" who find it hard to increase the "liquidity" of their skills. At the same time, Europe can offer some remedy for the fact that integration without forms of social insurance leads to excessively risky productive specialization.

If a European welfare state is rather difficult to conceive in the present circumstances, Europe may try to offer mutual insurances among the welfare states of the National Economies allowing their survival in situations in which these economies specialize within the European economic space and run increasingly correlated risks. While redistributions related to social insurance would occur within each single Nation according to its wealth, rules and political compromises, each welfare state could receive some insurance from the other welfare states.[13]

7 • Conclusion

In a culturally and linguistically divided Europe, federalism cannot be considered a system based on an unfettered mobility that allows a free choice among different systems of social insurance and redistribution. It may rather require a system of mutual insurance among the different welfare systems that makes economic integration compatible with social protection (including protection against an "economically forced" mobility towards other states). While Europe may also promote (a limited) cultural standardisation at European level, the latter can be a substitute for social protection only at an increasing cost and can cause a dangerous clash between "cosmopolitans" and "provincials". Only a system of mutual insurance among national welfare states can help the marriage between the European rich and creative cultural diversity and a process of economic and cultural integration that is not opposed to the solidaristic tradition of the European Nations.

13. In principle, such system could make the increased specialization of each economy compatible with stable levels of social protection. While in each country the number of sectors decreases and it becomes increasingly impossible to insure each national sector with the other productive sectors, the mutual insurance among the Welfare States would allow some sort of "indirect insurance" of each European productive sector with the other productive sectors. However, in real practice as well as in economic theory, insurance is always associated with a moral hazard problem and it is an open issue if and how a mild form of European federalism will be able to offer some indirect type of social insurance (and, at the same time, some limited common cultural standards compatible with the diversity of the European nations and regions). As a matter of fact, re-insurance companies, such as Munich Re or Swiss Re, are very important for the economic success of private insurance companies. The European Union could play an analogous re-insurance role with respect to National welfare states.

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Comments on Kraus and Pagano

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"Who really counts?" This is probably the main question one should raise when thinking about economic solidarity. And more specifically, why this or that person counts while this or that other person does not count or counts less. We know why we care about the members of our family and about our friends, but why should we care about others?

If indeed Philippe Van Parijs is right when he says that "the more there is cultural (and in particular linguistic) homogeneity within the population of a politically defined territory, the better are the prospects in terms of economic solidarity", the question: "who counts?" would receive different, perhaps even contradictory, answers depending on whether one is supportive of cultural diversity or the social welfare of the whole population of a polity. Do we have to oppose both claims to justice? Do we have to compare the measure in which the political recognition of cultural minorities improves the situation of its members in terms of justice and the measure in which this recognition deteriorates the situation of the disadvantaged members of the society at large? Is there a direct correlation between the level of internal pluralism of a society and the degree of willingness of its member to contribute to the well being of all persons without consideration of race, cultural identity, gender, or any other form of particularism?

This problem can be analytically broken down into several distinct lines of questioning. Peter Kraus and Ugo Pagano's contributions follow two distinct lines of reflection on the situation of the European Union.

1 • Accommodation of linguistic diversity and "the subsidiarity principle"

How can we best accommodate cultural and linguistic diversity in the European Union? Peter Kraus attempts to answer this question from a perspective that seems to owe much of its general orientation to the concept of recognition as proposed by Charles Taylor and Michael Walzer. He starts by pointing to certain common features of the Habsburg Monarchy and the European Union: 1) an important level of institutional complexity, prone to lead to institutional deadlocks; 2) a deficit in democratic legitimacy; 3) a comprehensive area of transnational political regulations and economic governance; 4) marked cultural heterogeneity.

Now, is the dislocation of the Austro-Hungarian Empire indicative of the type of challenge the EU has to address? Peter Kraus seems to believe so, suggesting that by reflecting on this historical reality, Europeans could hope to find some of the elements that could contribute to the elaboration of a solution to the numerous problems that lay ahead in the process of European integration, and most notably, the problems resulting from the cultural and linguistic diversity characterizing Europe.

I will leave aside in my comments this comparison, for two reasons. First, I am not sure that the suggested comparison is entirely relevant to the problem at hand. On the one hand, despite the common features of the Habsburg Empire and the EU, there are of course many elements in the history of the Austro-Hungarian Empire, besides internal pluralism, which could account for the dislocation of the Empire (Fichtner, 1997; Sked, 2001). On the other hand, we might consider that each element brought to our attention does not or did not have the same impact on the political organisations considered (e.g. the question of political legitimacy is of quite different nature and extent in both cases) and that the processes through which these organisations emerged are substantially different. While the suggested parallel may shed some light on the present situation, it is doubtful that it provides a complete picture. In other words, to look primarily to the past may not be the best option for finding appropriate solutions to the problems resulting from the European political integration, especially when it comes to trying to reconcile intergovernmental and federal features within a common institutional framework. In light of the specific character of the European institutional project (Sidjanski, 1999, 2001; Moravcsik, 1998; Croisat and Quermonne, 1999), one may then consider that the problem of the relationship between cultural diversity and political unity and the

problem of democratic legitimacy of European institutions and policies may have to be formulated in radically new terms. As Jacques Delors argued in his foreword to Dusan Sidjanski's important book on Europe and federalism, the European integration process is all about "breaking new grounds". "Europe, in its perpetual evolution, cannot rely on a pre-existing road map or on some historical model to guide us in this new adventure" (Sidjanski, 2000: ix). Europeans must invent new institutional arrangements (Quermonne, 2001). Short of that, the EU, undoubtedly, will fail to address the challenge of implementing democracy and solidarity among distinct national groups in an adequate way.

The second reason relates more directly to the paper itself: the fact is that Peter Kraus himself does not really proceed on the basis of this historical comparison, but instead relies firstly on an analysis based on a conceptual distinction between a perspective inspired by John Stuart Mill and another by Walter Hallstein, and secondly, on a few comments on linguistic pluralism.

According to the first perspective, classically illustrated by Mill and his *Considerations on Representative Government* (1861), the unified polity requires a culturally and linguistically unified nation. On this reading of Mill, cultural diversity is taken to be a major obstacle to civic solidarity. The *Considerations* is taken to describe the "vicious circle of non-integration", establishing the ground on the basis of which liberals, for many years to come, will reject the idea of a multinational or plurilingual state.

The second way of thinking about diversity is exemplified by Hallstein (1962; 1972) who insisted on the value of cultural diversity in the European Union, translating it, most notably, into the principle of "integral multilingualism" requiring the equal recognition of the respective national languages of the members of the Union.

Both approaches are said to be problematic, in the sense that they equally conflate normative preferences and empirical assessments. Mill saw the pluralism as a problem and refused it flatly, while Hallstein accepted pluralism, but failed to see the problems it could lead to. Kraus rightly argues that in order to deal effectively with the problem of cultural and linguistic heterogeneity in the context of a politically integrated Union, one has to look beyond the terms of this alternative.

He considers that our present difficulties are due to the fact that the knowledge we have of the actual effect of linguistic pluralism on the institutional development of democracies is still insufficient. Our limited understanding of the correlation between linguistic pluralism and democracy must explain, according to Peter Kraus, why

John Stuart Mill's thesis remains so deeply influential. It builds on the assumption that a multilingual social structure is a challenge both in terms of administrative efficiency and of democratic legitimation.

Peter Kraus argues strongly against monolingualism and in favour of multilingualism. Adopting a Humboldtian conception of language (Humboldt, 1903-1904: 420-435), he argues that monolingualism fails to take into account the national dimension of language and its importance from the point of view of identity politics. According to him, if multilingualism leads necessarily to institutional pluralism, institutional pluralism need not be considered an obstacle to democracy (he mentions the cases of Switzerland, Belgium and Finland to support this point). Therefore, the Millian assumption according to which cultural and linguistic homogeneity is a necessary condition of political integration should be closely examined.

Dominique Schnapper, in her own paper, builds quite a different case starting with the same examples. She recognizes that Switzerland has been, for one hundred and fifty years, a "political wonder" and that multilingualism, since 1848, has been an integral part of its democratic life. Along the lines of the arguments advanced most notably by Pierre Van den Berghe (1981), she identifies — in a perspective which owes nothing to sociobiology — some of the conditions that account for the specific status of Switzerland as a multilingual democracy (*cf.* also Siegfried, 1980). But she also suggests that the Swiss model might be at a crossroad. Some significant linguistic divisions now appear in Switzerland where the English language tends to be adopted not only as a business language but also as a common language. Some theorists have shown that the English language tends, in other words, to be used, not only to communicate with English speaking foreigners, but also "for intra-Swiss purposes" (Dürmüller, 2002; 1997). In order to argue in favour of multiligualism, it would be interesting to take into account the recent evolution of Swiss society in that respect. Considering that "English is allowed to acquire a more prominent place in the language repertoire of the country, even one with a communicative function for the Swiss themselves: i.e. that of language of wider communication or lingua franca" (Dürmüller, 2002: 123), it might not prove to be so effective anymore to support a case for multilingualism based on the example of Switzerland (*contra* Grin, 2002). The Swiss model is certainly interesting to reflect upon, but it is far from evident that its language policies (Dürmüller, 1997) could or should be applied at the level of the European Union.

Peter Kraus rightly remarks that the EU acquires ever more features of a polycentric multinational community, while becoming at the same time a post-sovereign order because of the gradual emergence of a European level of government. According to the author,

the EU cannot expect to "create a close fit between the realms of politics and culture", but it can hope to be able to protect the diversity of "politically relevant cultural attachment". In any case, to avoid the risk of "negative integration" (the absence of political deliberation and decision on an object make it the object of "invisible" market forces), the EU has to work out a balance between the protection of cultural identity (beyond the identities of the nation-states) and the development of a common political framework.

The main thesis of Peter Kraus in this respect is the following: to work on a solution to the problem of articulating protection of diversity and political integration, we have to rely on the *subsidiarity principle*. This principle establishes that competences that can be best carried out at the national, regional or municipal level should not be assigned to the European Union (Dehousse, 2000). Thus understood, the subsidiarity principle could effectively contribute to the promotion of recognition. It allows a more flexible approach to the difficult question of national sovereignty, requiring neither a strict cultural and linguistic standardisation, nor a radically cosmopolitan or postnational outlook.

I would like to argue, if I may, that the subsidiarity principle is inadequate to the challenge of democratic legitimacy.

First, this principle means that the governing powers of the European Union could be given the right to promulgate law and decrees in areas with reference to which they have not been granted an exclusive competence, provided there is agreement on the fact that the goals aimed at could be better pursued at the community level: "The subsidiarity principle, which lies at the heart of any federal community, can be invoked either to increase or restrict the powers of central institutions" (Sidjanski, 2000: 412). That means that the subsidiarity principle as such does not indicate when we should favour the regional level as opposed the European level; it does not tell us when diversity has to be privileged, and when a certain homogeneity has to be given priority. The criteria have first to be spelled out. Peter Kraus does not state them explicitly but he relies on them when he suggests that the Union could decide, for example, that only a limited number of languages could be used for "official communication in a few functional domains" such as the "specific loci of deliberation or policy-making". As long as this choice is accompanied by compensation for the communities affected negatively, this appears to be acceptable to Peter Kraus. This, is a specific interpretation of the subsidiarity principle in the area of linguistic justice. Many other interpretations could be considered.

Second, Peter Kraus relies on data pertaining to the actual possibilities for direct and extensive communication in multilingual

societies which show that these possibilities are in fact extremely limited. He writes: "The spaces of political communication in the three countries considered (Switzerland, Belgium, and Finland) are divided along linguistic lines". It implies that if there is to be a public sphere in the European Union as a multinational polity, it will have to rely solely on the mediation of a "class" of multilingual individuals. I would wonder how this can possibly provide the European institutions and policies with a much-needed legitimacy? Should we rely on some sort of Hegelian framework, with a class of individuals whose special task will be to give substance to the supranational and community level of government? I find the idea of trying to tackle the issue of cultural diversity on the basis of the subsidiarity principle very stimulating. But it seems to me that we have to go further in the definition of the criteria on the basis of which it will be applied. On the one hand, the subsidiarity principle as interpreted by Peter Kraus leaves wide open the question of the democratic legitimacy of the European institutions. But, on the other hand, it does not say what could be an appropriate compensation for the fact that some languages will not be considered languages of communication in such important areas as political deliberation and policy-making.

2 • The social requirements of a European federal integration

Peter Kraus focuses his attention on the relation between linguistic diversity and "political citizenship", while Ugo Pagano, in his paper, is more concerned with the relation between cultural diversity and "social citizenship" (Marshall and Bottomore, 1992). His question is this: how can we establish an optimal equilibrium between cultural-linguistic diversity and social protection in the European Union? His answer is of a negative kind, in the sense that it consists in demonstrating that what he characterizes as the "American conception of federalism" cannot be taken, for economic and social reasons, as a model for Europe.

With regard to "American federalism", Ugo Pagano argues that the diversity of jurisdictions gives individuals the possibility of choosing between them, on the basis of their preferred choices, political, economic or cultural. He insists on the fact that this conception of federalism relies on neo-classical theories and models such as that of Charles Tiebout (1956), which require that the costs attached to mobility are extremely low. In that perspective, the states don't have to strive to accommodate their minorities, because everyone is sup-

posed to have the possibility of choosing to be a member of another state in which his preferences are shared by a majority. Here, a minority — to push the argument to its logical conclusion — is always a deliberate minority.

According to Ugo Pagano, this type of federalism is not an appropriate model for a European federalism, precisely because there are high costs attached to mobility in Europe. Before considering why, we should say a word about the reason why people should consider mobility an option for themselves in the first place. In order to understand this, Ugo Pagano reminds us of the contrast drawn by Ernest Gellner between agrarian societies and market economy society. It all has to do with the modern call for standardisation and social mobility.

The neo-classical theories on which the competitive conception of federalism relies fail to capture the idea that there could be heterogeneity in some dimensions of the polity (for example: linguistic and cultural differences), while there could be homogeneity in some others (example: a common conception of social justice). And it fails to see that those dimensions could be complementary.

Over the years, we have come to understand that the division of labour in a market economy is not only about the maximisation of "learning by doing" (Adam Smith), but has also something to do with minimising the training time. The "learning by doing" thesis was limited, 1) because of the repetitive nature of the task involved; 2) because of the process described by Schumpeter (1976) as a process of creative destruction which rapidly makes specialised skills obsolete. The highly specialised worker is the most likely victim of the process of creative destruction. The more specialised the skills, the lower their liquidity. The high economic and social mobility that characterises market societies may, in that sense, limit specialisation, while encouraging adaptability and mobility.

Nationalism, understood historically as a process of cultural and linguistic standardisation, contributed to the development of the national market economy. It contributed, through standardisation, to make skills less specific and thereby to increase their liquidity.

If cultural standardisation and social protection can be considered an alternative insurance device, it is precisely because when the liquidity of skills is high, the need for social protection is low. In light of this consideration, Ugo Pagano argues that cultural standardisation can operate, to a certain extent, as a substitute for forms of social protection.

Now, if — as is the case in the countries of the European Union — cultural standardisation is too costly, then it might be appro-

priate to limit this process and to implement instead some form of social solidarity. With that in mind, Ugo Pagano, with Massimo D'Antoni, has elaborated a framework on the basis of which the welfare of the agent can be maximised by choosing an optimal mix of cultural standardisation and social protection.

In the perspective previously explored by David Miller (1999), Ugo Pagano argues that cultural standardisation and social protection are self-reinforcing institutions. Cultural standardisation helps make solidarity possible and, conversely, economic solidarity contributes to cultural standardisation. This point takes us to the consideration of a paradox. When the level of cultural standardisation is low, a high level of social protection (because of the low level of liquidity of specialized skills) is needed. But of course, it is precisely when cultural standardisation is low that it is extremely difficult to reach any kind of agreement on forms and level of social redistribution. In other words, redistributive policies are most needed precisely when it is more difficult to define, justify and implement them.

