THE MULTICULTURAL WELFARE STATE

Social Policy and the Politics of Ethno-Linguistic Diversity

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Contemporary politics is multicultural politics. In the past, it was perhaps feasible for students of comparative politics to distinguish neatly between countries with relatively homogenous populations on one hand, and countries with plural societies defined by ethnic and linguistic divisions on the other. In the contemporary world, however, new immigration flows have transformed the demographic profile of virtually every western democracy, creating new forms of social difference and new patterns of social inequality. We have been living through a globalization, not just of our economies, but also of our societies. In addition, recent decades have witnessed the resurgence of substate nationalisms across the western world. In defiance of the predictions of integration theory, historic cultures have taken on fresh political importance, and powerful nationalist and separatist movements have emerged in a number of countries. In a real sense, ethno-linguistic diversity is now a natural attribute of political life in western nations.[1]

The implications of growing multiculturalism for the policy agenda of governments have been powerful. Most obviously, political leaders everywhere must manage tensions between cultural minorities and majorities, and respond to demands for programs to combat discrimination and protect the rights of minorities. At a deeper level, however, new forms of diversity also shape the frame of reference within which traditional economic and social programs are debated, and spark intense debates about the nature of identity, community and citizenship. Social policy would seem to be particularly sensitive to this deeper politics of heterogeneity. From their inception, social programs have been influenced by prevailing interpretations of the nature of inequality. Changing images of the groups that are most disadvantaged and vulnerable have profound consequences for the definition of social problems and the discourse within which they are debated. In addition, the history of social programs has been influenced by conceptions of

1

community. The prevailing sense of community establishes the boundaries of inclusion and exclusion, defining those who are legitimate members of the existing networks of rights and obligations, and those who are "strangers" or "others" to whom little is owed. Changing definitions of identity and community would therefore seem to be critical to the breadth of the political constituencies that support the welfare state, and for the social and territorial boundaries within which redistributive processes operate. Certainly some analysts contend that growing ethno-linguistic diversity is weakening the welfare state in western democracies, by eroding the sense of community on which the postwar system of social rights was constructed. In the European context, for example, Kitschelt worries about the viability of a multicultural welfare state, and asks: "will the multiculturalization of still by and large homogeneous or ethnically stable Western Europe lead to a decline of the welfare state?"(Kitschelt 1995: 270, 258-59). Freeman betrays no doubt: immigration, he argues, "has been little short of a disaster....It has led to the Americanization of European welfare politics" (Freeman 1986: 61).

The purpose of this paper is to examine the relationship between ethno-linguistic diversity and the welfare state in western democracies. Such a focus cannot provide an exhaustive account of the politics of cultural pluralism; religion, region, gender and sexual preferences, as well as social differences rooted in economic class, can also be the basis for conflict, with powerful implications for the politics of the welfare state. Moreover, as Breton and his colleagues have reminded us, "language and ethnicity do not *by themselves* have any relevance for social cohesion. The mere fact of ethnic and linguistic diversity is not a source of disunity" (Breton, Reitiz and Valentine 1980: 9-10). Much depends on complex processes of socio-political mobilization and, in the case of nationalist movements, the emergence of "imagined communities" (Anderson 1991).

2

Nevertheless, ethnic and linguistic differences clearly do constitute a powerful and defining feature of politics in many western nations at the end of the century. Their impact on the welfare state is not well studied, and a fuller understanding of their consequences will contribute to a wider analysis of politics of the postmodern welfare state.

This paper identities a number of propositions about the interface between ethno-linguistic diversity and the welfare state, and examines them in light of the experience of western nations in two historical periods, the postwar era in which the welfare state was dramatically expanded, and the contemporary era in which western nations have been restructuring the social programs inherited from earlier generations. The first section of the paper briefly surveys the findings of a number of bodies of existing literature, and identifies several important questions for closer scrutiny. The second section analyzes the relationship between ethno-linguistic diversity and social spending across western nations, drawing its evidence from the postwar years. The third section examines the implications of growing multiculturalism for traditional conceptions of social citizenship in the contemporary period, focusing on the distinctive dynamics generated by ethnic minorities on one hand and substate nationalism on the other. A final section then draws together the main threads of the argument, and reflects on the role of social policy in a multicultural age.

