BELONGING IN THE CONTEXT OF THE WELFARE STATE[1]

Peter Abrahamson
Seoul National University
petera@snu.ac.kr

Introduction

> *… in a society where potential cleavages such as*
> *socioeconomic stratification, status, ethnicity, religion,*
> *economy sector, and region form a mosaic of cross-cutting lines*
> *among citizens and provide competing bases for the formation*
> *of citizens' identities and interests,*
> *welfare-state institutions can be used*
> *to emphasize some of these potential lines and bases*
> *and to suppress others*
> (Korpi and Palme 2003: 431).

The main thesis advocated in this paper is that welfare state development both presupposes and reinforces a sense of belonging among citizens. Reflections here are limited to developments of European welfare states. According to Thomas Marshall there is a strong connection between citizenship and social rights. In his famous lecture from 1949 (published the following year) he defined citizenship thus: 'Citizenship is a status bestowed on those who are full members of a community. All who possess the status are equal with respect to the rights and duties with which the status is endowed' (Marshall 1950: 84). Hence, being a citizen means belonging to a community. Marshall differentiated rights associated with citizenship into civil, political and social rights and he argued that civil rights developed during the 18th century, political rights followed in the 19th century and, finally social rights – social citizenship – was established during the 20 century. 'By the social element I mean the whole range from the right to a modicum of economic welfare and security to the right to share to the full in the social heritage and to live the life of a civilized being according to the standards prevailing in the society' (Marshall 1950: 72). Social citizenship becomes a precondition for being a full member of society, because if one is deprived fundamental resources it is not possible to partake in everyday life ('live the life of a civilized being'). Following Marshall, a welfare state is hence a state that guarantees, or sees to guarantee, the welfare of its citizens, and it presupposes that they perceive of themselves as belonging to the same community. Historically, this community has been the nation state. The big question is whether that is also the case under conditions of globalization?

It is widely recognized that the welfare states were created in Europe immediately following the end of World War Two and that they enjoyed their golden age or *'trente glorieuse'* from 1945 to the first oil crisis in 1973/74. It is no coincidence that welfare states developed on the background of the war experience. Whether real or not, all people, high and low, felt that they belonged to the same community, which was under threat from Nazi occupation or bombardment. Hence, earlier differentiations for instance between men and women in the labor market or working and upper classes in politics were leveled out in a common effort to fight off the aggression of National Socialism. The British case is very illustrative. As is well known the blueprint for the upcoming British welfare state was produced during the war under the guidance of William Beveridge. His report on *Social Insurance and Allied Services* was published in the middle of World War II in December 1942 'Its reception was euphoric. There was said to be a queue a mile long at the government bookshop. Some half a million copies were sold' (Abel-Smith 1994: 18)!

It is no coincidence either that going one step further back in history the first attempt to establish nationwide social insurance programs based on clear entitlements and not subjected to the means test came about during the crisis of the 1930s. The background was mass unemployment hitting, pretty much, both high and low, and rendering the conservative argument of poverty being people's own fault obviously invalid.

Once established welfare state programs of both transfers and services reinforce a sense of belonging to the same, in the case of the golden age, *national* community, since it was precisely because of citizenship status that people were granted their rights and entitlements. Being a citizen, belonging to the national community, guaranteed a life insured against common risks such as unemployment, sickness, invalidity, handicap and old age. Particularly in welfare states relying on so-called universal programs, these reinforce the feeling of belonging to the same community. The Swedish case is illustrative with its development of an understanding of the state being committed to guarding the nation or community understood as *folkhemmet*, the people's home.

Three important questions arise, however. One is the question of time and concerns whether the development since the golden age characterized by globalization radically changes the conditions for and ultimately threatens and weakens welfare state entitlements by weakening the national level. This is the so-called retrenchment debate. The other question concerns space. Even if European states look pretty similar viewed from far away such as from Latin America, there are in fact very different welfare regimes in place in Europe and significantly different commitment to welfare provision measured for instance in per capita spending on social protection. The third question is about important preconditions for experiencing a sense of belonging and hence of the limitations to transferability of European welfare state set-ups to Latina America and the Caribbean. The next section provides an answer to the first question by briefly discussing two distinctly different welfare state principles labeled Beveridgeian and Bismarckian respectively and by equally briefly discussing the Scandinavian and the Continental European cases with reference to the golden age. The remainder of this paper seeks to provide an answer to the second question by reviewing the recent social science literature concerning the state of the art of European welfare states. The question of transferability of welfare state experiences is briefly addressed in the concluding section.

The golden age of European welfare States: Beveridge versus Bismarck

Space does not allow for a comprehensive discussion of the so-called welfare modelling business (Abrahamson 1999; Powell and Barrientos 2008). Instead the rather complex European welfare state history is boiled down to two contrasting principles one exemplified by the Beveridge report and the other labeled Bismarckian and having reference to the development in north western continental Europe.