Leaving behind the competitive conception of federalism, European federalism should aim at overcoming this paradox. According to Ugo Pagano, federalism allows for the creation of differentiated spaces, some referred to our cultural attachments and some operating on the basis of an advanced cultural standardisation (that may rely linguistically on a *lingua franca*). This type of federalism can lead to the creation of a common identity with regard to certain spaces, while otherwise protecting people against forced mobility by the implementation of redistributive policies. Ugo Pagano considers that such institutional arrangements might contribute to standardisation without upsetting regional and national identities.

This proposal has great merit, and I share the concern for social justice on which it is based. But I would like to make three observations in this connection.

Ugo Pagano explains that cultural standardisation can operate as a substitute for forms of social protection. He argues that the European Union, considering the high costs of mobility, should aim at instituting an equilibrium between cultural standardisation and social protection. But my impression is that, whether we like it or not, the processes of "spillover" (Simon, 1997) and of "negative integration" might lead us in the direction of cultural standardisation. If that is the case, will that mean that social protection will not be needed so much anymore? I'm quite sure that it is not what Ugo Pagano is arguing for, but it seems to me than his analysis could be interpreted as presupposing that if there were no costs attached to mobility, social protection policies wouldn't be as necessary. But can all the

problems that social policies aim to address really solved through mobility?

Ugo Pagano notes that the social solidarity required by redistribution policies may suffer "when there is no cultural and linguistic standardisation and, vice versa, the latter may be rather difficult when there is no shared feeling of solidarity among different ethnic groups". Is this remark not a departure from the previous argument that insisted on the possible articulation of cultural standardisation and social protection? If the cultural standardisation is not pushed to its fullest, it is to maintain the integrity of cultural identities and to take into account the costs of mobility. The framework thus elaborated is intended to make possible an equilibrium between both, in that very context. So why should it be difficult all of a sudden? Ugo Pagano considers that we have to maintain an equilibrium between cultural standardisation and social protection. His argument is that if we push too far in the direction of standardisation, without complementing it by social solidarity, we might increase the feeling of insecurity of the people belonging to disadvantaged groups. So in order to keep under control the feeling of insecurity (and sometimes resentment) they may experience, it is said to be necessary to associate cultural standardisation and social protection. Both devices can certainly be seen as complementary, but can they really be thought of as addressing the same type of insecurity? The "non-standardised" individual can certainly feel that the marginalisation of his culture and language constitutes a loss. But the insecurity associated with this feeling of loss is of a nature quite different than the social one associated with his economic redundancy. So it may be difficult to see how social protection could fully compensate the perceived effects of cultural and linguistic standardisation as is the case of the individual who realises that he is both economically and culturally redundant.

3 • Democratic challenge and social justice in the EU

Both authors argue that the European Union could actually find a way of accommodating, at the institutional level, linguistic and cultural diversity. But their arguments are quite different. Peter Kraus' approach is sociological, while Ugo Pagano is economic. They both agree that the EU *should* strive at protecting diversity, and, they point in the direction of an institutional arrangement which could allow the Union to go further in the direction of political and economic integration, without requiring an excessive cultural and linguistic homogeni-

sation of differentiated national spaces as they presently stand. The point they make could be thought of as complementary: from a positive point of view, Peter Kraus says that the subsidiarity principle is an appropriate answer to what Philippe Van Parijs, referring to Mill, has termed the "democratic challenge" ("No viable democracy without a linguistically unified demos") (Van Parijs, 2000), while Ugo Pagano, from a negative point of view, argues that if the European Union ought to move towards federalism, then this federalism should not be of a competitive nature.

I would like to distinguish two different kinds of problem here. The first one has to do with language planning and the second with solidarity in the context of heterogeneous societies. And my general suggestion will be that by aiming at the institution of a European government, we might hope to find ways of both accommodating cultural and linguistic diversity and ensuring the required level of social redistribution.

3.1 Language planning and the European Union

The European Union is faced with a challenge. It has to reconcile two distinct sources of legitimacy: that of the member-states and that of the Europeans citizens through elections. It has in other words to conjugate two very different logics of decision-making: an intergovernmental one and a Community one. The first is diplomatic in nature and proceeds on the basis of discussions and negotiations between the different national governments of the EU, while the other, called the "Community method", is both supranational and intergovernmental. The Community method operated quite successfully for about fifty years, taking the Union from the structure of a "common market" to the one of a "single market". In 1992, the Maastricht treaty introduced great changes. The community system is now only one of the pillars of the Union, associated as it is now with two intergovernmental pillars (Quermonne 2001). On the one hand, the weakening of the Community institutions has left much of the power of initiative to the diplomatic level of coordination. On the other hand, far from moving towards the implementation of the "single institutional framework" (art. 3 TEU), a dichotomy remains, in spite of the "spillover effect", between intergovernmental diplomacy and Community procedures. The extension of the Union's tasks and of the Union itself requires that it goes — if it does not wish to become a mere free trade area — beyond the scope of governance and institutes a genuine "mixed" government (Quermonne 2001: 73-81; 2002: chap. 9).

I will not consider the question of whether the type of federation corresponding to this mixed European Government should be a "Federation of Nations-States" or not. I just would like to emphasise the fact that the move towards a European Government, in the context of an enlarged union, might require the adoption of a common language for administrative purposes, for the deliberation of Members of Parliament and representatives of national governments, and maybe even for the relations between European institutions and the citizens. Philippe Van Parijs is quite convincing when he suggests that English is already the language of Europe (Van Parijs 2004). The *Law of the linguistic maximin*, as he puts it — according to which, if one wants to be understood by the greatest number of people with different linguistic backgrounds, one does not choose the language understood by the majority, but the language which is the best understood by the person who understands it least — this law is already at work.

I will not discuss the possible self-fulfilling dimension of this widely shared prophecy, but it is clear that no language other than English seems to be in a position to claim the status of a *lingua franca* in Europe and in the world. The fact that it is English and not French, German, Italian, Latin or Esperanto, is purely incidental and doesn't really matter. There certainly will be questions of social justice that will need to be addressed, in the sense that it gives indeed an unfair advantage to native English speakers (Van Parijs 2002). But most importantly, it seems, first, that it might be less difficult to accept one common language, than to accept to have one's national language not used in the Europeans institutions when three or four other national languages are. Second, even if the cost of translation and interpretation is not particularly high, it is still significant. We could then consider that it is best to spend the money on people learning a common language, than to have them always relying on translation and interpretation. It might help improve as well the quality of communication, public deliberation and negotiation. Finally, I mentioned that English tends to become the common language in Europe (de Swaan 2001), but we could stil ask: why *should* this common language be English? If only for that reason: because to learn English is not only about learning a language that can be used within Europe, it is also about learning a language that can be used throughout the world.

I am perfectly aware of the controversial nature of this suggestion. But I do not see how choosing English as an mere instrument of communication at the European level could destroy national or regional cultural and linguistic identities. It is true though that the decision to opt for a common language at the European level needs to be supplemented by a firm European language policy designed to

preserve a multilingual Europe. One can be ready to have a certain number of decisions taken in a language that she does not identify as her own, without accepting to relinquish her national language and culture altogether. The value of cultural membership (Kymlicka 1995) has to be asserted and can be so at the national level, whether this level refers to nation-states or stateless nations, on the basis of a language policy which could associate elements from territoriality and personality principles. At the very least, the European citizen ought to be bilingual. And almost every trend of linguistic sociology shows that she will so become.

3.2 Social justice in the European Union

In order to preserve this linguistic and cultural diversity, however, even an adequate European language policy might not be sufficient. As argued by Ugo Pagano, social redistribution can contribute to that objective. With regard to that goal, I would like to suggest that instead of trying to determine at what point the extent of the political recognition of cultural minorities — or, in other words, the extent of the internal cultural pluralism of a society (its heterogeneity) — becomes a threat to the economic solidarity of its members, we might consider determining how economic solidarity could be best achieved in the context of a strongly heterogeneous society such as Europe. It is not that we should doubt the fact that economic solidarity is more easily achievable in the context of a homogeneous community, whose members feel they ought to provide a certain level of support to their fellow citizens (Miller, 1999). Rather, we should consider the legitimacy of a partial but significant de-nationalisation of the question of economic solidarity.

I am not unaware of the far-reaching character, to say the least, of this suggestion, which counters general opinion. But is it so unrealistic? Some are convinced that it is. But my impression is that this suggestion is far less unrealistic or optimistic that the anthropological or sociobiological premises behind the idea that solidarity requires homogeneity. Nations have not been built on a feeling of solidarity or spontaneous acceptance. This kind of feelings has been progressive and institutionally induced. People, acquiring a sense of living in a shared space, learn how to live and work with people whom they see as different. [1]

Why do people contribute to a social system at all? Is it because they essentially constitute a people with fellow feelings? If this is the case, then indeed it is of the utmost importance to ensure that the community remain sufficiently homogeneous so as not to undermine the social system of insurance and redistribution mecha-

1. For a similar argument applied to city politics, see the very interesting book by Gerald Frug (1999).

nisms. In that perspective Mill's "democratic challenge" could be rephrased as follows: "Among a people without fellow-feelings, especially if they read and speak different languages, the united public opinion necessary to the working of (the welfare state) cannot exist… (It) is in general a necessary condition of (the welfare state) that the boundaries of governments should coincide in the main with those of nationalities." (Mill 1972: 230, 233). We could think of it as the "social democratic challenge" or to say it differently, the democratic challenge is a *social* democratic challenge.

When speaking about social justice in Europe, however, it is not sufficient to call for European solidarity. One has to try to determine which institutional arrangements solidarity requires in order to be implemented. As Paul Pierson has rightly said: the problem is that "debates over the complex relationship between the process of European integration and the evolution of social policy often generates more heat than light" (Pierson 1998). With Ugo Pagano's paper, we got some light. He suggests that we should look in the direction of a form of federal arrangement on the basis of which spaces could be differentiated, in order to protect national identities from cultural standardization.

He proceeds, however, as he openly confesses, on the basis of a simplified definition of competitive federalism. There is indeed a very wide diversity of forms of federal integration, each trying to respond to the specific requirements of a given region and constitutional tradition (Watts 1996). We know that this diversity can be explained by the great number of different states that moved in that direction, a number so great that D. Elazar, a few years back, felt that he could speak, in that respect, of a genuine "paradigm shift" (Elazar 1996); it can also be explained by the variety of ways of understanding federalism (Croisat 1999: 11-31). If the European model of federalism should not be of the competitive type, we can suppose that it should take one form or other of "cooperative federalism", such as is said to have emerged in the United States, in the context of the New Deal (Frenkel 1986: 91). In the context of the European Union, it means that intergovernmental cooperation and community action must reach beyond the capacities and competences of each national government, in various areas: political, economic, social and cultural. Yet, this qualification of the EU as a federation is still very far from the level at which the more resilient problems materialize, because the question is precisely about finding ways of thinking through the *Spillover* effect and, possibly, extend it and constitutionalize it. If one of the main problems facing Europe is a democratic problem, it may also be because the EU is not doing enough at the individual level in terms of social justice. We could suppose that the

Europeans would be more supportive of the European integrative process if the EU had a strong social dimension attached to it. Right now, it is not the case: "in contrast to the highly developed social welfare states of Western Europe, the emerging European regulatory state is only marginally involved in social welfare policy" (Moravcsik 1998: 24). My view is that, in order to face the democratic challenge, the EU has to define as one of its goal, the promotion of social justice. As said previously, this suggestion is based on the assumption that multiculturalism does not impede social solidarity.

David Miller, in his contribution, shows "that cultural differences appeared not to have a significant impact on basic principles of justice". If people tend to apply these principles a bit differently, they nevertheless hold on to the same criteria (equality, need, merit). In Europe, this homogeneity is reinforced by the fact that the individual/collective divide does not operate significantly between members of the European Union. Now, the second point made by David Miller is that "cultural divisions may reduce or destroy people's desire to act on principles of justice towards others whom they regard as belonging to an alien culture". He concludes his paper stating that trust is essential to social justice and that "cultural differences do create barriers to trust". He writes that if we start thinking that other people are, for example, cheating on their tax returns, "we will feel much less compulsion to act under the constraints of justice ourselves". If he's right, then indeed the EU will not be able to promote social justice.

Trust certainly plays an important part in the regulation of our behaviour. But we could also consider that the interpersonal relations, if important in many ways, are not decisive here. As long as I trust the legal and judiciary system I can reasonably expect that people "will practise similar restraint". It seems to me the problem might more likely arise because of the unwillingness of culturally and socially differentiated groups to support social policies that would be perceived as being more advantageous for groups other than their own. In other words, the poor belonging to another cultural group are not considered as *their* poor (Miller).

There are two ways of solving this problem. One is suggested by David Miller when he writes that, given the right pattern of interaction, the barriers of trust can be overcome, while, at the macro-level, we could rely on an inclusive identity accessible to members of all cultural groups. The other way would be to try to convince people that associating distrust with difference is simply wrong morally and that we should not let cultural differences get in the way of social solidarity. David Miller has argued (1995; 2000) that solidarity always requires "a national identity in the normal sense", so the second option will not look feasible to him.

My suggestion is that it is not because solidarity does require homogeneity that it *should*. We might therefore consider it appropriate to work at loosening the considered tie between economic solidarity and partiality by allowing principles of justice to be applied impartially or, at least, at extending considerably the scope of partiality. Michael Sandel has insisted in *Liberalism and the Limits of Justice* on the fact that, as subjects, we are embedded in a network of loyalties which define not only our identity, but also the community towards which we feel obliged in a way that goes beyond the scope of mere justice. He argued that partiality is not contrary to justice, and following John Stuart Mill, in that respect, it could be considered *just* to be partial. May I recall the following passage of John Stuart Mill's *Utilitarianism*: "A person would be more likely to be blamed than applauded for giving his family or friends no superiority in good offices over strangers, when he could do so without violating any other duty" (Mill 1861, chap. 5).

In his vindication of partiality and ethical particularism, Sandel is more radical than Mill: "we cannot regard ourselves as independent in this (deontological) way without great cost to those loyalties and convictions whose moral force consists partly in the fact that living by them is inseparable from understanding ourselves as the particular persons we are — as members of this family, or community or nation or people, as bearers of this history, as sons and daughters of that revolution, as citizen of that republic" (Sandel 1982: 179). These loyalties and convictions define, according to him, the allegiances that "allow that to some I owe more than justice requires or even permits, not by reason of agreements I have made but instead in virtue of those more or less enduring attachments and commitments which taken together partly define the person I am" (Sandel 1982: 179). In short, those allegiances are, in a way, produced by a history which "draws me closer to some and more distant from others; it makes some aims more appropriate, others less so" (Sandel 1982: 179).

The argument is strong, as is the objection traditionally made in such case: why should history be considered the tribunal of reason? Why should my membership of a nation determine what I consider to be the relevant universe of distribution. Such a relevant universe could be defined in the light of a European political project associating many different nations.

The problem, here, is not so much to consider what should be done to avoid the fragmentation of any given nation-state in order to preserve a strong sense of obligation among its members, especially with regard to economic solidarity, but to think how economic solidarity can be achieved in the context of a reasonably multicultural or

multinational society. This question is crucial whether we consider a relationship between industrialised societies and developing ones, the relationship between the member states of the EU, the relationship between different groups within multinational and multicultural states. It is essentially about finding ways of expanding the scope of ethical concern, beyond ethnocultural allegiances.

What we may have to consider is, as Onora O'Neill puts it, the status of "the distant stranger", of the "distant needy". By accepting the idea that economic solidarity requires cultural homogeneity, we make it, if not impossible, quite difficult to justify what should be the next move for proponents of an extensive and inclusive conception of social justice, which is "transnational economic justice" (Singer 2002; O'Neill 2000).

