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Abstract

Is it possible to identify new forms of social and political empowerment processes which demonstrates innovative ways of coping with social inclusion and fostering solidarity?

Or is the dominating picture social polarisation, fragmentation, disempowerment and increasing mutual mistrust between affluent sections of the population and the marginalised excluded strata?

Compared to the prototype of industrial society and the golden age of the postwar welfare society today's socio-cultural and socio-economic conditions for Politics of Inclusion and Empowerment has changed in several ways.

The shift from government to governance put forward in contemporary political theory (e.g. by March and Olsen, 1989) suggests that the creation of multiple actor networks is a key issue in changing the power matrix and creating pressure for a new social contract which includes the interests of the excluded groups. This involves the creation of new types of government and governance, which can (i) integrate actors representing interests at the bottom of the social ladder and (ii) enable the actors to operate across different sectoral and spatial levels: the local, regional, national and global levels. As the forces of exclusion in the post-industrial era operate on many levels; so the inclusive counter forces must do likewise (Jessop, 1998).

The radical version of the social exclusion paradigm addresses the problem of a changed power balance between actors and suggest to focus on

- (i) the new elite formation at the top of the social ladder
- (ii) The empowerment challenge: how to overcome the fragmentation and weakening of collective actors representing the groups at the bottom of the social ladder, and
- (iii) The solidarity challenge: the problem of fostering coalitions between excluded groups and sections of working and middle classes.

The paper discusses what type of institutional reforms and new formations of actors (and coalitions) could counteract social exclusion and polarisation in a way, which takes the postindustrial political, economical and social conditions into account. Educational citizenship and lifetime policy is analyzed as examples of positive-sum – or solidarity reinforcing - solutions in line with emotional, normative and functional needs in the age of reflexive modernisation.

It is argued that today the real missing link in contemporary social science is the analysis of the growing power of elites. Whereas the underclass has been almost overresearched, the analysis of new elite formation, collective action, and coalition building by the powerful actors is almost absent.

Introduction

"Social conflicts in the classical industrial society were conflicts over "goods" (income, social security etc.). The conflicts in risk society are mainly conflicts over "bads"." (Beck, 1994:6).

Ulrick Beck is, first and foremost, referring to the threats to the environment. The focus of the following is the conflicts over the "bads" of the *social* infrastructure in the phase of reflexive modernity. These are captured in the concepts of underclass and social exclusion. Along with the ecological challenge these social "bads" form unavoidable points of reference for social sciences dealing with present forms of social integration and differentiation. The paper will discuss the theoretical and analytical challenges raised since the emergence of social exclusion in the eighties.

Broadly speaking, social theory and research has produced much excellent criticisms of the New Right's agenda and the politics of deregulation and enforcement. But the academic community has been more hesitant in analyzing why the politics of deregulation became relatively successful in some countries during the eighties, and what type of institutional reforms and new formations of actors (and coalitions) could counteract social exclusion in a way, which takes the postindustrial conditions into account.

The first section briefly summarizes the political and scientific discourse concerning the underclass versus the social exclusion discourse, which emerged since the beginning of the eighties in Europe and the United States. These two discourses have been influential in the public and political debate, and demonstrate very different approaches to what can be addressed as the forces undermining societal harmony and social coherence.

The New Right's version of the underclass defines it as those, who "are poor from their own choice, influenced by kin and neighbors like themselves, by wider and corrupting role models, and by welfare provision that saps personal discipline" (Westergaard, 1992:576). The social exclusion paradigm addresses the "exclusionary society" (Lister, 1990) as the problem. Social exclusion or the "new poverty" is the result of socio-economic restructuring and regression in welfare policy. The new social division is not a product of cultural changes at the bottom, but a product of changes in the economic and political subsystems and action at the top. In the New Right's version the focus is on the problem of the underclass and in the social exclusion version the focus is on the problems faced by the underclass.

The second section sets the underclass-exclusion debate into a broader historical and theoretical framework of writings on social stratification and class theory. The relation between the different paradigms (Marxist, Weberian and Functionalist) and the driving intellectual and political forces in the development of the postwar welfare state are discussed. A paradox of, on the one hand, the rejection of class theory in most contemporary dominant social theory and, on the other hand, the emergence of a new "underclass" is identified. It is argued that today the real missing link is a more detailed analysis of the growing power of

elites. Whereas the underclass has been almost overresearched, the analysis of new elite formation, collective action, and coalition building by the powerful actors is almost absent.

In the third section, the new right underclass and the social exclusion paradigms, and the different policy agendas related to the concepts are those of system and social integration (Lockwood, 1965). The concepts are reconciliated in the context of the underclass-exclusion discourse.

In the final part the challenges and dilemmas in the development of "politics of postindustrial citizenship" are discussed and evaluated in terms of reform agendas. These are at

- (i) the level of system integration e.g. the balance and relation between the political subsystem and the economic subsystem and,
- (ii) the level of social integration: e.g. empowerment of actors addressing the problem of social exclusion, and
- (iii) the relation between the two: the possible plus sum game of institutional reform and empowerment of actors at the bottom.

To illustrate the dilemmas and potentials of the possible plus sum games linking social and system integration and interest of different social formations two particular policy agendas/areas are discussed: educational citizenship and "Life Time Politics" in particular sabbatical and parental leave schemes. The latter is not least interesting from a gender equality and care perspective, because the innovative aspects of the leave models are to fuse otherwise contradictory rationalities: social life quality (due to the temporary access to additional time resources for parents) and economic efficiency.

I. Underclass versus social exclusion

The term 'social exclusion' is primarily used in the European discourse while the concept of an 'underclass' is normally used in the Anglo-Saxon discourse (Larsen & Andersen, 1995 and Jordan, 1996) although these concepts are contested in both contexts. The different meanings of the term 'new poverty' thus offer a window into these political cultures in general (Silver, 1996:108).

In the USA, the New Right viewed the underclass as a result of a new, growing 'culture of dependency' (Dean, 1991), which had eroded the individual's incentives to rational economic and social behavior. It was alleged that an 'overgenerous' welfare state had spawned the new underclass characterized by behavioral deficiencies.

In the American public and political debate Ken Auletta's articles in *The New Yorker Magazine* and his book *The Underclass* (1982) became very influential in promoting the term. He used underclass as a shorthand for behavioral and attitudinal problems found among inner-city minorities, although he argued that the poor might also be victims of social and economic restructuring.

Whereas Auletta was ambiguous as to what caused the emerging underclass, New Right intellectuals took over the term underclass and used it to promote a straightforward behavioral or pathological approach, and

to attack the efficiency and legitimacy of public welfare programs. The core argument was that the main cause of the emergence of an underclass must be attributed to an 'overgenerous' welfare state that encourages and rewards 'dysfunctional' behavior.

According to Galbraith (1989), the New Right was able to provide a spurious intellectual and moral justification for policies of neglect and enforcement, inspired by an old-fashioned Social Darwinism. The condemnation of government is part of the continuing design for avoiding responsibility for the poor.

Charles Murray's book *Losing Ground* (1984) provided conservatives with the most authoritative argument against direct government spending to combat the undeniable growth in poverty. It was used to justify cuts in welfare spending and to further marginalise the poor.

Murray's writings were in line with political scientists and philosophers like Nozick, who developed a more sophisticated philosophical justification - often termed 'Anarcho Capitalism' - for reducing the social role of government and promoting the 'Minimal State' (Nozick, 1974; Hayek, 1981). Murray argued, that social policy had created a dependency culture due to 'perverse incentives' which made it profitable for the poor to behave in ways in the short term which were destructive in the long term (Murray, 1984:8).