In his report Beveridge identified five giant evils in society:

The plan for social security is put forward as part of a general programme of social policy. It is one part only of an attack upon five giant evils; upon the physical Want with which it is directly concerned, upon Disease which often causes Want and brings many other troubles in its train, upon Ignorance which no democracy can afford among its citizens, upon Squalor which arises mainly through the haphazard distribution of industry and population, and upon Idleness which destroys wealth and corrupts men (Beveridge 1942: 170).

The evils could be tackled by establishing public, universal institutions of social security, education, health care and council or public housing, plus a full employment strategy based on a Keynesian macroeconomic public demand policy. Transfers were to be of a flat-rate kind, and thus highly redistributive. All transfers and services would be financed out of general taxation.

Evil (or risk)	*Remedy (or institutional solution)*
Want (poverty)	Unemployment insurance, social assistance and old age pension
Disease	Health care
Ignorance	Education
Squalor	Housing
Idleness	Full employment

This way of thinking about social policy worked as a strong inspiration for the development of welfare states in the United Kingdom and in the Nordic countries (Scandinavia).

North West continental European states built equally comprehensive welfare institutions to tackle the same risks associated with industrial society. But they did so in a significantly different way by to a large degree leaving it to the social partners to administer and in great part also finance provisions for *workers*. Germany is the prototypical example. Jens Alber (1986: 4-5) summed up what he saw as the four main features of German social policy:

i. The fragmentation of programs: Most programs are fragmented into a large number of uncoordinated and decentralized schemes. At the national level, income maintenance, health, housing and education are dealt with by four different ministries...the administration and supply of services is further decentralized in a large number of autonomous carrier organizations: for different types of benefits...for different beneficiary groups...and for different regions or districts.

ii. The emphasis on cash benefits: Most benefits are income maintenance cash payments, which leave consumption decisions to the beneficiary and stress the importance of the private provision of services. With the exception of education, the state provision of services is of limited importance.

iii. The reliance on social insurance: Individuals are not normally entitled to maintenance benefits in their capacity of citizens, but as members of social insurance programs who have a certain contribution record. Benefits are usually earnings-related and seek to maintain the standard of living attained by the recipient during his working life. (They) are financed by the insured and their employers, with only a small amount of state financing.

iv. The importance of labor legislation: All programs must be seen in the context of labor legislation which establishes a high degree of regulation regarding working conditions, dismissals and co-determination at the plant level.

Such a system also creates loyalties and a sense of belonging, but not so much with the whole community in the form of the state, but more so with the company and the peers in the trade union. Since entitlements are for workers, non workers, at best, only have derived rights via family relations. A Bismarckian system of social protection presupposed a male breadwinner model, and stable employment and family relations. Yet, with the new constitution for German Federal Republic (West Germany) from 1949 Germany was defined both as a state ruled by law and a welfare state. Indeed, one of the most significant constructions of its constitution characterizes Germany both as a democratic *Rechtsstaat* and as a *Sozialstaat.* Where the idea of the *Rechtsstaat* expresses liberal principles such as the protection of individual freedoms and the rule of law, that of the *Sozialstaat* upholds both Christian Democratic understanding of social responsibility of the state and Social Democratic commitment to social justice (Freeman & Clasen 1994: 10). The principles of the *Rechtsstaat* is codified in the constitution (*Grundgesetz*) and protected and tried by the Constitutional Court. The principles of the *Sozialstaat* are codified in e.g. the *Sozialgesetzbuch* (the social code) and in the *Bundessozialhilfegesetz* (federal social welfare act). From these the government is, in general terms, committed to creating 'an equitable social order' and to improving 'life chances' as quoted in Freeman & Clasen (1994: 10). One can talk about a post war social settlement captured by the German phrase *Marktwirtshaft*, which translates as social market economy: a commitment both to a capitalist market economy *and* social solidarity.

However, when it comes to service delivery the constitution privileges the so-called *Freie Träger.* There exist more than 60,000 of such social service institutions, and they are organized within one of the following six associations (*Wohlfahrtsverbände*):

- *Diakonisches Werk der evangelischen Kirche in Deutschland* (Protestant church)
- *Deutscher Caritasverband* (Catholic church)
- *Arbeiterwohlfahrt* (Labour movement)
- *Deutscher paritätischer Wohlfahrtsverband* (Non-denominational federation of small agencies)
- *Deutsches Rrotes Kreuz* (Red Cross)
- *Zentralwohlfahrtsstelle der Juden* (Jewish community)

The activities of these associations and the member organizations are somewhat coordinated through the *Deutscher Verein* (the German association). (Fridberg and Rostgard 1998: 9-10; Freeman & Clasen 1994: 12.) So, when it comes to receiving social services the sense of belonging is differentiated along religious, ethnic and political lines. Hence the important thing is not so much being German, but being catholic, or protestant, or Jew, or social democrat, or whatever. Again, a rather fragmented landscape of identities

and senses of belonging are created in this setting. This is in stark contrast to the development in Scandinavia.