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23

Questions for Kraus and Pagano

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Kraus's and Pagano's papers deal with the tension between diversity and solidarity as this applies to the institutional and political experience of the European Union. In my view, both papers do a good job by emphasising the complexities of the problems posed by such tension, but also the complexities involved in its resolution. Ugo Pagano deals with the kind of federalism that is more appropriate to the European reality, while Peter Kraus discusses linguistic recognition as an important aspect of the making of European democratic citizenship. I greatly welcome their approach since it debunks some of the more simplistic ideas that currently circulate in the European debate on both federalism and citizenship. In the following remarks, I wish to elaborate on some of the complexities they identify.

Pagano wishes to undermine the idea that competitive federalism, as often discussed in relation to the American experience, can be applied to the European reality. Competitive federalism offers, or so it is argued, a market for institutional jurisdictions, which allows people with different tastes with regard to taxation and welfare systems to move freely from one state to another, depending on their preferences. At the centre of this view, there is the assumption that competition works because people can easily move from one state to another, not only because they are entitled to do so, but also because mobility costs are irrelevant. Pagano notices that though this kind of theoretical abstraction may capture some aspects of American society, it fails to apply to the European reality, where communities are characterised by sunk investments of a linguistic and cultural nature that make it more difficult for individuals to move freely and without costs from one state to another. The application of the competitive model to the European reality would require a push towards cultural, linguistic and legal standardisation thus increasing skill liquidity and reducing mobility costs. By increasing socio-cultural homogeneity across the federal territory it would be possible for individual states to offer different jurisdictions for welfare, thus allowing citizens to group

themselves according to the welfare provisions co-ordinate. Pagano notices, however, that in the formation of modern market economies both functionally and historically socio-cultural standardisation and social solidarity and protection have developed as complementary processes. It would therefore seem that, in order to produce the conditions for competitive federalism in Europe, one would need to adopt a mix of standardisation and social protection policies across the federal territory. This, however, seems to contradict the very assumption of competitive federalism, that states compete with each other on the basis of the different levels of welfare and tax regimes they offer. From this, Pagano concludes that at present competitive federalism is inapplicable to the European situation. Only using standardisation and solidarity as both complementary and substitutive strategies may make it possible to arrive at a situation where mobility costs are effectively reduced, thus making some form of competitive federalism viable.

Although I am in general agreement with Pagano's line of argument, I think his conclusions are of limited use. One reason is perhaps due to the limits intrinsic to the very idea of competitive federalism. In fact, the assumption that this offers a market for jurisdictions is vitiated by an unrealistic view of what motivates people's mobility. Such decisions are rarely, if ever, based on a holistic assessment of the welfare system. People's decisions in this regards are of a more "opportunistic" nature, being dictated by particular conditions or needs. People who move in consideration of tax regimes are limited in number, since they often have very high incomes allowing them to forgo the provision of certain public goods (health, education) without too much risk, while still benefiting from the provision of others (language and cultural protection, for instance) by exploiting the advantages of frequent and short-term mobility. The other reason for the limited usefulness of Pagano's analysis is that his suggestion that Europe needs a careful policymix of standardisation and social protection measures does not address the main question presently at the centre of discussions about European "federalism", namely, whether social protection measures should be standardised across member states or whether we need to guarantee a certain level of protection without necessarily standardising social, cultural and legal practices of protection.

This leads me to Peter Kraus's paper, whose inspiration I also share. He criticises the simple opposition between those who look at the issue of language in Europe from the narrow perspective of democratic identity and public communication (a view also shared by some speakers at this conference) and those that are happy to embrace linguistic diversity without considering or trying to address

its costs. Kraus takes a middle line, recognising that there are both costs and opportunities in dealing with multilingualism in Europe. Decisions in this area need to track the related political criteria of administrative efficiency and democratic legitimacy, while being sensitive to the way in which the instrumental and expressive dimensions of language cannot easily be separated.

Peter Kraus has interesting things to say on how the European integration process has paved the way for a politics of cultural (and linguistic) recognition across Europe, but at the same time has put in place certain forms of (market based) "negative integration", which tend to undermine that very same politics of recognition. Here, I wish merely to sketch the main areas that a politics of language in Europe will have to deal with in order to find a viable balance between integration and diversity. The identification of these areas is important in order to understand the complexity of the current European language regime, and how in the course of deepening and widening European integration the relation between these different areas will have to be carefully considered.

In brief, the language issue has relevance in five interrelated areas:

- As the instrument of public debate within the political institutions (its use in Parliament and the other main institutions, such as the European Court of Justice, the Commission, the Council);
- As the instrument of intra-institutional communication within the admnistrative machinery of the EU and between civil servants and experts in the conduct of normal administrative business;
- As the instrument of communication between the citizen and the administration (rights of enquiry, petition, political pressure and lobbying, etc.)
- As the main vehicle for the formation and diffusion of public debate and opinions (the general public sphere, and the way in which different specialised publics interact within the public sphere, and how this feeds in, controls and influences institutional deliberation and decision making);
- Finally, as a general instrument of social communication.

In each of these areas different considerations about rights and power need to be made in order to find a system that reflects the demands of both cultural diversity and economic solidarity.

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Concluding Reflections

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Several of the papers provide grounds for optimism that the potential conflict between economic solidarity and cultural diversity within Western democracies is neither severe nor insurmountable. It appears that the direct financial costs of accommodating diversity are often exaggerated (eg., Grin), as are the indirect corroding effects of diversity on trust and solidarity (eg., Banting). All of the authors emphasized that we only have preliminary evidence on these questions, and that more work needs to be done. Nonetheless, the papers provide grounds for cautious optimism.

However, there is another, deeper, reason for optimism that is implicit in the papers. Most of the papers on the Western democracies start from the assumption that it is at least conceivable that the state can adopt and implement effective policies relating to both economic solidarity and cultural diversity, even if we are unsure about the marginal trade-offs between these two goals. This assumption in turn rests on a set of beliefs about the nature of the state. In particular, it assumes (a) that the state is an *effective* state — ie., capable of enforcing its laws and policies, administering justice, raising taxes, and so on; (b) that the state is what Schnapper calls a "*providential* state" — ie., a state that is capable of adopting policies whose aim is to protect and promote the interests of its citizens, whether those are interests in economic security or cultural identity; and (c) that the state is capable of being *even-handed* amongst its citizens, and is not systematically biased in favour of one group to the detriment of others.

Of course, no actually existing Western democracy lives up to this ideal. Yet it seems to me that most of the papers assume that Western states have the *capacity* for being effective, providential and even-handed, and that we should hold our governments to account for their failings in this regard. Indeed, this assumption is arguably needed to make sense of the questions that Van Parijs has set us. We

can hardly make sense of the idea of possible trade-offs between promoting economic solidarity and respecting cultural diversity if we don't assume that the state is capable of adopting effective and providential policies for its citizens.

If these assumptions are sound — ie., if we do indeed live in countries whose states have the capacity to be effective, providential and even-handed — then I suspect that any trade-offs between economic solidarity and cultural diversity are likely to be modest and manageable. By contrast, the few papers that discuss non-Western countries — Laitin, Seekings and LaFerrara — provide less reasons for optimism. The situation of sub-Saharan African states in particular is dire. Laitin suggests that the high incidence of inter-ethnic violence in these countries is a product of "weak states". But I would suggest that the problem is not just the weakness of states, but also that they are "predatory" rather than "providential" states, more likely to harm than to help their citizens. The great Africanist Peter Ekeh famously stated that the tragedy of African states is that they are strong enough to harm their citizens, but are too weak to help them.

In one of her previous publications, Yael Tamir provides a nice vignette illustrating the point. Referring to the intense security arrangements at Ben-Gurion airport in Tel Aviv, she says that she does not object to the invasive and time-consuming interrogations and searches performed by state immigration and security officials, because she does not doubt for a moment that these are done for her benefit. By contrast, the customs and immigration officials at the airport in Lagos seem to exist in order to provide patronage and extract bribes, not to benefit the citizens of Nigeria.

The state in this context is mainly seen as a source of rents, and the goal of each ethnic group is to capture the state, since nobody believes in the capacity of the state to act in an even-handed manner towards ethnic groups not in power. In short, far from effective, providential and even-handed states, we have weak, predatory and ethnocentric states.

Of course, this contrast between Western and sub-Saharan African states is over-simplified. In reality, states around the world fall along a continuum ranging from weak to effective, predatory to providential, ethnocentric to even-handed. But for the purposes of our conference, we need to know where states are on this continuum. In the worst cases — such as Somalia, Sierra Leone, or the Congo — it is not clear that we can even make sense of Van Parijs' questions about the trade-off between economic solidarity and cultural diversity. Some states lack the capacity or inclination to adopt providential policies relating to either economic solidarity or cultural diversity.

Van Parijs began this conference with the suggestion that Congo be converted from a French-style unitary state to a Belgian-style multilingual federation. But the shift from a unitary to federal state is unlikely, by itself, to change Congo from a weak predatory state to a providential state that can effectively promote either economic solidarity or cultural diversity. Under these circumstances, it may be that the best option is to think about how groups of people can establish local forms of economic solidarity and cultural recognition outside the formal state apparatus, protected from state predation (as discussed in LaFerrara's paper).

This creates an interesting dilemma for minorities. In many parts of the world, cultural minorities have been able to sustain their communities and cultures precisely because the state has been too weak to suppress them. In Guatemala, for example, the Maya have survived 500 years of colonization with a strong sense of culture and identity precisely because the Guatemalan state was too weak to impose its will on large parts of the territory. Minority cultures have survived, and sometimes thrived, in the gaps left by weak state power. And as a result, they have little incentive to help build a more effective state, unless or until they have strong assurances that the resulting state will be providential and even-handed. Strengthening a state that is still committed to predation or ethnic hierarchy is not in the interests of minorities. Yet, as David Laitin shows, weak states are prone to violence that harms everyone and undermines economic development.

So the papers presented in this conference provide grounds for optimism about the trade-off between economic solidarity and cultural diversity in the West, tempered with pessimism about the situation in some African states. However, we also heard some speakers raise questions about the long-term viability of the traditional Western nation-state. According to Laitin, for example, Western states are becoming "weaker" as a result of globalization, and Tamir suggests that a new class of highly-mobile professionals are seeking to undermine national systems of economic solidarity and cultural protection.

There are complicated issues here, and other speakers defended the resilience of the nation-state, so the jury is still out. My own provisional view is that Western states have not in fact lost their capacity to adopt providential policies for their citizens. In his commentary, Jean Laponce distinguished between the power that drains and dominates and the power that assists and uplifts. Western states have clearly given up some of their power to drain and dominate: they are less able to engage in aggressive war against neighbouring states, for example, or to adopt domestic laws that violate human rights. But I would argue that Western states retain as much capacity

as they have ever had to adopt providential policies: ie., to ensure that their citizens are healthy and well-educated, to uphold the rule of law and administer an independent judicial system, to protect the personal security and liberty of citizens from assault or predation, and to implement effective forms of economic solidarity and cultural recognition. If Western states fail to live up to our ideal of an effective, providential and even-handed state, it is not because they are too weak to do so. It is lack of political will, not lack of state capacity, that is at stake here, and that lack of will is rooted in turn in the passivity or acquiescence of the citizens who elect our governments.

25

What did we learn?

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One e-mail correspondent asked why he should care about AIDS in Africa. "What does it have to do with me?" he asked. "I deeply believe that we are one world," I responded, "and all humankind are connected." He replied instantly with a further question, which haunts me still. "Where did you get that idea?" he asked.

Member of the US Public[1]

1 • What is the question?

It is apparent that the question "What did we learn?" can be understood either individually or collectively. Taken in the first way, it amounts to the question: what did each of us learn? What "we" learned is then constituted by the set of propositions believed by participants after the conference that either differed from those that they had held before or (perhaps just as likely) had never thought about before. In this sense, of course, "we" may have learned not merely different things but even inconsistent things, if there were at least two participants whose views changed in conflicting ways.

It might at least be hoped that (on the assumption that such a measure makes sense) our overall positions on the topic were closer together at the end of the conference than at the beginning. But, even though we may all have conscientiously attended to the arguments put forward, there is still no guarantee that any such process of convergence took place. As Ian Shapiro, especially, has argued, the notion that "deliberative democracy" can somehow be counted on to create consensus — or even a movement towards it — is naive: in some circumstances, the participants may simply come to realise the depth of their disagreement with one another and become more entrenched in their initial positions.

1. Barry and Raworth (2002: 64), quoting Donald M. Berwick (2002: 214-8).

Here is an example of the process that, incidentally, bears on some of the issues that arose in the conference. What used to be called the Marriage Guidance Council in Britain has been re-labelled "Relate", and is neutral between the outcomes of staying together or splitting up: its job, as it now conceives it, is to ensure that the parties understand the consequences of either path and thus reach an informed and reflective decision. The decision, again, may be a different one for each of the parties, though I believe that counsellors would regard this as an unsatisfactory outcome.

I have no information about the answers to any of these individual-level questions (nor does anybody else), so let me move on to the collective interpretation of the question. This can be interpreted to mean: what (if anything) did we all learn? Unfortunately, the information required to answer this is equally elusive. It is possible that there is some proposition that everybody believed at the end that they had either thought differently about before or had had no opinion on. But I have to say that this seems to me highly improbable. I shall therefore confine myself to the more modest task of writing about what I learned, while hoping that these lessons will resonate with the experience of many of the other participants.

In the case of most conferences, such a hope would be wildly optimistic, but there are reasons for thinking that this one may have been an exception. Consider the problems posed in the title of the conference: "Cultural Diversity versus Solidarity. Is There a Tension? How Must it be Resolved?" Now add the gloss provided in the more extended statement of the topics. This makes it clear that "solidarity" is here assumed to be associated with redistributive economic policies and the maintenance of strong welfare states. In effect, "solidarity" is the kind of bond among citizens that, in the conflict between "politics and markets", will help to ensure that "politics" will be an effective counterweight to the inequities generated by "markets". Not accidentally, I am sure, those invited to the conference were united (as far as I could tell) in the belief that, to the extent that cultural diversity might have regressive consequences, we should naturally move on to asking how the tension could be resolved in one particular way: one that will enable welfare states and redistributive policies to be maintained where they are strong and improved where they are weak.

It is worth drawing attention to the existence of this consensus because an equally possible approach would be to say: "Cultural diversity undermines redistribution and a strong welfare state. Good! How can we set things up so as to undermine them even better?" Responses of this kind are not hypothetical. In the nineteenth century, Lord Acton argued in favour of the maintenance of multi-

national empires such as the Austro-Hungarian precisely on the liberal (anti-statist) ground that their governments would be incapable of doing much because of the divisions (religious, political, linguistic and so on) among their subjects. Nation states, in contrast, brought with them the danger of making possible the kind of solidarity that opened up the potential for their actually doing things.

It will illustrate my theme nicely to point out that John Stuart Mill, in exactly the same period, bought into the same empirical premises as did Acton, but drew the opposite implication in his *Representative Government*: that states should, as far as possible, have their boundaries determined in accordance with "the principle of nationality". This is not surprising, because Mill had been for some time strongly committed (as is shown in *The Principles of Political Economy* and the *Autobiography*) to strongly redistributivist state intervention in market outcomes. He was also becoming increasingly sympathetic to socialism, to the extent that, by the end of his life, he appears to have accepted socialist principles while dissenting (correctly, in my view) from the most prominent of the current programmes designed to implement these principles. If the Francqui Foundation was the material patron of the conference, maybe we should hail Mill as its patron saint. However, after seeing in the last century and a half what the politics of nationalism can achieve in the way of bloodshed and repression, we have to follow Mill's own attitude to socialism: endorse the ends while questioning the means.