As Wilson noted (1987) about the 'Murray campaign', it offered to explain not only increasing poverty but also increasing rates of joblessness, crime, out-of-wedlock births, female-headed families, and welfare dependency, as a result of welfare programs.

Politics of deregulation and/or politics of enforcement

By the late 1980s, Katz identified a new shift in the American underclass debate. The response towards increasing social disorganization was a '**new authoritarianism**': "that justified big government by advocating the extension of its control over the behavior of millions of Americans. By emphasizing the obligations of the poor instead of their social rights, the appeal of the new authoritarianism diffused beyond conservative circles." (Katz, 1989:125-126)

Lawrence Mead's book *Beyond Entitlement: The social obligations of citizenship* (1986) represented one of the most important steps in the launch of the "politics of enforcement". Mead introduced the notion of "**active citizenship**" and argued that the problems of the underclass should be addressed not by expanding welfare rights but through a social policy which would enforce work obligations for the claimants of social benefits. In this respect Mead differed from those of the New Right who favour a pure 'minimal state'.

Many critics of the term underclass have argued that it is simply the latest 'fashion' (Westergaard, 1992; Gans, 1990) for the recurring idea of the undeserving poor and an attempt to blame the victims.

Most critics of the term underclass suggest that social scientists should avoid using the concept, because it over-

whelmingly tends to focus on behavioral aspects and has as a more or less explicit agenda, the intent of dividing the poor into deserving and undeserving according to their 'good' or 'bad' behavior. Nonetheless, as some of the critics of the underclass concept point out, it is urgently necessary to address the challenges arising from trying to understand the complex interactions between structures, actors and cultures (Mann, 1994).

There are many empirical indications that the present forms of social polarization in the transformation towards a post-industrial society necessitate creating new approaches and concepts to adequately capture the sharpened and multi-dimensional forms of social exclusion.

The spatial expression of these processes can (in its most evident form) be seen in the creation of new urban 'ghettos' in areas which were previously working class areas. In these areas the confluence of 'downward socio-economic mobility' for the traditional blue-collar working class - and the lack of effective, coordinated policy responses to this trend - set in motion self-reinforcing processes of social and cultural erosion, which fuse with economic and labour market marginalisation. This is the empirical basis upon which the underclass debate is conducted.

The two poles in the socio-spatial polarization process are the affluent, white, gated community on the one hand and the open, poor and multi cultural ghetto on the other. Segregation implies a radical change in the spatial structure of "face-to face" relations. The long-term outcome of such processes undermines the spatial conditions for citizenship: the possibility of "face-to-face" interaction with individuals of a different social background.

Whereas the problem of insider-outsider polarization in the labour market has attracted much interest (and huge funding), research into the problem of **spatial polarization** has only marginally been addressed in empirical research. This is surprising because much acknowledged theoretical work (in particular by Giddens) focused on the role of face-to-face interactions in the constitutions of society (Mortensen, 1995).

However, as the two American researchers Blakely and Snyder(1998) argue, there are far-reaching implications of the middle and upper class "voting with the feet" practice of "**spatial closure**"; the prototype being the gated community (8 million Americans in 1997).The life world of the gated community is one where rules and rule following takes place on the basis of self constructed internal (gated) mutual understanding and the spatial exclusion of the "outsiders".

This type of "**exclusive localism**" undermines the basis for democracy and citizenship because democracy is based in part on mutuality and collective citizenship, with the structure of communities tying individuals together across their dissimilarities. Or as Blakely and Snyder put it :

Can there be a social contract without social contact?

Can a nation survive without inclusive communities to undergrid the practice of citizenship? (Blakely and Snyder, 1998:3)

One of the innovative policy responses towards social exclusion has been empowerment oriented action programs in deprived neighborhoods. When they work, they empower local actors and transform the public agencies and the professionals who become transformed in a more supportive direction and give rise to what could be labeled empowering or "**inclusive localism**".

But without more far-reaching redistributional changes in the socio economic regime, which can break the trend towards "**exclusive localism**" (in which middle-class households are "voting with the feet" actors) inclusive localism is likely to fail.

Before moving on to the European debate on social exclusion, a few remarks on the concepts and rhetoric of workfare and active citizenship are in order, these concepts also had some appeal and mobilized criticism in the European debate.

Remarks on the rhetoric of "active citizenship" and its critics.

The point to be stressed here is that critics of the New Right should not accept the agenda, where the two poles are workfare versus passive benefits, but redefine the agenda and contrast residual and punitive strategies on the one hand and pluralist, redistributive and participative integration strategies on the other. The overall question should not be either workfare or passive benefits. Instead, the question on the political agenda should be, similar to the Danish and European Community discourse, namely, what type of policy needs to be implemented to reflect the interests of the excluded and society as a whole?

A non- authoritarian notion of participative and **empowering** integration could be interpreted as extending social rights to those on the margins of mainstream society. The importance of acknowledging, for example, the right to training and participation in different kinds of integration schemes should therefore not be rejected because the notion of 'workfare' was initially put forward in a particularly minimalist, authoritarian and punitive version.

The focus on the obligations of individuals in the New Right version of citizenship does not necessarily mean that all types of obligations should be condemned. The question is how firmly rights and obligations should be linked together. Furthermore, obligations in terms of social responsibility should of course not be restricted to individuals at the bottom of the social ladder, but first and foremost include collectivities and institutions like private companies. In other words, the **rhetoric of rights and obligations should be turned on its head** and used to argue for mutual social responsibility/inclusive practice and commitments at all levels – in particular the top of the social ladder of the social hierarchy and in all subsystems – not least the economic.

The European social exclusion paradigm.

With the exception of Britain the term underclass has not played a dominant role in the European discourse on socio-economic restructuring. (Dahrendorf, 1988:152).

Within the rhetoric of the EU institutions and closely linked to the promotion of the "social dimension" the concept of social exclusion with its strong intellectual roots in the Durkheimian and French republican thought became the key concept. In the French debate on 'L'exclus', the term was used as a metaphor for the postmodern society's polyphony in which a weakening of common values and the social fabric is emerging (Silver, 1994).

Theoretically, the notion of social exclusion points to a shift in the conceptualization of poverty from extreme class inequality and lack of resources in the Townsendian tradition (Andersen et. al, 1994) to a broader insider-outsider problematique - that is a change of focus in the poverty and inequality discourse from a vertical to a horizontal perspective. This shift of focus can to some extent also be described as a shift from a Marxist and Weberian tradition of class (and status) analysis to a Durkheimian 'anomie-integration' discourse.

The concept of social exclusion refers both to "processes and consequent situations. More clearly than the concept of poverty, understood far too often as referring exclusively to income, it also states out the multidimensional nature of the mechanisms whereby individuals and groups are excluded from taking part in the social exchanges, from the component practices and rights of social integration and of identity" (Commission of the European Community, 1992:8).

Although there are various degrees of exclusion from full social and political citizenship 'the boundaries that separate the 'socially excluded' (the underclass) must be conceptualised as relatively complete and multidimensional' (Heisler, 1991:475). Heisler argues that, since the socially excluded lack any meaningful market position, it is best conceptualised as a social category, not a class. The socially excluded is to be located outside the class structure.

However, such types of statement are a matter of dispute. Many studies show that the long-term unemployed and other socially excluded individuals, continue to orient themselves towards and hold 'mainstream' norms and values. However it seems unlikely that these norms and values can be maintained over a long-term process of social exclusion and the emerging spatial segregation and polarisation in West-European societies. Separate norms might actually be developing practices and ideologies according to the settings in which these segregated parts of the populations live (Jordan, 1996). This might, in the words of Delors (1993), threaten the social cohesion of society leaving the European Welfare Models with an uncertain future.