Welfare state development in Scandinavia approximates the ideals presented with the Beveridge report. The emphasis is on universal public interventions and a high degree of employment in the formal labor market for all (men and women; old and young). This however is a rather new development. Historically, the small Scandinavian states were latecomers in welfare development and in industrialization. It was not until the crisis of the mid 1930s and in the aftermath of WW II that the special Scandinavian way took shape. There exist important links between the high degree of female participation in formal work, public service provision and relatively high rates of fertility, on the one hand; and on the other hand there are strong ties between trust in the orderliness and fairness of public interventions and willingness to pay the world's highest taxes. This is again linked to the particular political culture of consensus seeking and compromising (minority governments; many political parties in parliament). It is also important to underline that the Scandinavian states were very homogenous with respect to ethnicity and religion. The Scandinavian countries were also relatively egalitarian agrarian societies with few huge landed estates and many smaller independent farmers (Abrahamson 2007). In this environment the idea of belonging to the same community developed rather easily. Take the example of the Swedish idea of the *Folkhem* or People's Home first defined by Per Albin Hansson in Sweden when opening the social democratic congress in 1928:

> The basis of the home is community and togetherness. The good home does not recognize any privileged or neglected members, nor any favorite or stepchildren. In the good home there is equality, consideration, co-operation, and helpfulness. Applied to the great people's and citizens' home this would mean the breaking down of all the social and economic barriers that now separate citizens into the privileged and the neglected, into the rulers and the dependents, into the rich and the poor, the propertied and the impoverished, the plunderers and the plundered. Swedish society is not yet the people's home. There is a formal equality, equality of political rights, but from a social perspective, the class society remains, and from an economic perspective the dictatorship of the few prevails (quoted in Tilton 1991).

According to Tim Tilton (1991) the basic idea is that everyone should have security and achievement of this goal required extended social policies. Gradually, Sweden and the other Scandinavian countries build up societies guided by such ideals of equality by creating universal, comprehensive, tax financed social security and personal social services institutions; and this development of a particular welfare state reinforced the feeling of belonging to the Swedish or Danish or Norwegian nation. However, ideological orientations have changed somewhat since the 1970s also in Scandinavia.

Peter Taylor-Gooby (2008) suggests that west European welfare states 'broadly speaking' have developed through three distinctly different phases: 'confident and continuous expansion in the 1950, 1960s and 1970s; a period of uncertainty and challenge

during the late twentieth century; and more recently, a movement toward a *new welfare state settlement*.' He uses the term settlement to 'denote a paradigm shared across a number of significant actors and presented as appropriate to meet identified problems and promote future successful developments' (Taylor-Gooby 2008: 4; emphasis added). There is wide-spread recognition that across Europe despite difference in welfare regime there was a post World War Two social settlement consisting of an acceptance of a market economy, but supplemented with social solidarity and full employment. With the mass unemployment following the 1970s oil shocks the full employment element of the settlement broke down in most European countries.

Welfare States in the Era of Globalization

1980s and 1990s: Times of Uncertainty

In the wake of the oil chocks of 1973 and 1979 ideological perceptions of the welfare state changed profoundly in Europe and elsewhere. A commonly held view was that the welfare state was in crisis (OECD 1981), and the solution as suggested by advocates of neoliberalism was to cut-back social policies and privatize public provisions. These new ideological winds were perhaps most strongly represented in Europe by British prime minister Margaret Thatcher Ideologically, the Conservative Party taking office in 1979, signals a profound change in the approach to welfare provision, and the new Prime Minister became not only associated with, but actually personified, the new times by some dubbed 'after the golden age.' A common reference point in the political debate during the 1980s was Reaganomics and Thatcherism indicating that liberal economics and political conservatism was (again?) back behind the steering wheel of modern state, at least in the US and the UK. The rhetoric of the various Thatcher governments certainly was anti public intervention and extreme to the extent of *denouncing the existence of a common identity*, as expressed in the famous quote: 'who is society? There is no such thing! There are individual men and women and there are families and no government can do anything except through people and people look to themselves first' (Thatcher 1987). Thatcher certainly did not find that social policies were necessary to build a sense of belonging to the United Kingdom. (Instead she staged a war on Argentina, which is another way of creating a strong sense of belonging to a common community.)