In relation to the practical politics of his time (towards which our own time has been regressing in most countries for a number of years), Mill was a visionary: to ask about the conditions for vigorous state intervention in the economy was already to have taken two steps beyond anything widely contemplated in mainstream politics. Of course, it was taken for granted that the state could intervene in its citizens' lives, often with very grave consequences for them. The ruin of Oscar Wilde illustrated just one aspect of that kind of intrusion, and in most countries freedom of speech and religion were severely restricted. The ultimate power exercised over its citizens by the state was, it need hardly be said, to take away their liberties and perhaps also their lives by conscripting them into the armed forces. But the redistribution of income and wealth were nowhere on the agenda. As far as the welfare state was concerned, we might count social insurance in Germany as a start, but we must recall that it was introduced by Bismarck with the precise intention of dishing the socialists — and was reasonably successful. Even then, it should always be borne in mind that, unless it has an egalitarian tilt deliberately built into it, a system of social insurance *à la* Bismarck has no tendency to compress the differences between the average income of each class. All

it does is spread risk within each class and (especially) to shift the flow of income over the usual worker's lifetime so as to support the raising of children and provide a retirement income.

2 • How to do nothing

Even this degree of state intervention was too much for liberals, defined in the standard European way as enemies of the state (except, of course, when it does useful things like protecting property and enforcing contracts) and enthusiasts for the market, including the inequalities that it inevitably generates. They preferred at most the Poor Law model of minimal assistance given under the most degrading conditions that could be devised. After the Second World War ended, their fears rose to the level of panic, beautifully expressed in F.A. Hayek's *The Road to Serfdom*. Although those who thought like Hayek maintained that liberty was their highest priority, this was a lie. The record shows that libertarian moves on homosexuality, prostitution, censorship and abortion have tended to be supported most strongly and effectively by elements of the left. The only liberty that interested these people was the absence of state intervention in markets. But how to make this happen? That was the problem that gnawed at them.

The most straightforward answer was, of course, somehow to get a judicially-enforceable constitution enacted that would build laissez-faire in, thus taking all the important decisions on social and economic policy out of the hands of democratically accountable bodies.. (A number of the so-called Mont Pelerin group, including Hayek, liked this idea.) An alternative would be a constitutionally-determined set of decision rules that would effectively prevent the enactment of any measures changing the status quo to the disadvantage of the most privileged. *The Calculus of Consent*, by James Buchanan and Gordon Tullock, is the *locus classicus* for this, and was taken seriously for a while despite the fact that (as I pointed out in *Political Argument*) its institutional recommendations were so transparently predetermined by its initial assumptions that there was no point in interposing a lot of pseudo-technical stuff between the premises and the conclusions.

The United States Constitution combines both of these state-crippling strategies, and was clearly the inspiration for post-war proposals for gutting the powers of governments: thus, the rights of property are protected in a number of ways, and there are so many veto points that significant action requires the same party to control the Presidency and both Houses of Congress. Even then, only a Supreme

Court with a majority predisposed in favour of the measures passed will avert a final, and unchallengeable, veto. The most notorious example of a Supreme Court veto of an entire government programme occurred when a conservative bench appointed by previous administrations struck down most of the key elements in Franklin Delano Roosevelt's New Deal, and persisted even after he won a second term by a crushing majority and was backed by solid Democratic majorities in both Houses of Congress.

The trouble with post-war Europe was that there were no signs of enthusiasm for either of these strategies in the countries whose politics were most alarming, from the liberal point of view, in that they had a strong welfare state and progressive taxation. The more subtle anti-statists therefore threw their weight behind a contemporary reworking of Acton's ideal of a multinational empire hamstrung by diversity. In as far as the original six countries making up the European Common Market shared an "overlapping consensus" between Social Democrats and Christian Democrats, collective intervention remained something of a danger. But expansion took care of this problem. Letting in the United Kingdom was especially destructive, highlighting the wisdom of de Gaulle's earlier veto. Adding the entrants from Central Europe will complete the job of destruction, since their governments tend to have crude pro-market ideas as a reaction to communism and they do not have well-developed welfare states. Further, any conception of a United States of Europe with a common foreign policy will be even more of a chimera than it was already: we need only recall the support of these countries' governments (though not their populations) for the Bush/Blair invasion of Iraq without legal authority.

The rationale of the European experiment could be easily enough expressed. Thus, at Roy Jenkins's funeral service in Westminster Abbey, "one reading … was an extract from the memoirs of Jean Monnet, architect of the European Union, full of visions of future unity: 'Like our provinces in the past, our nations today must learn to live under common rules and institutions freely arrived at. The sovereign nations of the past can no longer solve the problems of the present: they cannot ensure their own progress or control their own future.'[2] In fact, states have never controlled their environment sufficiently to be able to solve all their problems by themselves. But it obviously does not follow from this that the EU, in its present or any foreseeable future manifestation, will solve more problems than states could have solved by themselves in free co-operation with others. In fact, my contention is that it could do so only as the result of a total institutional transformation that is politically impossible.

2. Toynbee (2003: 27).

The worst thing about the EU has been that it banned most of the increasingly sophisticated policy instruments by which individual states had controlled their economies since 1918, but left their replacement to a decision process that was (and is) heavily stacked against equivalent EU-wide intervention. One obvious way in which this failure to act occurred arose from the requirement of either unanimity or a super-majority for a decision among increasingly diverse states. This automatically inhibited "politics" from challenging "markets" successfully. But an equally important factor has been that, in the permanent struggle between capital and labour, capital was incomparably better equipped to get is way in the opaque and labyrinthine processes of decision-making in Brussels. Even where companies were not already multinational or at least bi-national (e.g. the British/German car industry), the number of key actors needed to gain the inside track on any given issue is quite small, and collaboration is easy. In contrast, trade unions remain rooted in their own countries and have, not surprisingly, proved ineffective at playing the insider game in Brussels. Thus, the victory of "markets" over "politics" was overdetermined. In the light of this experience, British economic liberals, such as Samuel Brittan, strongly advocated accession to the EEC (as it then was), precisely on the ground that it would render government of the United Kingdom essentially impotent while at the same time there was no chance of the European government agreeing to create anything remotely equivalent to the powers handed over. The Euro, of course, finishes the job by eliminating the policy instruments left: devaluation, discretion in fiscal policy and control over the interest rate. As Albert Edwards, an economist with Dresdner Kleinwort Wasserstein put it: "Perhaps the most ludicrous [thing] was giving central banks their independence … Having the unelected striving for the ridiculous was always likely to end in disaster, and so it is proving."[3]

Let me illustrate the point by mentioning the work of two economists. One is Anthony Crosland's *The Future of Socialism*. Leaving aside the confidence among the British Expeditionary Force in August 1914 that the war would be "all over by Christmas" (and perhaps the Bush administration's prediction that the war against Iraq would have been "won" — whatever that meant — in a few days), surely a strong contender for the most ludicrously optimistic prediction made in the twentieth century must have been Crosland's contention in 1956, when the book was published, that, on the basis of the experience of the post-war period, it was certain that the gains made — the welfare state, the power of the unions, high marginal tax rates and so on — could never be rolled back. Yet this experience covered only six years of Labour government and five of "one nation" Toryism. (Evelyn Waugh complained that the Conservatives had not

3. Quoted in Elliot (2003: 21).

put the clock back even one minute since 1951, and was broadly correct.) Crosland's prediction was beginning to look imprudent by the time of the revised edition of 1963. Despite this, he added a defiant footnote to his original text declaring that nothing had shaken his conviction that there were, as he put it, "irreversible trends" of the kind he had promised before.[4] This book is now a historical curiosity in as far as its core argument — that capitalism can be brought under complete control by the state — depended on governments having the capacity (and the will) to deploy all the exchange controls and trade restrictions left over from the 1930s, as well as commanding a battery of domestic economic instruments left over from the Second World War. Crosland was perhaps lucky to have died shortly before Margaret Thatcher proved that all of the things he asserted could never happen again (high unemployment rates, sharply limited progressivity in income tax rates, taking on the unions, etc.) could be made to happen very quickly and still result in re-election. In the long run, however, his prediction was doomed anyway because almost all of the policy instruments upon which it depended would now be ruled out by the WTO or the EU, and the remaining ones would be wiped out by the Euro.

Almost thirty years after *The Future of Socialism*, in 1995, James Meade wrote a short book entitled *Full Employment Regained?* Summing up, he listed no fewer than twenty-one "control variables" that a state would have to have at its disposal to achieve non-inflationary full employment (defined as 2-3%) combined with distributional equity.[5] In the present context, however, just one "conclusion from this general discussion" will suffice: "namely that monetary and fiscal policies must be planned and operated as a single whole by a single financial authority. To make a Central Bank an independent agency with the basic duty of preventing excessive inflation of the price level (or preferably of money GDP), while the governmental budgetary authority has the separate duty of determining rates of tax and governmental expenditures and thus the budget balance, is to invite disaster."[6] He was talking about a single country, but a common exchange rate plus the growth and stability pact ("stupid", in Romano Prodi's words) has not just invited disaster: disaster has accepted the invitation, as Mr Edwards pointed out.

Having spent four-fifths of this book "deal[ing] exclusively with the problems of a closed economy", Meade devotes the last chapter to "external relations." This is almost entirely devoted to the need for the EU to "harmonize" (not his word) with his proposals for Britain. And even then he fails to mention that full employment can never be attained in one country unless the composition of the population that is the object of the goal is fixed. Thus, free mobility of

4. Crosland (1956: 22).
5. Meade (1995: 85-6).
6. Meade (1995: 75).

labour would undermine any single country's efforts to maintain full employment, since the economy would pull in the unemployed from the rest of the EU. Even if the entire EU adopted policies that maintained full employment everywhere simultaneously, the richer countries within it would be faced with insoluble problems. For this would make a move from the poorer countries to the richer ones far more attractive than it is now, with a guarantee of immediate employment instead of, as now, the risk of being at the back of the queue for jobs because of limited language skills or educational qualifications.

Altogether then, the prediction made by the economic liberals has been borne out, not only in terms of past experience but also future possibilities. In one way or another, the EU prevents individual governments from doing what needs to be done and arranges matters so that it will not do these things instead. Even without Britain's role as the Trojan Horse for the Americanization of labour relations, the unemployment induced by the Euro — specially in Germany — will itself be enough to undermine the protection of labour. Hence, it is scarcely surprising to find Gerhardt Schröder talking about the need for more "labour flexibility" and for reducing the burden of social insurance contributions on employers. Blaspheming in the presence of the Ark of the Covenant, "Stephen S. Roach the chief economist at [the merchant bank] Morgan Stanley", said at a meeting convened by the European Central Bank at the beginning of June 2003, that "the … Bank was ill-equipped to defuse [the] threat [of downwardly-spiralling prices in Germany] because, in its determination to formulate a one-size-fits-all monetary policy, it focused too much on the higher inflation rates in smaller, faster-growing Euro countries. As a result, its bench-mark [interest] rate of 2.5 percent is too high for Germany, the union's biggest economy… What would be worse? … Higher inflation in Ireland, Spain and Greece, or deflation in Germany?"[7] If you have to choose, no doubt you have to accept that preventing the collapse of the German economy is more important than holding down inflation in these minor countries. But why should you have to choose? Only because of the existence of the Euro: without it, each central bank could set an interest rate appropriate to its own country's conditions. The relative economic success of Britain since the creation of the Euro is not — as we all know very well — the result of the efficiency of the British economy. (In fact, it has been shown to be almost uniquely inefficient among developed countries in its deployment of labour.) It is simply the result of Britain's not being in the Euro, and therefore able to set economic policies (including a big budget deficit) to suit its own economic conditions.

7. Landler (2003: W1 and 7, W7).

3 • Is language the problem?

Quite a lot of the discussion at the conference involved the EU and its relation to the problems posed for us by Philippe Van Parijs. Could it ever become a true federation with majority vote decisions taken by a popularly elected legislature? Or would it be more realistic to think that it can never be, in the remotely foreseeable future, the kind of solidaristic entity hypothesized as necessary to sustain progressive policies? Those who took the second view appeared to be in the majority among those who wrote or spoke on the issue at the conference. At any rate, it seemed to me that they had by far the better of the argument.

How far are these problems "cultural"? Here we come up against the fundamental vagueness of the word, which makes the question posed to the conferees more obscure the more one contemplates it. Culture and institutions are inextricably intertwined: the institutions express a culture, which in turn legitimates and sustains them. It is in this context that we can describe the "cultures" of states — at any rate states that constructed nations to fill their territories — in Oakeshottian terms as a long-established habit of doing things together. What is involved in "doing things together" is, of course, the crux of the matter. Can common institutions (many in the form of rules preventing states from doing things) of the kind that the EU generates create the kind of "habit" that could give rise to solidarity? Not if Oakeshott was right in saying that a gradually evolving common discourse is a necessary element in a genuine common citizenship. But the anti-solidarists seemed to me to focus too exclusively on language differences, as if they were the major reason for the absence of a common Europe-focused discourse. This seems to me far too reductionist and simplistic.

Consider the cases of the United Kingdom and Ireland. These have a common language (with insignificant exceptions in both) and, indeed, an intertwined — if troubled — history, which continues to be significant to this day, especially as a result of their common stake in the future of Northern Ireland. Despite all this, the Irish media are as distinct from the British media in their sense of news values as are the media of any other two countries. Imagine that all the media within the EU operated in English. I should be quite surprised if this resulted in a big rise in the number of people who read a foreign newspaper regularly. After all, if there were a large appetite for foreign newspapers, British (and Irish) newspapers should already be enjoying huge sales on the continent of Europe, since I imagine that everybody who would be inclined to read a foreign newspaper in the first place has the linguistic capacity to read one in English. My expe-

rience of the difficulty of getting hold of a copy of an English newspaper (and even then only a very poor selection of them outside large cities) suggests to me that this is not happening now. Why, then, should we expect a complete transformation if the newspapers of more countries were in English?

One participant responded to the point that at present the EU is given little attention in anybody's newspapers by suggesting that this would change if there were a European parliament making real laws that affected everybody in the EU. You bet it would! But as a solution this seems to be to suffer from the same defect as the legendary economist's solution to the problem of opening a can that had washed up on the shore of the desert island: "Let us assume that we have a can-opener". The difficulty is, in other words: how would you get from here to a point at which most people within country X would accept as legitimate a parliamentary majority and a government based on this majority pursuing policies and made up of parties opposed to those supported by the great majority of people in country X? I can illustrate the scale of the problem by observing that much of the pressure for Scottish devolution arose from the fact that, during all the time the Conservatives were in power at Westminster (1979-97), Scotland never returned more than a small minority of Conservative MPs, and by the end it became a virtually Tory-free zone, with only two MPs left. How would the Swedes feel about a right-wing majority in the European parliament dismantling their distinctive institutions? I expect the omnicompetent majoritarian legislature and (presumably) majority-supported cabinet to come about a good deal more slowly than even the standard European electric plug and the common European colour television system, and I am not holding my breath waiting for them, either.

In any case, the dog that didn't bark, even though one might have thought that its tail was constantly being trodden on, was: if the EU cannot become a state in which "markets" are controlled by "politics", what use us it? Of course, going back to state autonomy would sacrifice a certain amount of X-efficiency (the optimal deployment of resources), but I believe that this static gain is nothing in comparison to the losses arising from high unemployment and the drastic reduction in the availability of progressive policy options. The conclusion to be drawn is that, now that France and Germany do not look as if they will ever fight another war (though they might some day join forces against Britain), the original rationale for "Europe" has disappeared and nothing convincing has replaced it. I am mildly hopeful that the ignominious collapse of the Euro — if it happens — will take the whole EU with it. Be that as it may, should not those of us who accept the objectives of redistribution and a strong welfare state be

advocating the abolition of the EU right now? As far as I can see, the only people who could dissent from a positive answer are those who deny that the EU is bound to be an enemy of the kind of solidarity that (we are supposing) is needed to maintain the outcomes that we cherish. I did not hear anybody at the conference make a convincing argument for denying it, and I do not believe that there are any other arguments out there waiting to be made.