“Underclass” has recently been used in countries like Germany, Holland, Austria (Mann, 1994), Denmark (Ugebrevet Mandag Morgen, 1994). Contrary to the American and British debate on the underclass,

it does not usually refer to '**behavioral** deficiencies', but primarily to the lack of economic and social **opportunities** due to economic restructuring and social change.

In a keynote speech at the 1994 World Congress of Sociology Wilson maintained, that it is unlikely that, for example, Britain and France will experience the same type of concentrated urban poverty as the United States. However, Wilson argued that a convergence between the United States and Europe might be occurring due to socio-economic restructuring and a change in political attitudes (Wilson, 1994:63).

As Silver (1996) notes the multidimensional notion of exclusion is very plastic and is used as a metaphor for the post-industrial society's social polyphony. As a scientific concept aiming at grasping a new form of social fracture linked to the weakening of common values and the appearance of signs of a threatening breakdown of the social fabric - not least described by Pierre Bourdieu and his colleagues (Bourdieu et al. 1993) - exclusion was in particular launched in 1991 by Touraine in his now famous article "Face à l'exclusion" (Touraine 1991).

The concept of exclusion has been criticised by many French social scientist (e.g. Bertho 1997; Castel 1991, 1995a, 1995b). They do not recognise exclusion as a scientific concept, although acknowledging its metaphoric qualities. With the concept of 'desaffiliation' Castel has tried to conceptualise what is at stake in the notion of exclusion. Desaffiliation thus concerns with the multiple, dynamic changes the social bond is undergoing in post-industrial society, especially after the reappearance of mass unemployment in the mid 1970s. As wage labour is weakened as society's great mechanism of integration social justice can no longer be a question of insurance against foreseeable risks affecting wage labour. Thus, citizenship has become a question of the active "production of society", as opposed to merely a question of rights (Donzelot & Estèbe 1994). This leads to the concept of the 'enabling welfare state', or the 'animating state' (Donzelot & Estèbe, 1994 and Visti-Hansen, 1995).

Partnership and social cooperatives, social economy initiatives, cross-sectional action programmes are, together with the rise of new empowering and entrepreneurial roles of professionals and NGOs in the field of social and community work, some of the renewals created by these new policies. Mediation and mobilisation in a landscape with a range of actors (e.g. housing associations and public welfare agencies) creates dilemmas and new challenges for social work

To conclude, the common feature of the 1980s and 1990s underclass and social exclusion discourse is that the focus has changed in the direction of an inclusion-exclusion problematic.

In the next section I will argue that the contemporary stratification order of the postfordist societies is not only one of **horizontal stratification**, inside or outside the labour market/mainstream society,

but also one of **vertical stratification**. This arises from differences in access to and command over economic, cultural, social and symbolic capital. As Levitas (1996) notes, the exclusion-integration discourse can obscure the fact that the positions into which people are "integrated" through paid work are often fundamentally unequal.

II. From social class to social exclusion

The theoretical debates concerning the changes in the forms of social stratification that have taken place in the transformation from the advanced industrial society to the post-industrial society of the 1980s and 1990s will serve as a point of departure from which we can get a closer grip on the new features of the exclusion-integration discourse. It will also enable us to interpret the discourse from within the theoretical framework associated with the two concepts of system and social integration.

Across the different theoretical approaches one can talk about a change of focus from a **class and inequality** problematique to an **integration-disintegration** problematique. This is a change in the way of thematizing the problems of social and system integration (Lockwood, 1964) from a position that perceives social divisions in a vertical perspective, to one that reflects them in a horizontal perspective.

Three positions dominated the social scientific debate on social stratification, class and inequality up until the 1980s: the Functionalist, the Weberian and the Marxist tradition. Despite their differing views about the constitution of class and stratification patterns in advanced industrial societies - they all dealt with relations of class or stratification from the up-down or vertical perspective. Let us briefly review the three traditions.

Functionalist tradition

The functionalist position argues that in every dynamic and developed society it is necessary to link the unequal distribution of goods and symbolic rewards to the different positions in the social distribution of work to ensure the optimal use of talents (Davis & Moore, 1945). The fundamental thesis of functionalist and Parsonian inspired sociology, however, was that the advanced industrial societies moved towards the ideal of 'the open society' - a society which still displayed inequalities between positions, but where 'fair competition' increasingly gave individuals equal chances of reaching various positions within the hierarchy.

Ascriptive attributes such as ethnicity and sex and an individual's social background would be of less importance compared with the patterns of social mobility of early capitalism. Early capitalism was strongly colored by ascriptive processes at the group and individual level, and was, at the structural level, characterised by strong closure mechanism' - in particular unequal access to property and political power for the bottom strata.

The dominant thesis in mainstream sociology was that modern industrial society was reaching a situation where stratification mechanisms were exclusively determined by individuals' different abilities and achievements. Thus **meritocratic** selection became the dominant mechanism and principle of social stratification in the advanced industrial societies.

In Lockwood's terminology (Lockwood, 1964), the relationship between **system integration** and **social integration** was seen as principally unproblematic. System integration here means the harmonic relationship between the dominant institutions or parts in society, in particular the relationship between the economic and political system. Social integration means the relationship between actors - in short: the actors' acceptance of the rules of the game in the distribution of life chances.

The meritocratic society thus reproduced a 'norm of social justice'; an open opportunity structure and distribution of social rewards according to ability and achievement. Thus, the need for powerful **collective** actors such as the working class with its antagonistic interests in relation to the social order (the Marxist view) would be undermined, or at least reduced.

The systemic and social rationality of the **open societies** were such that individuals to a much greater extent than previously could take part in open and fair competition for positions in the pattern of social stratification. The reward logic of the modern, meritocratic achievement-oriented society thus had both a societal rationality of dynamism and growth, a system integrative rationality, and a rationality of social integration.

The optimistic scenario for the advanced industrial societies was thus that meritocratic selection would ensure both system and social integration. Firstly, because human resources would be mobilised and used efficiently from a societal point of view due to the structures of incentives and rewards. Secondly, because individuals had a widened space in which to act in order to achieve his or her own goals.

Inequalities in terms of outcome (both symbolic and material rewards) between the different positions in the hierarchy of strata would be interpreted as legitimate by the individual actors. This would be due to the decreasing importance of traditional stratification mechanisms and the development of the modern industrial societies' dynamic potential of growth which would guarantee both a general increase in living standards and increasing upward social mobility.

The vision of the open society was not only an American phenomenon, nor was it exclusively linked to the political right. In the European political discourse this optimistic diagnosis was to a large extent shared by many social democrats, intellectuals and administrators and other actors involved in the golden period of the welfare state after the Second World War. In many areas of postwar

welfare policies - such as policies to promote more equal access to the educational system - social democratic and other leftist forces argued (and in Scandinavia and other countries successfully so) that the rationality of such reforms was not only moral and political (a more egalitarian society) but also functional in terms of economic growth. The sufficient mobilisation of the 'unused talents' of the lower strata/classes would increase economic dynamism and social innovation (an understanding also put forward in theories of human capital).

Rigid stratification systems, it was argued, are not only unjust but also dysfunctional because they tend to reduce the survival value of a society by minimising the efficiency of discovery, recruitment and training of human resources.