By hindsight, however the social science literature, in the main, have found a strong resilience to change rather than retrenchment, most famously argued by Paul Pierson when he concluded that 'the British welfare state, if battered, remains intact' (1994: 161) (see also Lowe 1993; Hills 1990). As Peter Starke wrote in a review of the retrenchment debate: 'Students of welfare state politics would probably agree that, on balance, a large number of veto players tend to inhibit not only the expansion of benefits but also their radical curtailment.' (2006: 115). This point is echoed in a recent paper by Barbara

Vis: 'One of the findings that continues to emerge in the body of work focusing on welfare state reform is that reform is politically risky and difficult' (2009: 31). Analyzing the development in total social expenditure in both old and new EU member states from 1980 to 2005 I found that all countries without exception had substantially expanded their social policy commitments in absolute terms albeit some more than others (Abrahamson 2009a: 4-7). This is in line with what Heinz Rothgang, Herbert Obinger and Stephan Leibfried (2006: 254) have concluded: 'the trajectory of social expenditure since 1980 suggests that the welfare state is not in retreat.'

A major exception to this judgment has been the political economy literature in its dealing with the establishment of the Economic and Monetary Union (EMU) within the European Union as summed up by Tolga Bolupbasi: 'there exists a broad agreement in the political economy literature on the view that the EMU project represents the final stage in the process of institutionalization of neoliberalism across Europe' (2009: 529). The argument was that the strict convergence criteria made it impossible for the member states to maintain high levels of public intervention. Instead a race to the bottom regarding welfare provision was to be expected. However, as many have argued that has not happened and 'new empirical evidence showed that while welfare states were in a constant process of transformation, these could not, even during the trials and tribulations of the convergence period, be characterized by downright retrenchment' (Bolubasi 2009: 528). He concluded that 'Although the jury is still out over the future impact of EMU, a scenario of across-the-board retrenchment seems most unlikely in the foreseeable future' (Bolubasi 2009: 540).

Another exception to the resilience perspective has been promoted by two Swedish colleagues, Walter Korpi and Joakim Palme. They found that 'the long increase in social rights has been turned into a decline and that significant retrenchment has taken place in several countries' (Korpi and Palme 2003: 425). Particularly, they found that 'the British welfare state has been rolled back to a pre-Beveridge level, at or below that of the 1930s' (Korpi and Palme 2003: 433-34). The apparent contradictory findings within social science literature on recent changes within European welfare states can, however be explained by being more precise about what programs are being considered and what timespan is investigated. Korpi and Palme analyzed the net worth of compensation in cases of unemployment, sickness and work accident from 1975 to 1995 and found the strongest case for retrenchment regarding unemployment insurance (se also Korpi 2003). This is *not* incompatible with the view that generally speaking there has been little or no retrenchment within European welfare states. In EU-27 in 2006 unemployment compensation only took up 5.4 percent of total social expenditure (Eurostat 2009: 5). Furthermore, some programs notably unemployment insurance and social assistance were subjected to cut-backs in the 1980s and 1990s – the period investigated by Korpi and Palme –; but if for instance pension and health care rights are not cut-back and when family policies are

being expanded then the general picture is one of resilience to change rather than retrenchment.

Finally, Korpi has pointed out that one very important element in the post WW II social settlement, the commitment to full employment, has been given up and he views this as an significant retrenchment of social rights (Korpi 2003: 589). What can safely be concluded concerning this period of uncertainty is that the social settlement which underpinned the golden age was changed.

2000s: Toward the Social Investment State

Even if welfare reforms in Europe have not been of a neoliberal kind they may, nevertheless, have been significant where they have occurred. The literature converges on the perspective that Beveridge types of welfare states have been more open to change – but not to retrenchment – than Bismarckian types of welfare states. The overall argument as expressed by Kees van Kersbergen (2000: 31) is that 'the paradox is that in order for the welfare state to survive, it must be transformed.' The major reason for this is the transformation in Europe and elsewhere from industrial to postindustrial society. Giuliano Bonoli (2007) has some very interesting considerations in this respect when he points to the importance of the time dimension. His main thesis is that initially welfare state provisions developed as a response to risks associated with industrial societies, and that the change to postindustrialism has happened at significantly different times in different areas of Europe, which in turn has led to different conditions for welfare state adoption. He claims that social risks have changed considerably from industrial to postindustrial society. He asserted that 'the postwar welfare state protected well against the risk of being unable to extract an income from the labor market, be it because of sickness, invalidity, old age, or lack of unemployment' (Bonoli 2007: 496). It did so by granting entitlements to the male bread-winner and relied on stable family relations and a clear division between husband and wife. However with postindustrialization things have changed dramatically and the new social risks include precarious employment, long-term unemployment, being a working poor, single parenthood, or inability to reconcile work and family life. 'Broadly speaking, the Nordic and some English-speaking countries … have been the first set of countries to enter the postindustrial age in the 1970s. They were followed by continental European countries about a decade later and by southern Europe even later' (Bonoli 2007: 511). Furthermore:

> Whether countries manage or fail to reorient their welfare state in a way that reflect changed socio-economic circumstances depends on the relative timing of key socioeconomic trends in interaction with existing welfare state structures. The key developments are postindustrialization and the increase in the cost of the industrial welfare state resulting from the combination of demographic aging and generous pension promises. These two develop-

ments must not happen simultaneously if a welfare state is to successfully reorient (Bonoli 2007: 512).