4 • Can solidarity be rescued by institutions?

To conclude these reflections, I want to take up two further points. One is methodological. I mentioned a little earlier the conceptual difficulties involved in identifying cultures. (I may say that the practitioners with whom I discussed these problems are fully aware of them, but I remain unconvinced of their solubility.) The first is: how do we know how many distinctive cultural groups there are in a society? As Eliana La Ferrara (2004) points out in her elegant paper, we have to question "the degree to which heterogeneity can be considered as an *exogenous* attribute of a society, as opposed to a variable that becomes more or less salient depending on economic conditions"[8]. I would only add that economic conditions are only one factor and that many others may often be more important. Thus, a group whose members are subject to discrimination will almost certainly develop an "identity", which may be totally artificial except in as far as it comprises the collection of those discriminated against according to an arbitrary set of criteria used by the dominant group(s) in the society. We shall therefore find a high correlation between "group identity" and discrimination, but the cause is the discrimination.

A more starkly Hobbesian version is provided by the case of a village in which people with some difference that they recognize but make nothing of (e.g. religion or phenotype) have lived together in peace for generations. One day a handful of youths armed with machine guns get out of the back of a truck and shoot as many of one group as they can. (This does, of course, normally require one villager who wants this result, probably because of events occurring elsewhere, and is prepared to finger members of the "wrong" group.) This immediately produces a "war of all against all", or more precisely between the groups. They will now, of course, regard their identity on the relevant dimension as a matter of life and death. But, again, the separate identities are the product of violence, not its cause.

8. La Ferrara (2004).

How do we count "cultural groups"? Again, I can see no method that is not circular. Are Baptists a cultural group in Britain today? I doubt if anybody would say so. But when they formed the core of the radical wing of the Liberal Party after its victory in 1906 — and especially when it was pushing through the disestablishment of the Church of Wales at their behest — perhaps they were. Are Roman Catholics and Protestants different groups in Northern Ireland? Yes, because religion is a marker for an ethnic conflict that goes back to the settlement of (mostly) Scots in the seventeenth century, who in the process drove the indigenous inhabitants off the land with a good deal of bloodshed and who have stayed on top ever since. (Religious discrimination is outlawed in Northern Ireland but not in the rest of the UK precisely because it is there effectively a form of the ethnic discrimination banned everywhere.) Obviously, to conclude from this that diverse "cultures" lead to political conflict, including conflict at the level of violence, would be obtuse. But how else is one to decide what is to count as a "culture"?

This neatly brings me to my final point. Let me return to the last of the three questions put to us. Suppose (forgetting for this purpose the problem of measurement), we take as given the "cultural diversity" of some society. If this is high, what might nevertheless be done to prevent it from eroding public support for redistribution and universal high-level public provision? Despite its crucial importance, I found no contributions that offered more than off-the-cuff thoughts about this. As a result, I have to confess that the only things I took away concerning this question were a couple of new examples supporting answers I had previously reached. One is this: public policies that treat the groups differently *qua* groups in the distribution of goods (land, housing, income and so on) are bad because they set one group against each other. Thus, in his contribution, Jeremy Seekings (2004) refers to "a public welfare system focused on generous and wide-ranging social assistance (including, especially, non-contributory old age pensions), in South Africa." As became clear in the discussion, these benefits are genuinely universal. The result is that, although the state does recognize a number of cultures (in the genuine anthropological sense) and allows them to enforce obnoxious systems of personal laws, the fact that everybody is entitled to the same pension prevents these cultural difference factors from spilling over into distributive ones.

A somewhat parallel example is provided by the universal and (more or less) equal care provided by the National Health Service in Britain. Although private insurance does exist, it treats only "optional" surgery — which may be very important to the quality of life — but steers clear of competing with the NHS in treating major

diseases. When the Chancellor of the Exchequer recently raised the rate of social insurance by one per cent to fund improvements, a majority of those surveyed responded that he had contravened the spirit if not the letter of the government's pledge not to raise taxes, and a majority also responded that they were in favour. As far as I can tell, there was no one whining about the likelihood of the Muslim population, with their higher birth rate, getting too much. The sense of common fate overwhelmed any potentially competing socially divisive thoughts.

An equally illuminating example — this time of how not to do it — is provided by the wave of race riots in northern towns in England in 2000. The worst took place in Oldham, and the official report commissioned by the government concluded that one contributory cause was the policy adopted by the local council in Oldham of allocating housing to Muslims as a group, with the result that a Muslim and a white citizen in identical circumstances in the relevant respects (housing quality, family size, income etc.) would not be given equal consideration for public housing. At a meeting between the Home Secretary, civic leaders and the police, it was agreed that this policy must be scrapped. As a local MP put it; "it is important that money which has previously been targeted, and which had produced a strong perception of unfairness … goes borough wide." (Vasager 2001: 5). In future, as a Home Office spokesman said, "funding would be directed "on the basis of need" rather than towards geographical areas [given almost total residential segregation a code for ethnic communities] of the town". (Vasager 2001).

A tragically larger scale conflict was in large part triggered in Sri Lanka by the more common phenomenon of "insufferable majority discrimination, such as the use of foreign aid exclusively to help Sinhalese not only prosper but displace Tamils."[9] At the same time, however, as was pointed out at the conference, "good task design" can induce cooperation among groups to achieve collective ends (La Ferrara 2004). A striking example, in that it also comes from Sri Lanka, was one project to revitalize a decaying and inefficient irrigation system, which induced cooperative behaviour and solidaristic attitudes to the degree that, as civil order progressively collapsed, the Sinhalese would warn the Tamils of planned attacks by thugs, and the Tamils subsequently reciprocated by warning their Sinhalese neighbours of impending attacks by the Tamil Tigers. Of course, eventually the fighting became so intense that the Tamils had to flee for their lives. The important lesson to be learned is not that no pocket of solidarity can withstand full-scale civil war, which is obvious, but that it can withstand enormously adverse forces once established.[10]

9. Herring (2001: 140-74).

10. Uphoff (2001: 113-39).

The final conclusion on which I would lay most emphasis is, then, that we either learned or should have learned that the third question needs a lot of systematic thought and research. We should be prepared, though, for the result to be that there are severe limits on the capacity of social science to predict outcomes. As the author of the study I have just cited puts it: "the ethnic effects of foreign assistance are quite contingent and contextual, generally consistent with the dynamics studied under the rubric of chaos theory … or complexity theory." (Uphoff 2001). And there does not seem to be any reason for thinking that this conclusion does not apply generally to the questions put to us by our host.

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Cultural diversity against economic solidarity[1]

Philippe Van Parijs

1 • Introduction

1.1 The presumption

In the Autumn of 1991, I returned from a sabbatical year in Florence spent writing the final full draft of *Real Freedom for All* to set up and direct the Chaire Hoover d'éthique économique et sociale. As I reconnected with local political debates, I was stunned to discover how the autonomy gradually conferred to Belgium's linguistically distinct regions was leading to ever more pressing demands to split up the national social security system. One of the Chaire Hoover's very first activities, jointly organised with our colleagues at the KuLeuven's Centrum voor economie en ethiek, was precisely devoted to the ethical issues raised by these demands.

In the Autumn of 1998, I returned from a sabbatical year at Oxford and Yale part of which I spent writing the first draft of a (still uncompleted) book on the future of Belgium, and moved back after a quarter of a century to the city in which I was born. As I reconnected with local daily life, I was stunned to discover how much the population of the city had changed. Over 10% of the Brussels population is being replaced every year, with a net outflow of about 2% towards Flanders or Wallonia and a net inflow of about 3% from abroad. One outcome is that some people have now been living side by side for years without sharing one common language(despite their being all plurilingual). Another is that, even when there is at least some rudimentary competence in a shared language, communication between the various components of this increasingly diverse population is minimal. When in the square at the end of my street the Eurolobbyists have finished their lunches and vacated the benches, they are soon replaced by clusters of Armenian and Aramean men tirelessly chatting and playing cards, while elderly Belgian women walk their dogs

1. This essay draws extensively on the contributions to the Francqui Prize Conference "Cultural Solidarity versus Economic Solidarity" (Brussels, 28/2-1/3/2003) and the discussions they gave rise to.

in the alleys. Peaceful coexistence, but between the various sets, I never saw one word being exchanged. They do not visit the same cafes (if any). They do not frequent the same churches (if any). They do not attend the same cultural activities (if any). They do not work for the same sort of employer (if any). And their children are unlikely to go to the same schools. With the partial exception of the local supermarket, the square is the only place where they meet. Is this level of interaction sufficient to sustain lasting support for the comprehensive solidarity system involving them all which we now have? I ask myself that question whenever I happen to witness one group vacating the square, while one of the other ones is slowly moving in.

These two experiences motivate the presumption of a tension between cultural (in particular linguistic) diversity and economic solidarity, which I proposed by way of background for the conference. But is there really such a trade off between cultural diversity (and its protection) and economic solidarity? And if there is one, what principles should guide us in the institutional choices to be made? These are the central questions that were put to the participants.

Have I made much progress on these questions as a result of the conference? Yes I have. I shall make no attempt to provide anything like a balanced summary of the contributions, but simply indicate how pondering about much of the useful food for thought provided by the authors of the papers, the commentators and other participants, led me to detect some complexities in the questions themselves and gain new insights about how they should be answered.

1.2 Cultural diversity

The very notion of cultural diversity is far from unproblematic. What is a "culture"? Something like a set of ways of thinking and behaving that is shared by, and distinctive of, a group. But some ways of thinking and behaving are shared by the whole of mankind, and even within the most homogeneous groups, some differences, whether structured or random, between the thoughts and practices of its members will come up if one looks hard enough. Hence there is unavoidably a great deal of fuzziness about whether two groups have two distinct cultures or different variants of the same one. Yet, race, religion and above all language may provide pretty neat borders between cultures, not at all (in the case of race) or not mainly (in the other two cases) because they constitute or determine as such the various aspects of the distinct thoughts and practices, but because (and to the extent that) they significantly affect the structure of inter-

action and hence the flows of information, education, persuasion, imitation between people.

The notion of "diversity" is no less problematic. To start with, suppose one is only thinking of diversity along one dimension, say colour. It would seem that if in one society three colours are present and in the other five, the latter is more diverse than the former. But what if in the former the three colours are about equally represented, whereas in the latter one of the five colours accounts for 95% of the population? Both the number of types and the extent of spreading among the types certainly matter to our intuitive notion of diversity. But how should these two considerations be combined? Diversity indexes have been developed that articulate these considerations in different ways. For example, the *fractionalisation* index used by Seekings (this volume, section 2) expresses diversity as the probability that two randomly selected members of a population do not belong to the same type, while the *fragmentation* index used by La Ferrara (this volume, section 2) is given by

$$F = 1 - \sum_i s_i^2$$

where s_i is the share of type i in the population. Both indices are non-decreasing functions of the number of types and of how equally individuals are distributed among a given number of types. But the combinations they consist in are not quite equivalent. For example, fractionalisation is maximal (= 1) when each member of the population belongs to a different type, whether the population counts 2 members or 2 billion, whereas fragmentation is 1/2 for a population of two members belonging to two distinct types and converges to 1 as the number of (single-individual) types rises to infinity.

Next, what if the range of colours is broader in the society with three colours than in the society with five colours, all quite close to one another? This is a central issue in the measurement of biodiversity. The concern is not quite the same if the species on the verge of disappearing is one of many that are closely related (though distinct, using the criterion of inter-fertility) or is the only remaining member of a whole genus. Criteria of diversity that incorporate genetic distance (or a proxy for it) have been proposed by Weitzman (1992) and others. Such criteria are usable beyond biodiversity as long as some reasonable measure of distance can be devised. For example, Kruskal & al. (1992) proposed an index of lexical distance among a large number of Indo-European languages which could be used in an analogous way. If some meaningful notion of distance is available, one might be tempted to side-step types altogether. Rather than trying to compound the number of types, the distances between types and

the spread of individuals among types, one might wish to go straight for the average distance between individuals.

Here as elsewhere, there is no true definition of diversity, but a number of definitions more or less suited to the purposes at hand. For those who view linguistic diversity as intrinsically valuable, for example, the best way to define it may well be in terms of average inter-individual distance in the relevant space, while for those who offer linguistic diversity as the explanans for the lack of social cohesion, the notion of type (here of a distinct native language) may be essential and distance between types far less important than their number and shares in the total population. This undermines the hope of being able to make grand statements about "diversity", but should not worry us unduly. In many relevant cases, the partial ordering produced by the intersection of the three dimensions just discussed (number of types, concentration, distance) should be sufficient to enable us to say, without much hesitation, that diversity is increasing or decreasing, and in some relevant cases that diversity is greater in one place than in another.

Far more important, for present purposes, is the distinction between locally co-existing diversity — for short, *local diversity* — and territory-based diversity — for short, *territorial diversity*. Local cultural diversity is the sort of diversity that exists, say, in a town, typically as a result of recent immigration but sometimes also as a result of more ancient immigration, with distinctness perpetuated by religious differences, as in contemporary Northern Ireland or in the Jewish ghettos of medieval cities. Territorial diversity, by contrast, is the sort of diversity that exists between different geographical areas of a particular political entity, such as Belgium or the European Union, typically as a result of its incorporating territories in which people have been speaking "forever" different languages, and hence developed distinct cultures.[2]

For present purposes, this distinction is of great importance, as the tension each of these two types of cultural diversity may generate with economic solidarity is partly different in nature, as we shall see, and the justification for its preservation arguably quite different in strength. Moreover, as suggested long ago by Claude Lévi-Strauss (1961: ch. 9), there is a tension between the two. Maximum local diversity means that everything can be found in each place — Castillan Tapas, Malaysian Mathays and Kentucky Fried Chicken —, and hence that there is no difference left between places, no territorial diversity. On this background, multicultural policies (MCPs), i.e. policies aimed at respecting, protecting or promoting cultural diversity, must be classified using the same distinction. For the very same policy can, and often must, be diversity-reducing in the local sense and

2. This distinction is factually quite close to the distinction between national minorities and immigrant (or ethnic) minorities used by Kymlicka (1995) and Banting & Kymlicka (this volume). But there is no strict conceptual equivalence. The local diversity in Brussels, for example, stems from the presence of both national and ethnic minorities, while sufficiently massive, or ruthless, or unresisted migration (of Jews into Palestine, of Sahraouis into Algeria?) can produce territorial diversity.

diversity-maintaining in the territorial sense, and conversely. Thus, an MCP may be successful in preserving cultural diversity in one of the two senses. Cultural diversity in both senses may be bad for economic solidarity. And yet the MCP concerned may conceivably have no impact, or indeed a positive impact, on economic solidarity, because of its unavoidably negative impact on cultural diversity in the other sense.

1.3 Economic solidarity

What is *economic solidarity*? It will be defined here as the existence of institutionalised transfers from the lucky, in particular the rich, to the unlucky, in particular the poor. Some of the contributors to this volume use it to refer to the "fellow-feeling" between the lucky and the unlucky. Solidarity as a set of feelings might be one cause or condition of solidarity as a set of transfers. Indeed, the most obvious conjecture as to why cultural diversity may pose a threat to solidarity transfers is that it undermines solidarity feelings. But this need not be the only mechanism, as we shall see.

The *degree* of economic solidarity, as understood here, may not be quite as elusive a notion as the degree of cultural diversity. But its measurement is nonetheless tricky. Simple indicators like the average rate of income tax or the share of social transfers in GDP are only very imperfect proxies, for example because a reform that increases the tax or contribution burden on the poor would show up in an increase in economic solidarity so measured. A more attractive measure of solidarity in this sense — used by both Seekings (this volume) for the cases in which it was available and by Banting and Kymlicka (this volume) as their most direct indicator — is the reduction of the Gini index of inequality as a result of taxation and transfers. It is certainly an instructive indicator but needs to be handled with care, for four independent reasons.