In post war American sociology this type of argument was summarised by Tumin (1953) in his classic criticism of Davis and Moore (1945). He emphasized the dysfunctions of social stratification. Stratification regimes should be evaluated according to their ability to ensure social integration at the bottom of the social ladder. If unequal rewards are not seen as legitimate by actors at the bottom and the middle of the hierarchy the response is lack of motivation and a higher level of transaction costs in society. He also argued that differential rewards to different groups could only be justified as functional for society's efficiency if equal access to recruitment and training for all talented persons existed.

These arguments were very similar to those put forward by the various academic actors who promoted the institutional redistributive or social democratic type of welfare state in postwar Europe (eg. Titmuss, 1974). But unlike many of their American colleagues they were convinced that social citizenship was the most important "social cement" of the post war welfare society.

Weberian and Marxist critiques

Critics of mainstream functionalism, primarily from the Weberian and Marxist inspired camps, emphasized those elements of the functionalist tradition which could be understood as a universal legitimisation of inequality. Davis and Moore's argument was that in all societies it is functionally necessary to link unequal rewards to the positions of the stratification order, as some positions are of more functional importance than others, and because there will always be a limited amount of talent available. The positions that require the most talent and qualifications therefore had to receive the highest rewards to ensure that the best qualified candidates/individuals would possess/hold those positions. This basic argument was rejected as an unhistoric legitimisation of 'natural inequality' - not only in pre-industrial societies but in the advanced industrial societies as well.

Weberians maintained the relevance of the **concept of power** which could explain why some groups could ensure symbolic and material goods at the expense of others. This could be achieved e.g. through mechanisms of social closure (Weber, 1968). Marxists maintained that the institution of property and the exploitation via production was crucial in generating systematic inequalities and class divisions.

Others, such as Dahrendorf (1959), suggested at the end of the 1950s that the concept of **authority** was central for an explanation of the new forms of social stratification which could be observed in advanced industrial societies. Many social scientists, like the early Giddens (1973), wanted to combine and synthesize Weberian and Marxist approaches.

On the empirical level both Marxists and Weberians rejected the thesis of 'the open society'. The rejection has taken many forms, from C. Wright Mill's (1956) studies of the power elite to the Weberians' emphasizing the emerging types of closure mechanisms in the modern professional complex (Parkin, 1979), to neo-marxists like Bravermann who made an attempt to update Marx's analysis of the degradation of work (Bravermann, 1974). Another attempt would be Wright's project, started in the 1970's, to introduce

the importance of the possession of knowledge or organisation based resources in a revised Marxist scheme (Wright, 1979; 1985; 1997).

The postwar scholars inspired by Marx and Weber observed, like the functionalists and logic of industrialism theories (Keer et. al, 1960), an increasing differentiation in the forms of social division of work - in particular the rise of the "new middle class(es)" and the modern professional complex. However, for them the changes of the technical/horizontal division of work did not imply that the vertical division in classes disappeared - just that it adopted new forms.

The present 'death of class' approach

Since the 1980s there has been a revitalized and intense debate about the declining significance of social class. On the one hand it is maintained that social class still plays a major role in the stratification order of the capitalist system (Westergaard, 1995; Wright, 1997). Although other social cleavages such as gender and ethnicity interfere with or in some cases are even more crucial for social divisions than class (Crompton, 1993). On the other hand "culturalist" approaches suggest that the social classes are dead and the contemporary stratification order is primarily based on cultural phenomena and subscription to life styles (Pahl, 1989; Clark and Lipset, 1991; Pakulski and Waters, 1996).

Pakulski and Waters (1996) suggest that the contemporary stratification order is one of non-egalitarian classlessness. The transformation of the stratification order is part of a wide-ranging societal transformation conceptualised as: risk society, post-Fordism, post-traditionalization, postmodernization, referring on these topics to authors like Bell, Beck, Giddens, Lyotard, Lash and Urry, Offe, Featherstone and Robertson).

Pakulski and Waters suggest that the stratification order of capitalist societies can be traced in terms of three successive periods:

1. Economic class-society in the nineteenth century characterized by a dominating and a dominated class and struggle between interests groups that emerge from the economic realm. The axial

principles of society, politics and economy are : laissez-faire state, plutocratic and revolutionary parties and owner capitalism.

2. Organized-class society in the first three-quarters of the twentieth century characterized by a society dominated by a political sphere. Important axial principles are corporatism, mass parties and Fordism.
3. Status-conventional society in the contemporary period (approx. since the 1980s) characterized by a stratification regime which emerges from the cultural sphere. Important axial principles are globalisation, niche parties and post Fordism.

The occupational categories (which are crucial in traditional class-analysis) can still play a critical role “but only because it is a badge of status, an indicator of one's importance and of one's capacity to consume“ (Pakulski and Waters, 1996:157).

Pakulski and Waters summarizes four basic propositions in traditional class theory:

1. Economism: property and markets are held to be fundamental organizing principles in society. The structure of production determines a structure of positions: classes/employment categories.
2. Groupness: the classes develops distinct cultural communities. Class membership affects identity, culture and lifestyle.
3. Behavioral and cultural linkage specify that the class based cultural communities are the enduring bases for political action and distributional conflict.
4. Transformational capacity: classes are collective actors that can make history and transform the structure of production.

The status-conventional theory suggested by Pakulski and Waters offers the following alternative propositions:

1. Culturalism: the stratification order is based on subscription to lifestyles formed around consumption patterns, information flows, cognitive agreements, aesthetic preferences and value commitments. Symbolic dimensions (including socioeconomic status but in a symbolized form) provide focuses for identification and will compete with each other in the field of social structure, and this produces multiple status cleavages.
2. Fragmentation ensures that the multiple status cleavages functions as a “status bazaar” for individuals. Therefore conventional society is a fluid matrix of fragile formations, where identity is constructed in a process of reflexive individualism. Membership of one status group does not necessarily contradict membership of any of the other groups. Closure, however, remains effective in status-conventional society; that is 'freedoms in most cases are relevant to exit from status groups rather than entry' (Pakulski and Waters, 1996:158).
3. Autonomization: Culture and behavior is to a large extent decoupled from stratificational location. Profligacy becomes the new label for individual behavior. Political preferences, educational opportunity, patterns of marriage and income are “self-referential rather than externally constrained” (Pakulski and Waters, 1996:155).
4. Resignification: In pursuit of symbolic attachments the actors will constantly reorder and

redefine the symbolic dimensions (including traditional status-membership dimensions like education and ethnicity) into a more ephemeral regime.

The position outlined here can be interpreted as postmodern version of statements put forward in the functionalist tradition of the 50's. For example Nisbet claimed that class divisions were replaced by status inequalities (Nisbet, 1959). Kerr et.al, (1960) expressed the vision of **pluralistic industrialism** in their classical analysis in "*Industrialism and Industrial Man*":

"The industrial society is an open community encouraging occupational and geographic mobility and social mobility. Industrialisation calls for flexibility and competition : it is against tradition and status based upon family, class, religion, race or caste." (Kerr, et.al 1960. Quoted in Grusky, 1994:664)

From Bottom-up to Top-down "class" struggle?

Pakulski and Waters mention that closure and conflict still exist and stress that they do not argue that a decline in inequality in contemporary society has taken place. However, the difficulty with their theoretical framework, seen from the point of view of the underclass problematique, is that it does not really leave space for the existence of collective actors/ strategic interest groups at the middle and top playing games. This can create increased "external constraints", and be successful in externalising social costs to those at the bottom.

Are the propositions of culturalism, fragmentation, autonomization and resignification fruitful tools for understanding and grasping the nature of Thatcherism and Reaganomics - the most radical political projects in the West after the second world war? In fact the regime changes in the era of Reaganomics and Thatcherism could first and foremost be interpreted as a revitalised project of a strategic interest group - a block of collective actors - who demonstrated a "transformational capacity" with a clear strategic direction for intended social change. In short a change **from market economy to market society**.