He then demonstrates that the early postindustrializers which are the Scandinavian countries are the ones that have developed the most comprehensive systems of new social risk coverage, and he writes that his findings are not good news for those who are hit by new social risks in continental and southern Europe. 'These countries have missed a window of opportunity to reorient there welfare state. During the next two to three decades, because of population aging, it will become increasingly difficult to introduce new social policies' (Bonoli 2007: 518).

Disregarding these differences Rothgang, Obinger and Leibfried (2006) did find a high degree of convergence among European welfare states and Taylor-Gooby (2009) found that he could identify a new social settlement in Europe. Key to this new settlement is an understanding of the welfare state as productivist. Hence, he labels it the new social investment state. A similar observation was made by Frericks, Maier, and de Graaf's when they suggested that European citizenship can be characterized with reference to the 'productive citizen.'

> … the shift in welfare regimes can be seen as aiming at the transformation of the 'protection' of citizens-in-need because of unemployment, sickness, education, or age to the 'activation' of citizens as individually participating in and being responsible for the risks and opportunities of the current society. Citizenship is thus not defined in terms of acquired status, but as the possible or actual differentiated contribution to society. We would propose the concept of the 'productive citizen' to delineate this new form of citizenship (Frericks, Maier, and de Graaf 2009: 151-152).

Similarly, Taylor-Gooby identified 'a shift toward a view that the government is to promote national competitiveness in an increasingly international market, and away from a passive providing state to one which seeks to enhance self-activity, responsibility and mobilization into paid work among citizens. Social policy is shifting from social provision to social investment' (Taylor-Gooby 2008: 4). The perspective advocated by most if not all international organizations across the globe is the importance of investing in people, particularly education and health care, because in an increasingly competitive world we need a well educated and healthy workforce.

What features prominently in the new welfare settlement is a belief in so-called flexicurity and with it active labor market policies. The idea is that a society can risk having a very flexible labor market (read: easy to fire workers) if it has a generous welfare benefit system facilitated by activation. The assumption is that if employers can easily and without penalties fire workers in bad times, they will be more willing to hire workers in good times. Hence it is suggested to move from job guarantees to employment enhancing policies (Viebrock and Clasen 2009). Denmark has been the prototypical example for the 2000s, and generally there is a positive correlation between degree of flexibility in the

labor market and degree of employment, but there is a presumably unintended consequence of flexicurity and that is a high degree of marginalization of all of those groups in society that are not one hundred percent super productive, which include many immigrants and refugees, handicapped and people with disabilities, people with poor or just sub-standard schooling etc. The Danish case is illustrative: at any given time since the mid 1980s roughly one quarter of the population in working ages have been supported outside of the labor market via various welfare programs. It is, of course a good thing that they receive some support, but they are being marginalized from the most important institution of integration in modern society, which is active labor market participation (Abrahamson 2009b).

Processes of marginalization of substantial parts of the population are a general trend in Europe. It is accompanied by strong trends toward a dualization of welfare entitlements and provisions with relatively generous benefits for the well integrated productive middle class citizens on the one hand and on the other hand reduced and punitive provisions for the increasing number of marginalized people. In short, the *tendency* is the integrated middle classes administer systems of social solidarity within institutions of risk management, while the marginalized segments are being socially controlled through poor law-like provisions. However, this is only a tendency and Europe is still the most equal region in the world with the most comprehensive commitment to the welfare of its citizens. In what follows I shall discuss what the new welfare settlement means for citizens' sense of belonging.

What is not a tendency but a reality is a more fragmented everyday life in Europe. However, fragmentation may not in itself act as a hindrance for developing and exercising a sense of belonging. As demonstrated with reference to Bismarckian welfare states in continental Europe it is possible to develop comprehensive systems of social citizenship in a fragmented manner, but they will be less redistributive and less easy to renew in comparison with universally oriented welfare states. It is probably so that citizens in current European societies with their multicultural form already are exercising a simultaneous belonging to different communities, as maintained within the concept of active citizenship:

> What is active citizenship? For the purpose of this study we understand active citizenship as individuals' active use of their civic, political and social rights through participatory practices at local, national or transnational levels. Active citizenship may result in the strengthening of existing identities or in the emergence of new feelings of identity. *Active citizenship is in other words correlated to social inclusion, understood as a feeling of belonging to the <u>different communities</u> of society* (Haahr 1997: 8; emphasis added).

In a similar vein Jansen, Chioncel, Dekkers (2006: 196) wrote '…we paraphrase active citizenship as 'exercising rights and obligations through participating in contextually differentiated social practices marked by regularized communicative interactions balancing respect for autonomy with susceptibility and accountability to common causes."