Firstly, much of the measured difference between pre- and post-tax-and-benefit Gini indexes simply reflects income shifts along the life-cycles of the same people, rather than redistribution between different people. Even a system consisting entirely of generous but actuarially fair pensions systems — and hence involving no ex ante inter-individual redistribution (or "solidarity") whatever — would show up as a powerful reducer of the Gini index, at least as long as the data base consists (as is almost unavoidably the case) of snapshots of the income distribution, rather than of lifetime expected incomes.

Secondly, even if we had an exact measure of the impact of the tax-and-benefit system on Gini indexes for lifetime incomes, this

may still be a very imperfect indicator of the level of solidarity as a dispositional property of the redistributive institutions. If a powerful redistributive set up operates on the background of an exogenously given distribution of primary incomes that happens to be very equal already, it will be reflected in a smaller Gini reduction than a weaker redistributive set up that operates on the background of a far more unequal pre-tax-pre-transfer distribution. A better criterion, it would seem, would consist in applying the batteries of redistributive policies existing in various countries to the same distribution of primary incomes, possibly yielding different rankings in terms of degree of "solidarity" depending on which particular primary distribution is chosen.[3]

Thirdly, the comparison between Gini coefficients measures the impact of the tax-and-transfer system only in a purely arithmetic sense. Anticipation of the taxes and benefits is most likely to lead to a higher pre-tax-and-transfer Gini index than the one that would counterfactually prevail if there were no taxes or transfers. In the absence of a reliable and sufficiently redistributive pension system, for example, comparatively poor people would be under greater pressure to earn more during their active life than would otherwise be the case, and after retirement would derive a private income from the savings thereby made possible. Consequently, the size of the arithmetic difference between the pre- and post-tax-and-benefits Gini indexes is likely to overestimate the actual impact of the tax-and-benefit scheme on income inequality.

Fourthly, once a longer term perspective is adopted, the distribution of primary incomes cannot be regarded as exogenous for reasons that go beyond behavioural adjustments to the anticipation of taxes and transfers. As one considers the next generation, a more strongly redistributive system can be expected to generate a more equal distribution of primary income, for example as a result of less unequal health and schooling. In a steady state, therefore, not only will a more powerfully redistributive system seem to display less "solidarity" if it happens to operate on a more equal distribution of primary incomes, but it will have a systematic tendency to display less "solidarity" (so measured), precisely as a result of inducing a more equal distribution of primary incomes. A better measure would need to take this trans-generational impact into account.[4]

The upshot of all this is that comparisons of levels of solidarity across countries must be performed with extreme caution, even when reliable data are available to compute the pre- and post-tax-and-benefit Gini indexes. Assessments as to whether solidarity has increased or decreased in a particular society can generally be made more easily because of the constancy of a number of parameters, but

3. This sort of microsimulation exercise has been developed within the framework of the Euromod project. See http://www.econ.cam.ac.uk/dae/mu/emod3.htm, and Callan and Sutherland (1999) for an illuminating illustration.

4. Moreover, once the effect on the distribution of primary incomes is taken into account, it makes sense to look at transfer schemes as part of a package that also includes a country's labour market institutions and language policies: tolerance for racial discrimination, basic education of very unequal quality combined with free higher education for the "best", or an uncompensated privilege given to the mother tongue of a subset of the population, for example, may deeply affect primary income inequalities. See François Grin (this volume) on the distributive consequences of imputing the costs of use and learning to the non-natives of the privileged language. Paradoxically, the Gini index reduction that can be ascribed to the explicit redistributive mechanisms may make the level of solidarity look quite high precisely because the solidarity implemented by the whole set of institutions is quite low.

even then vigilance is in order. An increase in the level of "solidarity", as measured by the rate of reduction of the Gini coefficient, may have nothing to do with the adoption of more generous redistribution policies, but simply be the mechanical reflection of an increase of primary inequalities, themselves conceivably the outcome of solidarity-unfriendly reforms adopted at an earlier stage.

2 • Local diversity against economic solidarity?

2.1 Three mechanisms behind the tension

Local cultural diversity can plausibly be conjectured to have a number of relevant immediate effects. First, it structures channels of interaction so as to form distinct subunits of more intense internal communication, whether as a result of the language barrier, of the network created by different religious practices, or of the associated geographical segregation.[5] Secondly, because of different traditional points of departure or because of this skewed communication, cultural diversity tends to make agreement less evident about what social justice is, or at least about what social solidarity requires.[6] Thirdly, it makes mutual identification, the emergence of a "we-feeling" less spontaneous, and hence also the trust in reciprocation: the belief that others will not free ride and would do their share too if roles were reversed.[7]

All three of these effects can in turn plausibly be conjectured to affect both of the distinct mechanisms that are commonly assumed to determine the shape and extent of economic solidarity as defined.[8] First, cultural diversity makes it more difficult for the better off to find redistribution to the worse off legitimate: it undermines the "civic solidarity" whose importance for sustainable economic solidarity is stressed, among others, by Dominique Schnapper (this volume) and Peter Kraus (this volume). Secondly, cultural diversity makes it more difficult for the worse off to articulate their demands successfully. As recalled by Banting and Kymlicka (this volume), cultural diversity has been shown by Stephens (1979) to be negatively correlated with the strength of labour organisation. And La Ferrara's (this volume) findings about the negative impact of racial and ethnic heterogeneity on participation in the production of a public good can be used as further supportive evidence. Whichever of these two mechanisms is supposed to play the main role, the thesis of an overall negative net effect of local cultural diversity on economic solidarity is obviously also con-

5. Geographical segregation is likely to be fed by both language barriers (through the structure they impose on the flow of information regarding available housing) and religious differences (through the attraction exercised by proximity to religious buildings). And it is also likely to help maintain them, for example through enhancing the opportunity to use the language and the pressure to practice the religion.

6. Miller (this volume) explores some evidence relevant to this effect, namely international comparisons of people's revealed sense of justice, and concludes on a sceptical note. Even if there is little inter-cultural variation in the basic considerations that enter judgements of justice, however, the finer structure of legitimate solidarity ("Who counts as needy?", etc.) may vary significantly within locally diverse communities, and conceivably, as suggested by Anne Phillips (this volume) for reasons that owe more to differences in their recent histories and present conditions than to differences in their remote cultural roots.

7. See the discussion of the role of trust in particular by Miller (this volume) and by Soroka & al. (this volume), to which I return.

8. In Yael Tamir's (this volume) account, as spelt out by Fabio Waltenberg (this volume), the extent of "solidarity" is determined neither by identification by the better off nor by demands by the worse off, but by the awareness of exposure to risks against which the better off and the worse off in a nation can insure with one another's help. But genuine (ex ante) national solidarity can then only be an incidental and modest by-product of inter-class insurance.

sistent with the common observation of a positive correlation, among affluent countries, between (local) ethnic homogeneity and the strength of the welfare state.

In addition to these first two mechanisms focused on or taken for granted in several contributions to this volume — dwindling legitimacy in the eyes of the better off, dwindling cohesion among the worse off —, I would like to suggest a third one, which does not readily reduce to either of the first two, applies specifically to linguistic diversity and arguably puts under growing pressure at least some generous welfare states. I shall formulate it by using a specific illustration. The rate of employment in the population of working age (18 to 64) residing in Brussels is 64% among Belgian citizens, and 33% among non-EU citizens.[9] There is not doubt that a persistently low connection with (officially) paid work in the immigrant community has something to do with the relative generosity of Belgium's welfare state (comparatively high child benefits, early retirement schemes, unemployment benefits without time limit, etc.). Whether fed by tacit discrimination or by poor skills (including poor language skills), the relative exclusion of non-EU immigrants from the labour market tends to be self-perpetuating, as the scarcity of work contacts, joined with the intra-community nature of family, neighbourhood and religious ties, prevents them from acquiring the language skills which would enable them to get into the mainstream of an increasingly service-based and hence linguistically demanding economy. This in turn prevents geographical de-segregation through social mobility, and hence a growing homogeneity of neighbourhoods and schools, which carry over the poverty of local language skills into the next generation. This explosive situation is arguably the unavoidable joint product of sharp local cultural (and in particular linguistic) diversity and generous economic solidarity. To remove it, one or the other, it seems, should yield.

On the background of all three of these mechanisms, multicultural policies, aimed at respecting or promoting cultural diversity, for example by allowing or encouraging different communities to have their own schools, holidays, neighbourhoods, associations, etc., can be expected to be bad for economic solidarity, even simply by virtue of their contribution to the perpetuation of cultural diversity. Over and above this indirect effect via diversity itself, they may also have a direct "corrosive" effect, by virtue of the resentment generated among the least advantaged in the autochthonous population by what they perceive as privileges granted to immigrant groups.[10] And they may have a "crowding out effect", by taking some of the progressive militant energy away from redistributive fights[11].

9. Computed from 1999 data. See Decker & al. (2000: 15), Table 5. If naturalised Belgians of non-EU origin were counted with the non-EU citizens, both rates would go up (because the average rate of employment is lower for this category than for other Belgians but higher than for non-EU citizens), but I suspect the former more than the latter.

10. See Brian Barry (this volume). Banting and Kymlicka's "corrosive" effect is conceived more broadly and covers both the indirect effect through the diversity maintenance and the direct resentment effect.

11. See Banting & Kymlicka (this volume). Their "misdiagnosis effect" I cannot imagine to be of much significance beyond what can be construed as an aspect of this "crowding out effect".

2.2 Seekings's challenge

The conference hosted three major challenges to the view that local cultural diversity and hence the corresponding diversity-nurturing multicultural policies are bad for economic solidarity, and thereby to this first aspect of the general presumption that formed the focus of the conference.

First, there is the spectacular performance of South Africa, compared, say, to Brazil, neatly highlighted by Jeremy Seekings (this volume). Both countries have a very high level of gross inequality and have recently become democratic. All reasonable measures of cultural diversity, including specifically of local cultural diversity, would seem to uncontroversially rank South Africa higher than Brazil. Yet South Africa's tax-and-transfer system appears to achieve a far greater reduction in the Gini coefficient than Brazil's. Indeed, South Africa's level of economic solidarity, so measured, seems to tower far above anything achieved in other less developed countries: about 25% compared to between 0 and 7%, the more remarkable as the very nature of the scheme through which the bulk of this is achieved suggests that an exceptionally large proportion of this estimated shrinking of the Gini index reflects a genuine reduction in inter-individual inequality, rather than just a spreading of income over the life cycle.

What is the secret behind this spectacular challenge? A non-contributory old-age pension scheme for all women over 60 and all men over 65 without a formal pension, first restricted to whites, then extended to all, then differentiated in discriminatory fashion, and finally reunified — all under the apartheid regime. This is no doubt a case in which other institutions — discrimination and its aftermath — make gross inequalities greater than would otherwise have been the case, and equating the Gini reduction achieved by South Africa's welfare state with the extent of its institutionalised economic solidarity would therefore amount to overestimating the latter. Moreover, the gradual expansion of centrally funded social assistance programmes under Cardoso's second term and since Lula became president suggest that the gap between levels of economic solidarity, as measured, in Brazil and in South Africa should have declined in recent years relative to what shows up in Seekings's estimates. Nonetheless, this is arguably a case in which greater local cultural diversity goes hand in hand with greater economic solidarity, when comparing two countries, both federally organised and recently democratised, with similar levels of development and of gross inequality.

In response to this interesting challenge, let us first note that part of Seekings's persuasive analysis is perfectly consistent with our initial presumption, understood, as it should, as a *ceteris paribus*

hypothesis. Brazil's open-list electoral system and constitutional arrangements that give effective veto powers to small states may systematically hinder ambitious inequality-reducing federal initiatives in a way in which South Africa's more centralized political set up does not, and it may therefore prevent the advantage provided by greater cultural homogeneity from showing in a higher level of economic solidarity. But another part of Seekings's analysis presents a tougher challenge. In his account, the key step that led to the comparatively high level of economic solidarity was the reunification of its old age assistance scheme in the final years of the apartheid regime. This step in turn became possible as a result of the establishing of strong intra-ethnic solidarity being followed by an attempt by the ruling ethnic group to deflect both domestic revolt and international opprobrium through universalising this solidarity. In these very special circumstances, ethnic diversity therefore seems to have fostered, rather than undermined, economic solidarity. Is it not crucial, however, that the ethnic diversity involved here should be a salient racial distinction, rather than consist in cultural differences?

2.3 Soroka, Johnston and Banting's challenge

The second challenge comes from Soroka, Johnston and Banting's (this volume) study of trust and support for the welfare state in unequally heterogeneous areas of Canada. Their main findings can be summarised as follows. Trust in the government does seem to affect support for the health care system and the public pension system, but there is no evidence of an impact worth mentioning of cultural diversity on trust in government. On the other hand, there is evidence of a negative impact of ethnic diversity on interpersonal trust (see in particular their Table 1), which in turns appears to affect positively support for the health care system and social welfare. But "this does not add up to a strong, consistent relationship between the ultimate independent variables — ethnicity and ethnic context — and the ultimate dependent variable — support for the welfare state. Indeed, the impact is decisively small: … moving from 100% majority to 50% majority leads to a decrease in aggregate support for unemployment and welfare of about .0025%."

These results are in sharp contrast with US studies showing a negative relationship between racial diversity and support for the welfare state and with common conjectures about the impact of increased migration in Europe. Why this difference? Some of the explanations suggested by Soroka, Johnston and Banting reconcile these results with our initial presumption. In their conclusion, they mention, for example, that "in comparison with continental Europe,

social spending represents a smaller proportion of the Canadian GDP", implying that support for a more generous welfare state would be more difficult to sustain in the presence of considerable cultural diversity. They also mention that "in comparison with countries such as Australia and the United States, Canadian social policy relies less on means-tested benefits" and hence more on contributory benefits, which tend to be less genuinely redistributive.

Soroka, Johnston and Banting further mention that the mildness of the impact of cultural diversity on support for the welfare state may be due to "the high level of geographic concentration of immigrant minorities in certain regions and especially certain urban areas". If interpersonal trust, and thereby support for the welfare state, is undermined by co-habitation in the same neighbourhood (or sub-local diversity), then local diversity is compatible with high level of support provided it is combined with a high level of segregation. This may tell part of the story, but not all, as "the impact of [even sub-local] diversity on support for the welfare state is in the same direction as in other countries, the magnitude of that impact is decidedly small. The final (and most hopeful) conjecture they make is that in Canada appeal is being systematically made to an over-arching, trans-ethnic national identity. Whereas the first two suggestions imply that Canada has yielded to the tension by settling for a lower level of solidarity, the last two imply that Canada has managed to neutralise the tension either by structuring diversity geographically or by framing it ideologically in such a way that it does not erode popular support for redistribution.

2.4 Banting and Kymlicka's challenge

The third challenge is to be found in Banting & Kymlicka's attempt to test the claim made by Todd Gitlin (1995), Brian Barry (2001) and others that multiculturalism policies (MCPs) undermine the welfare state. They classify countries according to how developed their MCPs are in the three dimensions of national minorities, indigenous groups and immigrant minorities — only the latter being centrally relevant to the present discussion of local diversity — and examine whether this ranking correlates with changes in economic solidarity, as measured by changes in the share of social spending in GDP, in the rate of child poverty, in the level of income inequality and in the reduction of the Gini coefficient through the tax and transfer system. Within the small sample consisting of the four Anglo countries in the context of which the above-mentioned critique of MCPs is being made, the opposite seems to have happened: the more MCP-intensive countries (Canada and Australia), as far as immigrant minorities are

concerned, fared better than the other two in terms of economic solidarity trends. If the sample is expanded to include a larger set of OECD countries, no pattern can be detected either way.