The postmodern emphasis on particularism, diversity, choice can according to Taylor-Gooby become a "smokescreen" behind **intended projects** towards extended inequality and a residualized system of welfare provision, thus ignoring the significance of market liberalism and the associated trends to extended inequality and lack of opportunity structures and real possibilities of choice at the bottom of the social ladder(Taylor Gooby, 1994:385)

Approaches like that of Pakulski and Waters, which have become very influential in contemporary sociology do touch upon real issues, e.g. in the younger generation, where "culturalist approaches" might explain new types of mixed identities and so forth. But the approach is inadequate for explaining the nature of actions and strategic interest at the top of the social ladder. Today the direction of postmodern offensive "class struggle" is mainly from top to bottom, whereas the "class struggle" from the bottom to the top is mainly defensive.

Seen from the social exclusion angle it is not sufficient when Pakulski and Waters suggest that "...the stratificational categories of status-conventional society constitute a complex mosaic of taste subcultures, "new associations", civic initiatives, ethnic and religious revolutionary groups,

generational cohorts, community action groups, new social movements, gangs, alternative lifestyle colonies, alternative production organisations, educational alumni, racial brotherhoods, gender sisterhoods, tax rebels, fundamentalist and revivalist religious movements, internet discussion groups, purchasing co-ops, professional associations. Many are ephemeral, some are continuous and stable.” (Pakulski and Waters, 1996:157)

Even if one to some extent accepts the postmodern point of departure - that the generative phenomena in the present stratification order are competing “symbolic dimensions” which produces multiple status cleavages - the problem is that the notion of power relations and criteria for analysing what is stable and what is fluid are very vague. The notion of social hierarchies (Mouzelis, 1991) which is discussed in term

of closure is not developed further. But this might be a road to a productive dialogue between the "culturalist" framework suggested by Pakulski and Waters and the marxian and weberian legacy.

Following Westergaard 'class-denying' theory commits two errors: it blurs the distinction between class-in-itself (issues of economic category) and class-for-itself (political group-formation) and to infer, from new complexities of political group formation, an erosion of economic-categorical class which is contrary to the fact (Westergaard, 1996:142).

To sum up I suggest three hypothesis about the nature of the contemporary stratification order of post- industrial capitalist societies in which the social exclusion problem should be understood. These tendencies have so far especially been relevant with reference to United Kingdom and America where labour markets have been deregulated and the welfare states have been under severe pressure during the 1980s and 1990s:

1. It is possible to identify formation of elites - or “strategic interest groups” at the top of the social ladder. They are numerically speaking relatively marginal, but nevertheless powerful in terms of economic, cultural, political and symbolic capital (Bourdieu, 1987). The strategic interest groups do not form a homogenous mass, but they are conscious about their structural position and they act in accordance with their interests - in many ways as a collective force - although, as Bourdieu makes clear, these 'interests' in the form of 'symbolic power' are 'shielding, and thereby strengthening relations of dominance by hiding them under the cloak of nature, benevolence and meritocracy (Wasquant, 1993:1-2).

As Crompton (1993) and Westergaard (1996:chapter 8,) argues the concentration of power among ruling elite networks is in itself enough to maintain that the contemporary capitalist stratification system is still a sort of class society.

2. The working class(es) and the middle class(es) still exist but the boundaries between the two have been blurred - not only in the sphere of consumption but also on the labour market - not least amongst the younger generations. Even Wright admits that 'class may not be the most powerful or fundamental cause of societal organization and class struggle may not be the most

powerful transformative force in the world today' (Wright, 1996:711). In most cases social differentiation is based both on class divisions (position in the economic system) and other social divisions including status cleavages arising from the consumption and cultural field.

3. The real paradox is that the same tendencies which seem to have made traditional classes redundant according to the 'death of class' thesis have at the same time, primarily in America and the United Kingdom, created a new "class" - the so-called underclass.

For Pakulski and Waters the 'underclass' is defined by 'the symbolization's attached to post-colonial migration, race, ethnicity, gender, age and pattern of family support, (Pakulski and Waters, 1996:157-58)

What Pakulski and Waters do not take into account is that the discursive agency and power in the process of defining and promoting the symbolization's of the underclass was linked to a game (collective action) aimed at strategic change of the rules of social citizenship (which in turn had been created through former collective actions and negotiations). In short, the notion of the underclass in the New Right version was part of a top-down **economic and symbolic** "class struggle." By reinforcing "an entire discursive network of associations between delinquency and dependency, between crime and poverty, between race and antisocial behaviour, between immorality and single parenthood, and so forth" (Dean and Taylor-Gooby, 1992:44) the concept of an 'underclass' was used as a means to keep the middlemasses 'integrated' (by their fear of losing out) and to justify a new 'class division', hostility and closure mechanisms between the integrated middle masses and the excluded 'underclass'.

In other words the promotion of the new right notion of the underclass was part of a particular type of **collective action** - using the tactics of power which were already observed by Weber:

"Usually one group of competitors takes some externally identifiable characteristic of another group of (actual or potential) competitors - race, language, religion, local or social origin, descent, resident, etc. - as a pretext for attempting their exclusion." (Weber, 1968:242)

In the following section I will connect the underclass and social exclusions paradigms (and the types of actions, narratives, rhetoric and institutional/regime changes linked to them) to the concepts and theoretical framework of social and system integration.

III. Social and system integration in the New Right version.

At the level of **system integration** the New Right argues that the subsystems of the market economy and the welfare state became increasingly incompatible. An idea that was not new, but had been promoted by neoclassical economists and public choice theorists in many variants for decades. So far it was old beer in new bottles.

What was new - and maybe one of the reasons why Murray and others for a while became relative successful in the public and political discourse through out the eighties- was that the old **incompatibility** thesis of social citizenship and efficient market economy was linked to an explanation of (although as shown biased and moralising) a number of changes at the level of social integration; namely crime, deviance, long term dependency, changing gender and family relations.

The "New Right/neoliberal trick" was to link the macro(economic) and micro(moral) level of analysis and explain the observations at the micro level as rational choices of the poor caused by the "negative" moral and economic incentives offered by welfare state institutions (the negative moral incentives being the benefits to unmarried mothers).

The welfare state had increasingly made it rational and legitimate to break basic "rules" of good behaviour according to the standards set by the New Right (the commitment to values of the self-supporting household etc.). The "behavioral deficiencies" - which was what defined the underclass and distinguished them from the "deserving poor", was a symptom of a crises at the level of actors where a vicious circle in which a culture of "rule breaking"(alias dependency culture) was developed.

Following this diagnosis the suggested solution was the politics of deregulation, which was supposed to (re)create the positive incentives for market integration at the bottom of the social ladder. The politics of deregulation would solve the functional contradictory relationship between the market and the welfare state (in other words address the problem of system (dis)integration) .

Again the trick was to argue that such changes (politics of deregulation) at the level of system integration would create the necessary "positive incentives". This would solve the problems at the level of social integration: Increasing market integration at the bottom of the social ladder would in turn restore classical values of the work ethic. In a wider sense it would restore the values of meritocracy: the direct link between achievement and reward, which earlier in history was the ruling and successful principle for American society. The politics of deregulation would therefore encourage **rule following** unlike the politics of social citizenship which according to Murray encouraged **rule breaking**.