The uncertainties of the 1980s and 1990s about the sustainability of the welfare state under conditions of globalization has been succeeded by a belief that the welfare state is productive for society, but the new welfare settlement demands of all citizens to be active and productive. Unfortunately, not all are readily able to be so. Since globalization or internationalization in Europe to a high degree is Europeanization that is the topic for the next section.

A sense of belonging as Europeans?

European Union institutions, particularly the Parliament and the Commission have been very active in developing the so-called social dimension: a commitment to social solidarity and social rights for all European citizens. Already from the very beginning of European cooperation, at least on paper, such a commitment was made. In the preamble to the Treaty of Rome from 1957 it was stated that signatories '… resolved to ensure the economic and social progress of their countries…affirming as the essential objective of their efforts the constant improvements of the working and living conditions of their peoples' (quoted in Abrahamson 2008: x). However, from quite early on the member states decided *not* to harmonize social legislation. Instead they adopted the term: coordination as a more appropriate approach given the different welfare regimes at place in Europe. This coordination is called the social dimension of European cooperation and it is, in the main, regulated by soft law instruments such as recommendations, resolutions, communications, and solemn declarations rather than by hard law instruments such as regulations, directives and decisions by the European Court of Justice. The social dimension has not developed continuously and progressively caught as it is between member states on the one hand guarding the particularity of their national welfare regimes and on the other hand accepting a general commitment to deeper and deeper social integration. Generally the European institutions such as the Parliament and the Commission have been keen on pushing for an extension of the social dimension while the Council of Ministers representing the member states have been reluctant to do so (Abrahamson 2006). With the discussions following the preparation of the latest Constitutional Treaty for the European Union the social dimension gained momentum and social rights are written into the constitution (Follesdal, Giorgi and Heuberger 2007):

> The Union is founded on the values of respect for human dignity, freedom, democracy *equality*, the rule of law and respect for *human rights*, including the rights of persons belonging to minorities. These values are common the Member States in a society in which pluralism, non-discrimination, tolerance, justice, *solidarity* and equality between men and women prevail (Treaty establishing a Constitution for Europe 2004: 10; emphasis added).

Many had argued for the importance of such a treaty, among social scientists most prominently Jürgen Habermas. He wrote that '… the transition to a post-national democ-

racy is rooted in the mutual recognition of the differences between proud national cultures. Neither 'assimilation', nor simple coexistence (in the sense of shaky *modus vivendi*) are models that are suited to this [European] history; a history that has taught us that we can create ever more abstract forms of 'solidarity with strangers" (Habermas 2001a: 23). The idea is that solidarity between strangers, which is what welfare institutions provide, underpins democratic interactions and this increasingly so in post-national or Europeanized setting. By developing European social policies we simultaneously develop a sense of belonging to Europe and not only to the nation state or the locality: 'a policy for Europe, which from the beginning pursued the goal of the free mobility of goods and services, capital and persons must cut across many different political fields. This counts for social policy as well' (Habermas 2001b: 96).

One problem that Habermas himself is aware of is the lack of a common public sphere in Europe (Murphy 2005; Kaitatzi-Whitlock 2007). Presently citizens within the member states of the European Union do not consider themselves first Europeans secondly Danes or Polish. It is the other way around: identities are fragmented and, at best, national; they are not European. And this will not change before, if ever, a common sphere is developed in which Europeans can deliberate political issues including those immediately concerning their well being. This situation is referred to as the democratic deficit in Europe. Sophia Kaitatzi-Whitlock directly points to what she calls 'the lack of sense of a common EU citizenship and common European identity' and she mentions that the deficit in communications is 'demonstrable.'(2007: 685). As a solution she suggests to develop the TV and internet media interactively:

> A modern pan-European televised public space should pursue two different functions: first, to disseminate political information of a broad scope (passive information rights), and second, to accommodate participation in the exchange of citizens' opinions and messages in public deliberation and dialogue (active communication rights). *Such a forum could prepare the ground for solidarity and the transcendence of feelings of alienation or suspicion amongst Europeans, thus building a real sense of community* (Kaitatzi-Whitlock 2007: 689; emphasis added).

Another issue which has been seen as an impediment to social integration in Europe is increased diversity and the alleged increased inequality between member states with the most recent expansion of the European Union to the East. Cultural diversity certainly has increased, but that does not necessarily pose a problem for establishing, maintaining and developing welfare institutions, and it may come as a surprise to some that between-nation inequalities are on the decline in Europe:

> Regional economic inequalities are increasing in most of the European Union member states, while between-nation inequalities in the enlarged Europe are declining in the last years. The economic differences between East and West Europe are gradually diminishing and the EU is becoming a relatively homogenous economic, legal, and political field, which promotes social and economic cohesion in

Europe (at a rate of approximately two percent per year)… [However] the slow convergence process in the enlarged EU may not increase popular support for the European integration process because the most important frame of reference is still the nation-state where regional inequalities are increasing (Heidenreich and Wunder 2008:19).