For some of those who believe that there is a structural tension between cultural diversity and economic solidarity, this will come as no surprise. According to Dominique Schnapper (this volume), both multiculturalism policies and welfare policies stem from the same "providential" dynamics of the contemporary democratic state, which drives the latter to accommodate an ever expanding set of sectoral demands. No wonder, therefore, that they might be positively correlated, at least in the short run. But this is consistent with multicuturalism policies slowly undermining the welfare state, in part because they hinder a reasonably rapid reduction of the cultural diversity that keeps being amplified by immigration, in part because of the crowding out and resentment effects mentioned above. On this interpretation, there is a sense in which multiculturalism policies, unlike welfare policies, undermine the very basis of the providential state, and hence of both welfare and multicultural policies. Because of the time required for these sociological processes to work themselves out and be politically exploited, this effect is most unlikely to show up immediately, even though the weakening of the fellow-feeling between all citizens, the decreasing ability of the worse off to join forces and the growing rate of dependency among linguistic minorities make the providential set up increasingly vulnerable. Of course the longer the prophecies of doom fail to show up in figures of the sort collected by Banting and Kymlicka, the less plausible the underlying analysis becomes. For the time being, however, this analysis remains plausible enough for those who believe in a tension not to feel unsettled by Banting and Kymlicka's reassuring findings.

2.5 Is there a tension, and what should be done?

Reflecting on these three stimulating challenges (and on other contributions to the conference) has helped feed the following four convictions.

Firstly, how weak or strong the tension is depends very much on the fine grain of the institutions of economic solidarity. By this, I do not mean that, as persuasively suggested by Soroka, Johnston and Banting, a welfare state can accommodate cultural diversity more easily if it relies on contributory benefits, as strengthening the relative importance of the insurance component of a welfare state amounts to reducing the extent of the genuine (ex ante) solidarity it realizes. Even

solidarity proper can be organised in a way that is more or less inimical or conducive to participation in paid work, and each of the three tension-generating mechanisms sketched at the start will be held in check by an employment-friendly welfare state.

In the South African case, for example, it is not irrelevant that the benefits, which reach all generations in extended households, are being given to the elderly and hence, despite their being formally means-tested, involve no dependency trap for the younger adult members of the household, who can earn any additional income without the benefits being scrapped. In advanced welfare states, the maximal strain arises, for a given level of generosity, when basic economic security is implemented strictly through means-tested benefits, which are withdrawn as soon as a member of the household performs a declared paid job and which may prove difficult to recover once that job is lost, owing to opaque and possibly discriminatory rules. It does not follow that one should go for a punitive workfare state, which would amount to reduced solidarity (solidarity is not only a matter of income). There is another version of the "active social state" that consists in spreading solidarity to low-income working households, whether through wage subsidies, through varieties of earned income tax credits or (my preferred variant) through the provision of a universal income floor (non-means-tested child benefits and a modest citizen's income for all adults).[12] In the same vein, it should make a difference whether the right to unemployment benefits is made conditional upon attending language courses for those who do not master the local language, not only because of the direct effect of teaching but because of the opportunity to meet people from outside their own community. Much of the strain can arguably be removed if the welfare state is made, not less generous, but less clumsy, so as to facilitate access to a job to the less skilled, and in particular the less linguistically skilled.

Secondly, it is no less important to look at the fine grain of cultural diversity and of diversity-maintaining policies. David Miller (this volume) interestingly conjectures that "segregation", though worse than "integration", should be better than "alienation" as far as trust, and hence solidarity is concerned. In the same vein, Soroka, Johnston and Banting (this volume) suggest that the geographical clustering of immigrants (of the same origin) may be better for interpersonal trust, and hence for support for the most redistributive aspects of the welfare state, than a more even spreading. Note, however, that the only tension-generating mechanism concerned by these suggestions is the first one, the one that operates through the perceived legitimacy of welfare state transfers. It is hard to see, however, how segregation could fail to strengthen the other two mechanisms — respectively related to the

12. See Van Parijs, Jacquet & Salinas (2000) for a detailed comparison of the various versions of this non-punitive "active welfare state".

mobilisation potential of the worse off and to exclusion from economic participation — more than it weakens the first one, especially, as regards economic participation, when the linguistic dimension is important. If MCPs induce a deepening of geographical segregation (or slow down desegregation), therefore, my own conjecture is that they aggravate the tension. But whether they do or not depends on their fine structure.

To illustrate, take the teaching of, or in, the immigrants' mother tongues, an MCP that can be sensibly justified both as a way of showing respect and appreciation for an important aspect of the immigrants' identity and, in some cases, as a way of formalising and strengthening the children's competence in a major world language such as Arabic, Turkish or Hindi. The most obvious way of doing this consists in offering this option in those schools in which there is sufficient demand for a particular language, owing to a high proportion of pupils with a particular origin. In countries (such as Belgium) where school choice is free, the provision of such courses will create an incentive for parents of the relevant origin to send their children to those schools. As a result, whatever degree of ethnic mixing had been achieved in the school system will be reduced, and given that children's acquisition of the local language depends more on interaction with their peers than on formal teaching, the long term threat posed to social cohesion (through the causal chain of poor linguistic competence, low productive skills generally, low probability of landing a good job, low chance of social and geographical mobility) is quite considerable. In countries in which school choice is strongly constrained by districting, the threat will be slower to show but deeper, as the provision of immigrant language courses will not only create an incentive to change schools, but also to move, thus fostering segregation not just in schooling but also in housing. Much of this effect can be switched off, however, if instead of being organised as part of the curriculum of a particular school, the courses were open to pupils from different schools, which, in an urban context, is often a realistic option.[13] A small organisational difference that would not show up in any index of MCPs of the sort usefully proposed by Banting and Kymlicka (this volume) is therefore arguably of crucial importance for the strains these may help perpetuate or amplify for a generous welfare state.[14]

Thus, paying close attention to the fine grain of both welfare and multiculturalism policies should enable us to reduce the tension, to make a more generous level of economic solidarity sustainable with a given level of cultural diversity, or to accommodate more cultural diversity without jeopardising a given level of solidarity. In addition, public policies that cannot be subsumed under either the welfare

13. Forcing the autochthonous pupils of a school to attend the immigrant language classes when offered would no doubt be even more counterproductive than introducing it as an optional subject. On the contrary, managing to convince some of them (and their parents) of the interest they may have in learning languages such as Spanish, Arabic and Turkish would be a welcome achievement, providing it is not so successful that it reduces significantly the opportunity and incentive for immigrant children to learn the local language.

14. There is a hint at the importance of considering the fine grain of MCPs in Banting and Kymlicka's (this volume) remark that some critics of MCPs seem to understand the latter in a narrow sense that entails separateness. But separateness need not be in the explicit content of the policy for it to emerge from its implementation. In my example, it could be said that separateness is greater in the variant of the policy that will, I argue, end up producing less separateness: teaching Arabic as an optional part of the curriculum of nominally multi-ethnic schools looks far less "separatist" than gathering in one place kids from various schools who (or whose parents) share the wish (for them) to study Arabic.

state or MCPs can yield a further contribution. The fine structure of the electoral system, as discussed by Seekings (this volume), might provide one example. Another, particularly salient in Belgium at the moment, is the extension of voting rights at local elections to all non-citizens, and not only to citizens of other member states of the EU, as is currently the case. This will arguably strengthen the weak channels of communication across communities by giving more reasons and pretexts to talk, more opportunities for friendships, connivances and solidarities. It will also increase the electoral incentive to look after neglected urban neighbourhoods, thereby counteracting their ethnic homogenisation. Especially in a context in which some (EU) foreigners get political rights straight away, it will replace humiliation as second-rank citizens by recognition as full participants in the local community. As mutual identification, joint responsibility for the common good, pride (and shame) of place keep being constructed through this and other means in mixed communities, starting from the most local level up, the challenge posed to economic solidarity by persistent cultural diversity — for example in the form of maintenance, from generation to generation, of immigrant languages and religious practices — will arguably lose some of its sharpness.

One general conviction that underlies all three of these remarks is that the key strategy for sustaining generous economic solidarity despite growing local cultural diversity is based on sufficiently intensive interpersonal contact through school, work and other channels across the boundaries that tend to form around culturally distinct communities. It must, however, be conceded that the more contacts of these sorts there are, the stronger the tendency for local cultural diversity to be eroded — and hence to wither away or to grow less (as a result of continuous immigration) than it would otherwise have done. As the point is sometimes put, the "intercultural" saps the "multicultural". This process affects most vigorously small communities of immigrants of a given origin belonging moreover to a language group with relatively few speakers worldwide and hence with little prospects of access to broadcasts, newspapers, websites, etc. in their own language. But the negative impact of contact on the extent of cultural diversity can be expected to hold far more generally, as a result of interaction, including intermarriage, and of exposure to common circumstances, information and other influences. Is this a problem?

I do not believe so. If local cultural diversity gets eroded in this way, so be it. Its preservation is not an aim in itself, but, when it occurs, a by-product of accepting and respecting immigrants as full members of the community. Concern for the social cohesion required to sustain generous and inclusive economic solidarity must have precedence over the preservation of local cultural diversity wherever it happens to

emerge as a result of immigration. Even if this results in the local presence of some cultures being squeezed out altogether, no unfairness, or lack of respect, is thereby being inflicted on anyone, providing the background assumption is one of reciprocity (however counterfactual): had the roles been reversed, had the (current) autochthonous been migrating into the homeland of the (current) immigrants, they could not have claimed or expected more by way of protection of the local cultural diversity which they would have been causing by moving there. The statement of this proviso brings me straight, as we shall see, to the crux of the second dimension of my question, the one that relates to territorial cultural diversity.

3 • Territorial diversity against economic solidarity?

3.1 Laponce's law and the linguistic territoriality principle

Do territory-based cultural, and in particular linguistic diversity and the policies required to protect them pose a threat to the maintenance and development of generous solidarity, and, if so, what must be done about it? Let us first note that, for reasons which Jean Laponce (1984) was one of the first to explain clearly, laissez-faire is not a real option, in a high-mobility high-communication context, if territory-based diversity is to be maintained. The discontinuation of top-down attempts to eradicate regional languages, as illustrated by post-revolutionary France, English policy in Ireland or Franco's in the Basque countries and Catalonia, constitute a necessary, but by no means a sufficient condition for the secure persistence of linguistic diversity. For there is also a bottom-up mechanism that works more slowly, but no less surely, as mobility and contact across language borders cease being marginal.

This mechanism can be analysed as the potentially explosive interaction of two simple micro-mechanisms. One is *probability-sensitive learning*: the speed at which knowledge of a non-native language expands depends on the probability with which people can expect to have to interact in that language, both because they are thereby motivated to invest more effort in learning it and because there is no better aid to the learning of a language that the opportunity to hear, speak, read and write it. The other micro-mechanism is *maximin communication*: when multilingual people gather and need to communicate with one another without mediation, the language that tends to be

picked is not the best language of the majority, or the language whose average knowledge is greatest, but the language whose minimal knowledge is greatest.[15] The outcome is that, whenever speakers of a more powerful language come into significant contact, typically through migration, with natives of a weaker language, asymmetrical bilingualism develops systematically, and the weaker language is gradually replaced by the stronger one in a growing number of contexts. In my wording of what I proposed to call Laponce*'s law* (Van Parijs 2000b): the nicer people are to each other, the more savage the fight between languages.

To counteract this spontaneous tendency, there is no real option but to implement the so-called *linguistic territoriality principle*, i.e. a set of legal constraints that increase, sometimes dramatically, the incentive/ opportunity to learn the local language and/or impose the use of the local language even in interaction contexts in which it is not the maximin language, and hence not the language that would make communication easiest. The pattern of measures required to prevent the deadly collaboration of probability-sensitive learning and maximin communication from slowly but surely displacing the local language may vary considerably, depending on specific socio-linguistic circumstances. And indeed what can be observed to work more or less effectively varies a great deal from Québec to Flanders or the Basque countries, and from one unilingual nation state to another.

Needless to say, the concrete implementation of this territoriality principle — which can be interpreted as a set of territorial-diversity-preserving (though local-diversity-containing) MCPs — raises a number of tricky issues that are familiar enough in countries in which it has been introduced more or less recently at sub-national level, such as Belgium, India, Canada or Spain. How many distinct languages should be recognised? How are the recognised standard languages to be codified? Where should the borders be fixed? What rights should be granted to people caught on the "wrong" side of the border, and for how long? I shall leave these problems aside for the moment, and simply assume that legal measures can be taken to ensure that anyone wishing to settle is effectively made to feel that (s)he must muster the courage and/or humility to learn the local language, and by the same token to ensure that territorial linguistic (and hence cultural) diversity is preserved. Is there a tension between territory-based diversity thus maintained and economic solidarity?

3.2 Laitin's seemingly bad news

A minimal condition for solidarity across ethnic groups is the absence of inter-ethnic violence. As regards the achievement of this

15. For a more precise characterisation of this twofold mechanism and some qualifications, see Van Parijs (2004).

minimal condition, I expected David Laitin to bring good news for the advocates of the territoriality principle, as his earlier work (Fearon & Laitin 2000) showed that a great many cases of civil violence were the making of *sons of the soil*, i.e. of autochthonous populations that felt invaded by people from another ethnic and often linguistic group moving in spontaneously or in organised fashion from another part of the same multi-ethnic state, without trying to integrate into the local population, and in particular without bothering to learn the local language. On this background, a firm implementation of the territoriality principle might have been expected to have a pacifying impact.

Quite to the contrary, Laitin's (this volume) main message to the conference was that there was a strong positive correlation between the concession of language rights — consisting, presumably, in a significant number of cases, in the implementation of some version of the linguistic territoriality principle — and the occurrence of inter-ethnic violence. Laitin's claim, however, is not that the former causes the latter, but only that both are the consequence of the weakness of states. Hence, his analysis is consistent with the view that the concession of (the right sort of) linguistic rights, in particular of the territorial variety, is a way of taming inter-ethnic conflict, just as the strong correlation between the occurrence of flu and the absorption of flu medicine is consistent with a favourable healing impact of (the right sort of) flu medicine. Moreover, on the background of his own "sons of the soil" thesis, it may be worth distinguishing, among linguistic rights concessions, between "territorial" and "personal" ones, as only the former can be expected to contribute to pacification, whereas the latter should rather be expected to do the opposite.

Strengthening the state without any linguistic concession, as (implicitly) advocated by Laitin, is arguably a surer way of stamping out ethnic conflict. But this is hardly ever a real option in the countries concerned, and even when it is, it is by no means sure that the strengthened state can be trusted to strive for pan-ethnic solidarity. Consistent with Laitin's findings, therefore, a set of diversity-protecting linguistic rights and duties, structured along not too controversial borders (if achievable), remains a promising way of promoting ethnic peace, itself a precondition for lasting solidarity.

3.3 Pagano's seemingly good news

Moving beyond this precondition for solidarity, Ugo Pagano (this volume), building on earlier work (D'Antoni & Pagano 2001), seems to be bringing further good news by arguing that there are good economic reasons for expecting high levels of territorial linguistic diversity to prompt high levels of economic solidarity.