A third New Right/neoliberal trick, which was successfully (and still is) picked up in the political discourse by right wing populists is to legitimate what - seen from a social exclusion angle was collective action against the poor - as an extension of individual, democratic rights: the rhetoric of "voting with the feet" developed in the public choice tradition.

The middle and upper class **legal, rule following actions** of maneuvers of tax reduction, forming gated communities etc. was justified in this way. Actions of excluded groups e.g. individuals working in the black economy in order to keep their household over the poverty line could be considered as **"illegal", rule breaking action**.

The "Murray narrative" was successful in linking macro "issues" to everyday/micro (middle- and

upper-class) "troubles" (turning C. Wright-Mills notion of good sociology on its head). As all good narratives it offered a explanation of former success (the meritocratic value system), present problems (dependency culture) and future solutions (deregulation).

Incentives for individuals and for collective actors.

It follows from the above that the linkage between system integration and social integration is the notion of purely individual incentives - since the only recognised collectivity in the Murrayan framework is "the underclass". "Bad" incentives create behavioral deficiencies at the bottom and stimulate rule breaking with regard to a sound workethic, rewards based on achievement and family orientation."Good" incentives make

possible the plus sum game of economic efficiency and responsible, self-supporting citizens in stable family relationships.

However, just as the notion of rights and obligations can be turned on its head the same applies to the notion of incentives (as discussed in section II).If incentives are applied to collective actors and they include incentives to manage and negotiate social costs and enhance inclusion for those at the bottom, the conclusions with regard to adequate incentive structures become radically different (2).

The New Right package of arguments was able to gain support because it touched upon real issues (cf.Mann) and had some - although highly superficial - analytical power by linking concerns at the level of system integration and concerns at the level of social integration. The narrative was put forward in such a way that it appealed to narrow interests and concerns of the middle class and partly affluent sections of the working class. It was in line with present right-wing populism.

As both Katz and Mead observed the politics of deregulation was not very successful in terms of moral and economic reintegration of the underclass(but definitely in terms of increased rewards for the top). This explains why the politics of enforcement became more and more dominant.

As Jordan argues the consequence of a decade of economic individualism, was increasing polarization which increased the transaction costs of all exchanges and hence reduced efficiency. According to Jordan(1996) this process may have reached a point where it began to threaten system integration:

".. Nations such as the US and the UK, which have radically modified their old institutions without solving underlying issues of polarization, conflict and the power of distributional coalitions, may be even further weakened, and experience accelerated relative economic decline, as social costs escalate. This institutional means for dealing with issues of poverty and social exclusion could become very important determinants of the relative success of national economies in the next century" (Jordan, 1996: 227)

Following Jordan the dynamics of neoliberal politics **produced** rational egoists who are designed to

be good at self-interested strategies (Jordan, 1996:212). The politics of deregulation ignored perverse incentives and moral hazard of a **collective kind** for example "*the discrepancy between the payoffs for broad, inclusive communal solidarity on the one hand and narrow, snobbish, exclusive mutuality on the other: or between unskilled formal employment and trade union membership and irregular, informal economic activity and membership of a semi-criminal network*", (Jordan, 1996:211).

Jordan optimistically concludes that once the increased transactions costs at all levels in society become visible, some of the actors in the coalition supporting the politics of deregulation will be open to changing their attitudes. This will be from policy of enforcement to an emphasis on educative and supportive initiatives.

IV. Social and system integration and the social exclusion paradigm.

The competing diagnoses of the problem within the social exclusion paradigm can briefly be interpreted as follows:

At the level of **system integration** the paradigm suggests that a combination of processes of global socio-economic restructuring undermined the conditions for the postwar welfare states in which social citizenship was expanded. The strategic direction was that **the economy became disembedded** from society. This is to some extent similar to transition from traditional society to the "pure market society" (Olofsson,1995)

Drawing on a Jessop's regulation theoretical approach the "hollowing out" of the nation states decreased the room for maneuver for traditional Keynesian politics. This situation which emerged from the mid to late seventies could be interpreted as a new type of crises at the level of system integration. The balance between two subsystems: the globalised economy and the national political subsystem, changed in favour of the first, leaving the social democratic forces and their supporters in a state of confusion. The prototype of this trend in Europe was the collapse of the Labour government in the United Kingdom (1979), the Socialist-Communist government in France(1983),the social democratic governments of Denmark (1982), and Sweden (1991).

In the period of turbulence the pressure from neoliberal and New Right populist forces increased the strong postwar alliance between the working class and important sections of the middle classes lost terrain and to various degrees failed to cope with the new challenges. The power matrix changed in a way, which for a time created possibilities for new actors who, to various degrees rejected the major path of post war socio-economic development in which negotiated compromises between labour, capital and the state was institutionalised in a corporatist type of governance.

The strategies, or to be more modest, the dilemmas and challenges , which must be addressed according to the social exclusion paradigm are by nature quite complex. As I will argue latter the complicated task of identifying possible "solutions" of the social exclusion problem to some extent requires a rethinking of the (although still very useful heuristic) concepts of system and social integration and the relation between them.

I will try to outline some of the issues at stake drawing on insights from political economy and political theory.

From the social exclusion angle the implications of the shift from "**government to governance**" put forward in contemporary political theory (e. g. March and Olsen, 1989) suggests that the creation of multiple actornetworks is a key issue in order to change the power matrix and create pressure for a new social contract taking interest of excluded groups more into account. This involves the creation of new types of governance, which can

- (1) integrate actors representing interest at the bottom of the social ladder and
- (2) enable the actors to operate across different spatial levels: the local, regional, national and global.

The latter task is necessary because the forces of exclusion in the postfordist era operates in complex ways and on many levels. Therefore the inclusive counter forces can neither operate exclusively local, regional or national.

At the level of **social integration** the social exclusion paradigm in particular addresses the problem of a changed power balance between actors:

- (i) the problem of new elite formation at the top of the social ladder
- (ii) the fragmentation and weakening of power of collective actors representing and articulating the interest of the losers at the bottom of the social ladder.
- (iii) the problem of fostering coalitions between excluded groups and sections of working and middle classes

These were the issues discussed in section 2 as they were in different ways reflected in the criticism of "class denying" theory.

The backlash for trade unionism (with the Scandinavian trade union movement as an interesting exception from the general pattern) and the lack of efficient collective action (empowerment) of the new losers of excluded groups constitutes an important part of the problem at the level of social integration.

In the debate over new action and policy agendas addressing the disempowerment of the losers the broader concept of **empowerment** (despite the origins of the concept in third world action research) of (potential) losers has gained new terrain.(Friedmann, 1995). In short empowerment is a process of "awareness and capacity building leading to greater participation, to greater decision-making power and control, and to transformative action (Karl, 1995:14).

Taking the more diverse and complicated socio-economic and political-cultural picture into account compared with the traditional industrial society), it is obvious that the politics of empowerment and inclusion must

- (i) be able to take "particularities" into account (cross class, cross gender, cross ethnicity just to mention a few) and
- (ii) cope with the difficult task of transforming these "particularities" into stable - but flexible

coalitions which can operate at the different levels.

This is what was briefly discussed before as taking the shift from (national) government to multi-scaled governance into account.

It follows from the above that at the level of social integration, the challenge to identify potentials for remobilisation of "old" actors (the still existing although diminished working class) **and** empowerment of new actors representing excluded groups (3).

Generally speaking this could be supported at the level of system integration by a new balance of universalist social citizenship rights and politics of "positive selectivism", which will be discussed further in section 6.

But before doing that the implications and ideas arising from the discussion will be used to reconcile the concepts of social and system integration as they have been put forward by Lockwood(1964) .