Overall there seems to be a long way to go before Europe is fully socially integrated; but that is not necessarily a serious problem for the welfare of European citizens as long as they enjoy the protection of their fragmented or national systems.

Conclusion

It has been shown that systems of solidarity in the form of the welfare state developed in Europe (and elsewhere) on the backdrop of serious societal crisis, most notable the crises of the 1930s and the Second World War. During these periods of time an increased sense of belonging to the same community developed strongly and is seen as a precondition for developing welfare systems. Once developed, furthermore welfare state entitlements reinforce a sense of belonging because they enable citizens to actively partake in everyday life in a civilized manner as we learned from Marshall.

It is equally clear that the golden age of welfare state development in Europe saw two very different ways of doing so. The UK and later Ireland and the Scandinavian countries followed the Beveridgean way and developed universal, tax financed, national systems, where entitlements are based on belonging to the community, being a citizen, while continental Europe chose the Bismarckian way of developing equally comprehensive but highly fragmented entitlement for workers financed and administered in a corporate manner. In this case the important thing is to belong to a particular group organized along ethnic, religious, or industry line.

The paper has also demonstrated that globalization has not led to a dismantling or serious retrenchment of welfare states in Europe, but the post war social settlement has been significantly changed. There exists no longer a commitment to full employment and productivist elements have been strengthened in the new welfare settlement entitled the social investment state because of its emphasis on education and health care helping to create healthy and well educated citizens that can be highly productive in a climate of enhanced international competition. Part of this new settlement is activation which has shown strong tendencies toward marginalization of less productive citizens. They will find it more difficult to experience as sense of belonging as they are being marginalized from mainstream welfare systems and left with poor law-like social control systems.

The move from industrial to postindustrial society coincided with globalization and has meant a much more fragmented everyday life for European citizens who are now deriving their identities from various communities, but this diverse sense of belonging to more than one place which otherwise used to be the nation state has not (yet) proven a

problem: European citizens handle multicultural identities and they, in the main, receive help from the welfare state be it a universal or fragmented manner.

Finally, it was indicated that prospects for a post-national social citizenship is, if ever, a long way down the road in Europe because of lack of a pan-European identity. European citizens do not feel a sense of belonging as Europeans, which is partly explained with reference to the absence of a common public sphere for political deliberation.

When seeking inspiration in the European welfare state development it is important to understand that a sense of belonging is not the only precondition for building a welfare society; an equally important precondition is *trust in institutions and social trust among citizens*. Through a relatively long history of democratic governance, the rule of law and very low levels of corruption such feeling of trust have developed in most European countries and contributed together with a sense of belonging to creating, maintaining and developing welfare systems.

References

Abel-Smith, Brian (1994). 'The Beveridge Report: Its Origins and Outcomes.' John Hills, John Ditch, and Howard Glennester (eds.) *Beveridge and Social Security: An International Retrospective.* Oxford: Clarendon Press, pp. 10-22.

Abrahamson, Peter (1999). 'The welfare modelling business.' *Social Policy and Administration* 33 (4): 394-415.

Abrahamson, Peter (2006). 'La nouvelle portée de l'espace et du lieu quant à la citoyenneté sociale : le cas de l'Union Européenne.' *Lien Social et Politiques, No. 56 (Automne 2006)*: 21-38.

Abrahamson, Peter (2007). 'El modelo nórdico de protección social y sus efectos en la cohesión social.' In A. Sojo and A. Uthoff (eds.) *Cohesión social en América Latina y el Caribe: una revisión perentoria de algunas de sus dimensiones*. Santiago de Chile: Naciones Unidas, CEPAL, pp 51-66.

Abrahamson, Peter (2008). 'Foreword.' Peter Abrahamson and Christian Aspalter (eds.) *Understanding European Social Policy.* Taipei: Casa Verde Publishing, pp. ix-xiv.

Abrahamson, Peter (2009a). 'European welfare states beyond neoliberalism: toward the social investment state.' Paper prepared for presentation to the International Conference: Developmental Politics in the Neoliberal Era and Beyond: Comparative Cases and Critical Issues. Seoul National University, Republic of Korea, Oct 21st – 23rd 2009.

Abrahamson, Peter (2009b). 'L'orientation active de la politique sociale danoise.' Philippe Auvergnon (ed.) *Emploi et protection sociale : de nouvelle relations?* Bordeaux: Presse Universitaires de Bordeaux, pp. 133-67.

Alber, Jens (1986). 'Germany.' Peter Flora (ed.) *Growth to Limits: the Western European Welfare States Since world War II. Vol. 2*. Berlin: Walter de Gruyter, pp. 1-154.