The point of departure — and part of the explanandum — of their intriguing argument is the contrast between the United States and the European Union taken as a whole. At the present moment, the level of economic solidarity can safely be said to be higher in the latter than in the former. Yet, it is obviously also the European Union that exhibits the higher level of territorial linguistic diversity, firmly preserved by national boundaries that have gradually come to coincide, in accordance with John Stuart Mill's expectation, with linguistic boundaries. D'Antoni and Pagano (2002) neatly explain why optimal economic performance requires this to be the case. Industrial development relies crucially on specialised skills. But heavy investment in these skills will happen only if enough insurance is provided in case local demand for them happens to vanish. One way of providing such insurance is by unifying linguistically a large area within which one can then move at comparatively low cost in search of another employment for the same skills. An alternative way of providing such insurance is through a developed welfare state. With a territory cut up into smaller linguistic areas, and hence with a higher average cost of moving in search of another use for one's skills, the optimal welfare state is bound to be quite a bit larger in the European Union than in the United States.[16]

Before happily concluding that, far from being antagonistic, territorial diversity and generous solidarity are complementary, it is important to realise that what is shown to be optimal, under conditions of less cultural homogeneity, is greater social insurance, not greater genuine (ex ante) solidarity. That Europe should have a larger truly redistributive welfare state can therefore be explained by this argument only to the extent that it forms an unavoidable by-product of a strong social insurance system, as administrative simplification and political dynamics push the transfer systems of each nation state beyond what fits under the umbrella of the insurance principle. Now imagine these national solidarity systems immersed in a common market, in which capital and commodities move freely, while people remain essentially stuck within national borders as a result of language differences. Considerations of competitiveness will put the truly redistributive (or "compassionate") aspect of the welfare state under growing pressure, as mobile capital and consumer demand will tend, other things being equal, to move to those places where redistributive taxation weighs less. Next add to the story that the upper layers of the skilled labour force also becomes highly mobile trans-nationally as a result of becoming competent enough in English, the world lingua franca. Not only will the genuine solidarity component of the welfare state be under further pressure, as the (redistributive) tax elasticity of domestic human capital supply increases. But even the insurance component of the welfare state is

16. What D'Antoni and Pagano (2002) and Pagano (this volume) are thinking of is essentially the cash transfer system. But the argument can plausibly be stretched to explain why the optimal level of public funding of higher education should be higher in Europe than in the US — and indeed why this is actually the case. This is just another way of collectivising part of the risk involved in the expensive acquisition of potentially remunerative skills.

weakened as the high skilled can rely more on the trans-national diversification of options open to them.[17]

3.4 Why the EU can expect to start doing worse than the US

On this background, is there any reason to believe that linguistically more diverse Europe will retain a significantly higher level of economic solidarity than the United States. The frightening truth seems to be that the opposite is the case, on two logically independent grounds. The first one is captured by Pagano's (this volume) statement that linguistic homogeneity and economic solidarity are not only substitutes but also complements. As solidarity becomes more difficult to organise, for the reasons just sketched, at the level of individual nation states immersed in a common market, one might hope that a larger political entity, operating on a scale closer to the one at which the market is operating, could take over the task.[18] Indeed, in the US, the bulk of the net redistribution accomplished by the tax-and-transfer system is the work of federal, not of state programmes. But the political sustainability of such programmes, commonly looked down upon by Europeans, seems far more problematic in linguistically diverse Europe than in the linguistically (more) homogeneous United States. Why?

Three related but distinct mechanisms can be expected to be at work, the first two of which are simply the mirror images, in the case of territorial diversity, of the first two mechanisms discussed above in connection with the tension between local diversity and economic solidarity. Firstly, the sense of a common identity that facilitates support for generous solidarity arises less spontaneously, and is harder to engineer, when the population is linguistically, and hence culturally more diverse. Secondly, the strong entity-wide organisations, whether political or civil, that are needed to push vigorously for redistributive measures at that level are also more difficult to get off the ground when linguistic diversity makes trans-territorial communication between the worse off and their representatives more laborious and more expensive.

There is, in addition, a third mechanism that applies specifically to territorial diversity, and whose strength was particularly palpable in the recent debates around Belgium's social security system alluded to in Mark Eyskens's (this volume) opening speech. In a multilingual polity in which language groups match fairly clearly defined territorial boundaries, there is a strong democratic impulse to keep many policies decentralised to a linguistically homogeneous level, at

17. This pressure of market competition on decentralised polities helps account for the negative correlation between federalism (vs unitarism) and economic solidarity pointed out, for example, by Banting and Kymlicka (this volume), itself consistent with Seekings's (this volume) ascription of Brazil's poor performance in terms of economic solidarity to its federal organisation. However, the comparatively poor performance of federal states may also have much to do with the effective veto powers of the components being more likely to constrain the centre than would be the case in a unitary state. The veto power of the poorer components may of course also prevent the dismantling of economic solidarity in the rare cases (such as Belgium now) in which federalism replaces a unitary system under which a comprehensive welfare state had developed.

18. Bowles and Choi's (this volume) fascinating paper suggests that this sort of upward leap is something evolution has particularly badly equipped us for. If love (in particular within-group economic solidarity) could only evolve in conjunction with hate (or violent hostility to foreign neighbours), any such scale-lifting operation must involve a fight against our instincts. This may well be the case. Fortunately, however, evolution has also equipped homo sapiens not only with the ability to communicate, and gradually improve the quality of communication, with alien human beings, but also with the ability to develop, once communication gets going, an inclusive sense of justice that will end up requiring (no doubt counter-instinctively) an impartial treatment of insiders and outsiders. See Cohen and Rogers (1998) for a discussion of Samuel Bowles and Herbert Gintis's views on the social policy implications of evolutionary models.

which policies can be discussed and explained in the language people are most familiar with. This is in principle compatible with the bulk of economic solidarity being organised at the central level, as it still is, for example, in Belgium.[19] But a tension unavoidably arises between centralised solidarity and decentralised competences in other fields — say, education, town planning or environmental policy —, as some of the benefits and costs of sound or sloppy policy in these other areas are exported upwards to the central level. The need to allocate to the decentralised authorities responsibility for the consequences of their actions in these other fields will therefore further contribute to preventing more centralised, and therefore economically less vulnerable, solidarity from being sustained at as high a level as would be the case with less territorial linguistic diversity. Combined with the first two, this third mechanism contributes to turning homogeneity and solidarity into complements and hence to making solidarity particularly hard to achieve and sustain precisely under those conditions — territorial diversity — in which it is, according to D'Antoni and Pagano's (2002) argument, most needed.

As if the news were not already bad enough, there is a second reason for expecting Europe to gradually perform even worse than the US in terms of solidarity, one that does not derive from the general contrast between linguistic heterogeneity and homogeneity, but specifically from the fact that US homogeneity is achieved in the language that is quickly spreading as the lingua franca of the educated within the European Union. One of the effects of this spread is a drastic asymmetric reduction, for the highly skilled and their families, of the adjustment cost of settling in Anglophone countries. The cost of settling in other countries, whose language remains to be learned, does not decrease to anything like the same extent, at least as long as the territoriality principle is in place. One can therefore systematically expect on this basis — and one can actually observe — a growing net flow of human capital from non-Anglophone to Anglophone countries. This serious competitive disadvantage in a knowledge-based economy implies that the pressure to reduce redistribution from the highly skilled and therefore more affluent members of the nation — by reducing general taxation on high earners and/or inventing all sorts of more targeted tricks (a lax and generous "expatriate" or "non-resident" status, for example) to exonerate the more mobile from the general regime — will be particularly strong in those countries whose language in not the lingua franca. Even if, despite the three mechanisms mentioned above, solidarity could be lifted to the central level to the same extent in Europe as in the US, this asymmetric difficulty for Europe to retain its human capital would exert an additional pressure on the level of economic solidarity it could sustain. Unless the European Union is willing to give up its "soul" — i.e. to stop protect-

19. As illustrated by the Belgian case, the creation of two unilingual areas (and one bilingual one) in the 1930s led to the growing separation of two distinct public discussion spaces and subsequently to demands on both sides for the devolution of powers to entities matching these spaces, and finally, in the 1990s, to the transformation of the country into a full-fledged federal state. No logical entailment, but a natural dynamics.

ing its territorial diversity —, it will be under ever stronger pressure to give up its "heart" — i.e. to redistribute even less to the less well endowed.[20]

3.5 Can the tension be alleviated?

For Europeans who attach importance to solidarity, who may indeed see a generous level of solidarity as the most important distinguishing feature of the European social model, the above analysis, if correct, constitutes a major challenge.[21] One obvious response consists in giving up the territoriality principle. By making things linguistically as easy for the high skilled of the world when they settle on the European continent as when they settle in the UK or the US (in terms of administrative procedures, schools, courts and even political life), one will go a long way towards cancelling the linguistic competitive advantage. In the process, however, one will also trigger a powerful mechanism which may look innocuous enough at first but will soon, through the explosive interaction of probability-sensitive learning and maximin use, displace local languages in an increasing number of contexts. The various obstacles to supranational solidarity listed above will thereby gradually be eroded, especially as competence in English spreads downward in each national society: direct communication, life or online, without the expensive and cumbersome mediation of interpretation and translation, is of decisive importance if not only the rich and the powerful, but also the powerless and the poor are to communicate, network, cooperate, mobilise effectively across borders. However, as a by-product of the same process, the very survival of local languages, starting with the smallest and most vulnerable, will soon become a real issue.

Let us not rush too quickly into the question of what should yield: economic solidarity or cultural solidarity, here in the form of protection of territorial linguistic diversity. For in this case, as in the case of local diversity, there are various ways in which the tension can be alleviated. For example, the linguistic obstacle to the building of pan-European solidarity can be significantly lowered, consistent with the territoriality principle, through the spreading of a common second language, as consistently advocated, for example, by Jürgen Habermas's (1995: 307; 2001: 18) as the linguistic precondition for the emergence of a European public forum. The ability to operate competently in two or more languages is not the expression of exceptional gift, but a matter of socio-linguistic conditions which currently exist in some European countries and could to a large extent be generalised to all.[22] This need not be enough for a European macro-welfare state, but may suffice for the sustainability of effective legal

20. See Van Parijs (2000a) for a detailed argument.

21. No doubt further complications need to be brought in, such as fiscal competition between affluent ground floor countries (which reduce the economic affordability of generous solidarity), or the greater grip of big money on the electoral process (which reduces the political capacity of doing the economically affordable).

22. See, however, Justine Lacroix's (this volume) critical remark on Habermas 's position. Along the same lines, Kymlicka (1999: 121) argues that "democratic politics is politics in the vernacular. The average citizen only feels comfortable debating political issues in their mother tongue. As a general rule, it is only elites who have fluency with more than one language, and who have the continual opportunity to maintain and develop these language skills, and who feel comfortable debating political issues in another tongue within multilingual settings." The scepticism as to the possibility of politics in a language different from the mother tongue seems to me based on experience in a socio-linguistic setting very different from the one that is relevant here, which is rather akin to the exceedingly common situation in which people speak a variety of mutually unintelligible dialects in their homes and conduct national and even regional or local politics in the national standard language.

constraints, co-ordination procedures and simple transfer schemes that would prevent a race to the bottom.

What about the systematic disadvantage that derives from the linguistically driven human capital drain to the Anglophone "ground floor of the world"? One offsetting consideration is that while the ground floor has the advantage of being an attractor for productive talent, it has the disadvantage of being asymmetrically visible from the "hills", in the sense that what is said or done in Anglophone countries is immediately visible, understandable and usable in the rest of the world, while the reverse is not true. If the residual disadvantage of non-Anglophone countries remains sizeable, one could think of duly circumscribed "linguistically free zones" in which the constraints of the linguistic territoriality principle are waived, i.e. in which it is possible to settle for good without being required to know anything but the lingua franca.[23]

3.6 Territoriality at the cost of solidarity?

Suppose, however, that even with the best combination of the above strategies some tension remains. If the pursuit of generous economic solidarity requires relaxing the territoriality principle to such an extent that the erosion process is put into motion, can I just say, as I did in connection with local diversity: "So what?" I do not believe so, and shall briefly try to indicate why.

Seen from where I live — from my balcony I can literally see the headquarters of the European Commission at the end of the street —, it is pretty clear which way we are heading in terms of trans-national, or trans-lingual, interaction at EU level: equality in the most formal contexts, and English just about everywhere else. Many people in Europe lament this, and have some reason to do so, especially among those whose mother tongue used to be the one most used in trans-national EU communication (French), among those whose mother tongue is the most widespread in the EU (German) and among those whose mother tongue is the most widely spread, as a native tongue, among all Western languages (Spanish). But the growing dominance of English is irrepressible, not as the achievement of a British or American plot, but again, as the unplanned outcome of the powerful interaction of probability-sensitive learning and maximin use. Nonetheless, the fact that the language picked as the lingua franca is, on both a worldwide and a European level, the native language of a subset of the population concerned raises serious issues of linguistic injustice.[24]

23. In addition, but possibly less realistically, one must make as much use as possible of the two general strategies called for to tackle the worldwide trans-national mobility of the tax base: lift redistribution to the largest possible scale and nurture patriotism at whatever lower scale redistribution keeps operating. There will then still be an economic cost to pay for not being part of the ground floor, but part of the benefits that accrue to the ground floor (as a result of the whole world feeding them with a proportion of their best minds) will be spread over the hills, thereby reducing the migratory pressure of the less desirable less skilled, while *amor patriae*, including in its solidarity dimension, will contribute to retaining in their countries a number of those highly skilled whose material self-interest would otherwise induce them to leave.

24. In Van Parijs (2004), I discuss more systematically the three main forms taken by this injustice, and what can and must be done about them.

Arguably the deepest among these is the unequal respect shown to the various languages and the associated identities as a result of one of them being given, for morally arbitrary reasons, a massive privilege. What can be done about it? One component of an adequate response is of a ceremonial nature. When Valéry Giscard d'Estaing opened the European Convention, he is reported to have pronounced "Mesdames et Messieurs" in all eleven official languages of the EU. This may not seem much, but makes you feel good when your language has its turn, especially when your language is modest and occasionally despised. But one should not expect too much saluting of this sort, especially as the number of official languages increases and hence the cumbersomeness of maintaining parity between them. Moreover, if not backed up by anything else, ceremonial assertions of equality will soon smack of hypocrisy. What else could there be? I can think of only one serious possibility: to enable each recognised language to be safely "the King" in a portion of the Union's territory, by allowing the community of its native speakers to firmly enforce the linguistic territoriality principle within those confines.

This key role I am led to give to the territoriality principle in the presence of territorial diversity is consistent with, indeed implied by, the off-hand way in which I handled local diversity at the end of part 2. It is because of the respect expected through the implementation of the (symmetrical) territoriality principle that a blatant lack of symmetry can be accepted without embarrassment at the local level. Especially once aware (and aware that others are aware) of the deadly grip of Laponce's law, accepting the operation of the territoriality principle provides the only means I can think of for showing real respect for speakers of vulnerable languages. If David Laitin's "sons of the soils" story has wide application, an intelligent implementation of this principle may also provide us with an effective tool for reducing resentment, tension, and even violence between peoples. But the justification I am suggesting is more than purely instrumental: what justifies the rules that induce immigrants to learn the local language is not that the locals would be indignant if they had themselves to adjust linguistically to the newcomers, but that this indignation would be legitimate. Similarly, the territoriality principle is an instrument for maintaining linguistic and thereby cultural diversity, deemed so important in Europe that it has been chosen to provide the substance of the European Union's motto ("Unity in Diversity") and arguably beneficial as regards aesthetic enjoyment, scope of experimentation or brake on migration. But what justifies it does not reside in these putative good consequences of diversity — its objective is by no means to maximise diversity —, but in the respect it shows for the existing diversity.

This leaves us with what I see as the most crucial, and one of the most difficult questions in this whole area. The linguistic territoriality principle is, and will be ever more, required to protect territorial diversity. Although there are various ways in which the tension can be alleviated, it is difficult to deny that it creates difficulties, even in the long term, for the maximal achievement of economic solidarity. To what extent, if any, does justice require us to sacrifice the prospects of generous economic solidarity in order to sustainably protect territorial diversity? Even after digesting the rich and varied food for thought provided by the conference, I have no neat answer to this question. More work ahead, therefore, but none, I expect in the light of all I heard, that should shatter my confidence in the following simple picture of what a just world would look like.

A just world would be one in which all six billion of us can move freely, but shall not do so that much for two reasons: a worldwide unconditional basic income at the highest sustainable level and the universal implementation of a linguistic territoriality principle.

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