V. Reconciliation of the system and social integration concepts.

The social integration and system integration concepts were developed in the phase of advanced industrialism, with strong national states and few well organised collective actors. Today both the role of the nation state as the locus of the political and the pattern of action arising from distinct social formations have to some extent changed. However this does not mean that social hierarchies have disappeared. On the contrary the actors at the top of the social ladder have increased their power resources. This process took place at the same time as the postmodern and neoliberal rhetoric of individualism, decentralisation, choice, diversity and so forth emerged.

Within mainstream sociology e.g. the Parsonian tradition, the concept of social integration invites to view conflicts between collective actors as something which should be avoided. The social exclusion case suggests that in the age of flexible capitalism (Sennett, 1998) **lack** of collective action from the bottom is the problem!

Generally speaking it could be argued that the ability to organize collective action from the bottom , and therefore to some extent the presence of organised conflictual relationship between the affluent and the less affluent in the game over access and control over valued goods in society, is a condition for reaching sustainable, negotiated social contracts in society. In the present period of transition broadly speaking from fordism to postfordism this it not (yet) the case.

I suggest that the notion of social integration should be developed to include the distinction between exclusionary "socially unproductive" versus inclusive "socially productive" types of conflicts. The

argument is inspired by the classical American study of the positive functions of social conflict by Lewis Coser (1956).

A **socially unproductive type** of conflictual relationship tends to produce self-reinforcing paths of **zero or minus sum games**. The intended or unintended social costs of collective action at the top or middle of the social ladder are externalised to the bottom of the social hierarchy. This is set in motion through "voting with feet" and/or the "politics of enforcement" types of dynamics, which increase social polarization (i.e. increased economic inequality, socio-spatial segregation etc.). The conflictual relationships and mutual distrust between actors increases the transactions costs, which on a long term basis can cause crises at the level of system integration.

The **socially productive, transformative type** of conflictual relationship can be defined as types of conflicts between actors allowing for **plus sum games** and, depending on the type of society in question, eventually to a transformation of the social order (4). These games increase positive incentives, mutual understanding and social learning of collective and individual actors and can thereby support the ongoing dynamics of collective citizenship, reduce transactions costs and enhance **social capital**; the ability to inclusive cooperation, socio-economic innovation etc.

VI. Options for the politics of postindustrial citizenship

Earlier the American underclass debate was contrasted with the European social exclusion debate. To a large extent this reflected different political cultures and regulatory regimes in which the role of social citizenship in the overall regime differed.

New plus sum games with regard to collective action and institutional reform are more likely in the Scandinavian type of universalist welfare regimes. In the former substantial sections of the middle classes to a much larger extent than in residual regimes such as the US have experienced in their daily life and become socialized to see public goods and citizenship (in particular in policy areas such as health and education) as a condition for their own life strategies.

In residual welfare regimes, the obstacles for gaining support for neo solidaristic types of regime changes and the creation of stable cross class, cross generational, cross ethnicity and cross gender innovative redistribution coalitions of public goods, income and time resources are much larger.

In the following discussion of obstacles and potentials for postindustrial citizenship the reference point will mainly be Scandinavia and Europe, but some of the issues will be of relevance for the USA as well.

The return of social democratic and center forces in governments in countries like France, Denmark, and the UK have rejected the neoliberal path of the eighties in some ways. In areas like education/human capital investments they have for a long time argued in favor of a "Schumpeterian" type of growth politics including an offensive human capital investment strategy (5)

This type of policy has a broad cross class political appeal, and economical rationality. It responds to the challenge of globalisation and the ongoing formation of the information or knowledge society in which human capital investments become even more important than in the age of fordism.

In the knowledge or information society "educational citizenship" is definitely important in shaping future patterns of social stratification(Esping-Andersen, 1995). From a social polarisation angle the question is whether an "**elitist/meritocratic**" or an **inclusive/egalitarian** version of "Schumpeterianism" will win?

On the demand side the crucial question is to what extent increased human capital investment will be linked to **educational citizenship**. For example, combining improved quality of the educational institutions and programs of positive selectivism ("affirmative action" in the American context) for educationally disadvantaged groups such as the elderly, manual redundant workers or ethnic minorities, or additional resources to schools in deprived neighborhoods. If this is not the case, it may well will be implemented in such a way that meritocratic mechanisms of exclusion in the educational system will be reinforced.

On the supply side of the economy the question is whether an expanded **social economy** grounded in local social movements and concerned to empower the poor and underprivileged could provide more effective solutions by developing a more self-sufficient economy, which is also able to re-insert itself into the wider economy (Moulart et.al , 2000. Jessop, 1998).

Inclusive economic and social development implemented through educational citizenship and a new social economy requires the **empowerment of actors** (the social integration level) and **institutional reforms** (the system integration level).

This presupposes a new social economy strategy, where the economic is (re)embedded in the social, and the effective coordination of institutional arrangements creating structured coherence at the micro-, meso-, macro- and metalevels to ensure the dynamic complementarity of the social economy with the wider economic system(Jessop, 1998).

The challenges of

- (i) linking social and economic rationality's and
- (ii) offering different types of actors positive incentives and the
- (iii) developing efficient governance ensuring "structured coherence" will be briefly illustrated in

the following section, where the case is the Danish experiences from the beginning of the nineties with new educational and life time policy instruments.

VII. Life Time Policy Instruments - an example of positive sum solutions?

The Danish case suggests that Life Time Policy Instruments (Andersen & Larsen, 1995 and Schmidt, 1998) can link social and economic rationality in a specific way. They can address both the problem of relative overemployment for the full-time working and middle classes and the problem of underemployment and labour market exclusion.

Since 1992 new schemes aiming at sharing work in new ways during the life cycle were implemented in Denmark. In 1994 approximately 140,000 (4 per cent of the total labour force) Danes used them for temporary leave from the labour market. In general 50-60% of the jobs temporarily left by participants in the leave schemes were replaced by unemployed persons.

The principle of the schemes is to offer the employed section of the work force economic compensation from the state (at a level between 60 - 100% of the level of maximum unemployment benefits in Denmark) for three types of temporary leave from the labour market:

- (i) **parental leave** for parents with children up to 9 years old in up to 12 months per child. The social (family policy) rationale of the scheme for parental leave is to offer parents suffering from lack of time resources a break in their working life career while the children are small(in Denmark the activity rates of women is at the same level as men). The parental leave schemes were also supported by the small center parties, who saw them as a way of addressing the problem of lack of time for parental care in dual career families (Carlsen and Larsen, 1993).
- (ii) **sabbatical leave.** This most "radical" part of the initial reform allowing "unconditional leave" from the labour market (up till 12 months) was the most controversial part of the reform package from the start (1992) and was never fully implemented. Unlike the two other schemes (which still are in operation although the compensation rate has been reduced for the parental leave scheme), the sabbatical scheme was criticized (and finally almost disappeared) for being too generous. It allowed individuals to receive benefits without giving anything in return to society expect the luxury of individual pleasure.
- (iii) **educational leave** (in a period up to two years) for participation in education. The social and economic rationale of the educational leave scheme was to give additional space to the unemployed on the ordinary labour market and to secure the maintenance of adequate skills in the workforce.

Despite institutional obstacles for efficient implementation and political turbulence within the left-center political coalition these reforms have survived albeit in a less generous form. The linkage of the "Time Poverty issue" (6), the need for the continuous updating of qualifications for (sections of) the work force and the need for an more open, inclusive labour market offered a new possibility for cross class and gender alliances.