Beveridge, William (1942). *Social Insurance and Allied Services.* London: HMSO.

Bolukbasi, H. Tolga (2009). 'On consensus, constraint and choice: economic and monetary integration and Europe's welfare states.' *Journal of European Public Policy* 16 (4): 527-544.

Bonoli, Giuliano (2007). 'Time matters: Postindustrialization, new social risks, and welfare state adaption in advanced industrial democracies.' *Comparative Political Studies* 40 (5): 495-520.

Eurostat (2009). 'In 2006, gross expenditure on social protection accounted for 26.9% of GDP in EU-27.' *Statistics in Focus. Population and Social Conditions* 40/2009.

Follesdal, Andreas; Liana Giorgi; Richard Heuberger (2007). 'Envisioning European solidarity between welfare ideologies and the European social agenda.' *Innovation* 20 (1): 75-92.

Freeman, Richard and Jochen Clasen (1994). 'The German social state: an introduction.' Jochen Clasen and Richard Freeman (eds.) *Social Policy in Germany*. London: Harvester Wheatsheaf, pp. 1-17.

Frericks, Patricia; Maier, Robert; de Graaf, Willibrord (2009). 'Toward a neo-liberal Europe? Pension reforms and transformed citizenship.' *Administration and Society* 41 (2): 135-157.

Fridberg, Torben and Tine Rostgaard (1998). *Comparing Social Services in Europe*. Copenhagen. National Institute of Social Research.

Habermas, Jürgen (2001a). *So, why does Europe need a constitution?* Fiosele: European University Institute.

Habermas, Jürgen (2001b). The post-national Constellation: Political essays. Cambridge: Polity Press.

Haahr, Jens (1997). *Nordic Area Citizenship Study – Final Report*. Copenhagen: PLS Consult.

Heidenreich, Martin and Christoph Wunder (2008). 'Patterns of regional inequality in the enlarged Europe.' *European Sociological Review* 24 (1): 19-36.

Hills, John (ed.) (1990). *The State of Welfare: The Welfare State in Britain since 1974*. Oxford: Clarendon Press.

Jansen, Th., N. Chioncel and H. Dekkers (2006). 'Social cohesion and integration: learning active citizenship.' *British Journal of Sociology of Education* 27 (2): 189-205.

Kaiktatzi-Whitlock, Sophia (2007). 'The missing European public sphere and the absence of imagined European citizenship.' *European Societies* 9 (5): 685-704.

Korpi, Walter (2003). 'Welfare-State regress in Western Europe: politics, institutions, globalization, and Europeanization.' *Annual Sociological Review* 29: 589-609.

Korpi, Walter and Joakim Palme (2003). 'New politics and class politics in the context of austerity and globalization: welfare state regress in 18 countries.' *American Political Science Review* 97(3): 425-446.

Lowe, Rodney (1993). *The Welfare State in Britain since 1945*. London: Macmillan.

Marshal, Thomas H. (1950). *Citizenship and Social Class and other Essays*. Cambridge: Cambridge University Press.

Murphy, Mark (2005). 'Between facts, norms and a post-national constellation: Habermas, law and European social policy.' *Journal of European Public Policy* 12(1): 143-156.

OECD (1981). *Welfare States in Crisis*. Paris: OECD.

Pierson, Paul (1994). *Dismantling the Welfare State? Reagan, Thatcher and the Politics of Retrenchment*. Cambridge: Cambridge University Press.

Powell, Martin and Armando Barrientos (2008). 'An audit of the welfare modeling business.' Paper presented to the ESPAnet 2008 Annual Conference.

Rothgang, Heinz; Obinger, Herbert; Leibfried, Stephan (2006). 'The state and its welfare state: how do welfare state changes affect the make-up of the nation state?' *Social Policy and Administration* 40 (3): 250-266.

Starke, Peter (2006). 'The politics of welfare state retrenchment; a literature review.' *Social Policy and Administration* 40 (1): 104-120.

Taylor-Gooby, Peter (2008). 'The new welfare state settlement in Europe.' *European Societies* 10 (1):3-24.

Thatcher, Margaret (1987). 'Aids, Education, and the Year 2000.' *Woman's Own* October 31st

Tilton, Tim (1991). *The Political Theory of Swedish Social Democracy: Through the Welfare State to Socialism*. Oxford: Clarendon Press.

Treaty establishing a Constitution for Europe (2004). CIG 87/2/04 REV2.

van Kersbergen, Kees (2000). 'The declining resistance of welfare states to change?' Stein Kuhnle (ed.) *Survival of the European Welfare State*. London and New York: Routledge, pp. 19-36.

Viebrock, Elke and Clasen, Jochen (2009). 'Flexicurity and welfare reform: a review.' *Socio-Economic Review* 7 (X): 306-331.