As Schmidt(1998) argues the innovative and attractive aspects of the leave models are the attempt to fuse the otherwise contradictory rationalities of the economic and social. Instead of counterposing economic efficiency and social life quality, work sharing and leave reforms try to make them reinforce each other by a combination which gives job opportunities to some people, improves life qualities for others, and reduces the overall unemployment figures. The social and systemic rationality was the linkage of the problem of "relative overwork" - lack of time for updating

qualifications, care responsibilities, democratic and associational participation - and the problem of "relative underemployment".

The Danish experiences have shown that such policies challenge mainstream economists way of analysing welfare reforms, not to speak of the public choice school. The leave scheme reform challenged rigid ideologies of meritocracy - the direct link between achievement/productivity and reward. It is not surprising that the reform mobilized some criticism. But unlike the strategy for an unconditional Basic Income (7) the reforms were less open to criticism for not taking the problem of social reciprocity between different actors (employed and unemployed) into account.

In terms of **governance** the ongoing implementation has shown that this type of policy requires smooth institutional cooperation and involvement of actors with different rationalities (e.g. trade unions, sections of employers, educational agencies and labour offices). The ability to ensure "structured coherence" and practical governance was not always easy.

Generally speaking the employers in Denmark have not supported the paid leave models. But a large minority was fairly positive once the reforms were implemented. The most progressive employers have argued that the reforms could be seen as instruments for "active" labor market policies responding to the demand for more flexible working life careers in the postindustrial labor market. (Andersen, 1996). As the supporters of the reforms have argued the reforms should be interpreted as rational "risk sharing" between the state, employers and employees - instead of being interpreted as enforced costs.

The Danish experience with the implementation of the leave reforms and the discourse over the reforms has demonstrated the intrinsic challenge of **linking efficacy and equity/equality**. The challenge for the actors at the local, regional and national level has been to demonstrate a considerable ability to cooperate leading to institutional integration.

In particular, the challenge of ensuring efficient mechanisms of replacing the leave-takers has been widely discussed in Denmark (Schmidt 1998).

On the one hand, the leave reforms have demonstrated strong public support in public opinion polls. On the other, the reforms mobilised strong criticism from rightwing and some center politicians. Influential economists campaigned against the reforms, arguing that they did not address the "core issues" of strengthening the "work incentives" and abolish the emerging "dependency culture".

The leave-arrangements are one of the most interesting as well as controversial renewals of the welfare state regulation of the relationship between waged and non-waged work during the life-cycle in Denmark. The reforms can be interpreted as expressions of the start of a transformation of the "industrial society paradigm", of the linear unbroken life career as the social norm, towards a new regulation of labour-supply. This includes the right to "legitimate non-work" for a limited period of

time (Andersen and Larsen, 1995)- a **conditional** citizens' wage.

The *new life time policy paradigm* acknowledges that uncontrolled individualized "**careerism**" in the new "flexible" capitalism can cause social disintegration due to lack of time resources (in popular terms: *workaholism*) and a gradual breakdown of individuals and households capability for maintaining stable social and care relations – not to speak about and social and political participation in society outside the world of markets and working life (8)

As danish feminists rightly have emphasized (Borchorst and Christensen, 199X) there are dilemmas – not least from a gender perspective - in the implementation of the new life time policy. If it is implemented in a context of welfare retrenchment and less emphasis on gender equality issues and policy the **danger** is that

the new life time policy becomes counterproductive with regard to gender equality by increasing - instead of reducing - the female share of parental care responsibility. The other danger could be increased risk for more or less permanent labour exclusion for lowskilled women using the schemes. This type of criticism does not imply that new life time policy should all together be avoided but points out that the dynamics of developing new collective answer to the "time poverty problem" depends on the overall macro direction of the welfare and gender regime.

The positive challenge is to develop life time policy in a way which at the same time stimulates gender equality in the family and in working life and mediates the perverse effects of flexible capitalism, which tends to create a zero sum game between working life and the rest of the life.

Using Habermasian concepts one could say that Life Time Policy enables individuals time resources to hold and handle the tensions between the forms of rationality of life world and those of the system-world. In certain phases of the working life and family cycle a legitimate space is created for individual risk-handling (Beck,1992) or for reflexive life-politics (Giddens 1994), and resources of time to mediate the contradictions between integration in the labour market and social integration at the family or local/community level.

The social integration potential of Life Time Politics can thus be interpreted as a **reallocation of time resources** in order to respond to the increasing tension between the post-modern individual's insistence on self-realization by a career on the labour market and time for "**identity management and life planning**"(Hoerning et.al,1995:166). When this rationality is combined with human capital investment and an inclusive employment rationality (additional job-openings for unemployed on the ordinary labour market), it has the capacity for system integration rationality as well.

In "The coming of Post-industrial society" Bell (1973) argued that the post-industrial society brought with it **new types of scarcity** and conflicts of distribution, of valued goods which neither socialists nor liberals had foreseen - namely simply **scarcity of time**. The postindustrial human would become "an economic man" disposing the spare time. The Danish experience shows that an innovative welfare state can create new institutional solutions to this new dilemma.

VIII. Conclusion

The deregulation of labour markets and the implementation of more restrictive regimes in social assistance benefits and the New Rights strategy of moral "demonization" of the produced underclass (where black mothers in the USA are the extreme case) tried to create a climate in which the notion of social citizenship could be pushed off the political agenda.

This path of development reinforces the politics of confrontation and mutual mistrust between increasingly separated social formations. These negative slipovers from group interactions "constitute the reverse side

of Tocquevillian social capital as the basis of democracy, which includes the interest of the community in the interest of the group" (Jordan 1996:39).

The key question about the "**regime politics of postindustrial solidarity**" versus "**postindustrial meritocratism**" is what positive incentives and offensive strategies - e. g. social economy strategies, Life Time Politics and Educational citizenship could be in line with emotional, normative and functional needs in the age of reflexive modernisation (refer to the quotation of Beck at the beginning).

As Jordan and others have stressed it is extremely important to make visible the hidden social costs by the politics of narrow interested, ego or "club" rational collective action. As Tumin in 1953 emphasized the "dysfunction's of social stratification" to day we have to emphasize the "dysfunction's of exclusion" and to discuss "the positive functions of inclusion".

Notes

- 1 An interesting example of an institutional formation, which is committed to such objectives and includes different actors like local activists, professional bodies, politicians at local, national and supranational (EU)level is the European Antipoverty Network (EAPN), which is meant to be an anti poverty lobby - "a third voice"- operating at local, national and European level.
- 2 This is the ambition in Bill Jordan's book "A theory of poverty and social exclusion". 1996.
- 3 An example of this was the actions of long-term employed in France in 1997-98, where sections of the trade unions supported actions for jobs and better benefits for long term unemployed. The socialist government partly accepted these demand.
- 4 E.g. authoritarian regimes like the apartheid regime in former South Africa, where transformation of core institutions at the level of system integration was necessary.
- 5 Bob Jessop conceptualises the changes for the last decades as the shift from the "Keynesian Welfare State" to the "Schumpeterian Workfare Regime" (Jessop 1994).
- 6 The "Time Poverty" problem and individual ways of coping with it in UK Middle Class households e.g. by increased use of service work in the home is discussed by Gregson and Lowe, 1995 . An American contribution is Hochschild (1997). A German contribution is Hoerning et.al,1995.
- 7 See also Lind and Moeller (1996) who discusses the Basic Income Strategy with reference to the Danish leave schemes.
- 8 In a wider sense this problem is at the very centre in Richard Sennetts sharp time diagnosis in his book: *The Corrosion of character – the personal consequences of work in the new capitalism*

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