Multiculturalism and the Welfare State: existing research

Why would growing ethno-linguistic diversity weaken the welfare state? The essential argument is that such diversity fragments the sense of a common community, divides coalitions rooted in economic class that traditionally sustained the welfare state, and complicates the formation of new alliances. In principle, this erosion of political support for social programs could come from both

cultural minorities and cultural majorities. Minorities may feel that social rights are defined by the dominant culture, and are insensitive to the diversity of needs and beliefs that exist within contemporary societies. At the extreme, they might reject universal public services as instruments of assimilation and homogenization rather than cultural pluralism, and seek private or communal provision for important services. Alternatively, even if minorities are sympathetic to major public programs, their broader policy agendas, while perfectly appropriate to their needs, may divide pro-welfare coalitions. Minority support for affirmative action, group rights or greater autonomy for the expression of cultural difference can weaken links with supporters of the welfare state in the majority community; and divisions among different minority groups may undermine efforts to build "rainbow" coalitions.[2]

More critical, however, is the possible retreat of cultural majorities from the redistributive state. As societies become increasingly diverse and minorities challenge elements of the mainstream culture, majorities may withdraw support from programs that channel resources to communities they do not recognize as their own, by denying benefits to newcomers, reducing programs that disproportionately serve minorities, or by restricting social programs more generally. This danger is presumably heightened when income inequality and cultural difference are highly correlated, when the poor are mostly minorities and the minorities are mostly poor. In these circumstances, dominant groups may abandon the idea of a set of wider obligations and quietly disengage, psychologically and perhaps even physically, from the wider society, shifting their allegiance to more conservative political philosophies and parties. On this increasingly rocky political terrain, vulnerable groups and interests may occasionally make marginal gains on their separate agendas, but they lack the collective capacity to offset a broader drift towards a less

4

interventionist and redistributive ethos.

Echoes of these arguments can be heard in several bodies of literature. The literature on citizenship and the politics of difference focuses on the relationship between community and social rights in culturally diverse societies. The earliest exponent in this tradition, T.H. Marshall, saw the social rights of citizenship implicit in the welfare state as part of a powerful historical process of social integration, which steadily incorporated emerging social classes into a national community (Marshall 1950). For Marshall, the relationship between the welfare state and community was deeply reciprocal: a sense of community was essential for the emergence of a common set of social rights; but shared social rights and common social programs would also reinforce this sense of community. Contemporary theorists of citizenship debate the relevance of this approach for modern diversity. Advocates of the politics of difference suggest that while Marshall's interpretation may have captured the integration of the working class earlier in the century, it fails as a guide to the current era. For example, Kymlicka argues that "Marshall's theory of integration does not necessarily work for culturally distinct immigrants, or for various other groups which have historically been excluded from full participation in the national culture — such as blacks, women, religious minorities, gays and lesbians. Some members of these groups still feel excluded from the 'common culture' despite possessing the common rights of citizenship" (Kymlicka 1995: 180; also Taylor 1991, 1992 and Barbalet 1988). In a similar vein, feminist scholars have challenged the basic idea of privileging a universal conception of citizenship and social rights as imposing a narrow vision of social realities, failing to reflect the diversity of modern life, and foreclosing political debate (Young 1989 and 1990; Phillips 1994).

Other theorists of citizenship, however, reassert the Marshallian emphasis on a common

community. Miller (1989, 1995) criticizes diversity theorists for ignoring the importance of a strong sense of national community to the redistributive state. For example, when Young celebrates group differences and argues that "the ideal state is composed of a plurality of nations or cultural groups" (1990: 179-80), Miller replies that achieving social justice requires trust and solidarity "not merely within groups but also across them, and this in turn depends on a common identification of the kind that nationality alone can provide" (1995: 140). Wolfe and Klausen agree, and argued that "the threat to the welfare state which exists from supranational pressures towards globalization meets threats to the welfare state from subnational group power and recognition" (1997: 241). Similarly, Taylor-Gooby (1994), for example, fears that postmodern thought and practice represent a "great leap backwards," which can only weaken resistence to retrenchment, market liberalism and greater class inequality.[3]

Although the theoretical literature on citizenship raises critical questions, it does not provide the empirical base needed to help answer them. In contrast, the comparative literature on the welfare state has a stronger empirical tradition, but provides only hints about the politics of multiculturalism. The dominant interpretation of the development of the welfare state emphasizes the centrality of the strength of organized labour, both economically and politically (Korpi 1983 and 1989; Esping-Andersen 1985 and 1990). The implication would seem to be that cultural pluralism is likely to weaken the mobilization of the working class, by dividing organized labour along ethnic and linguistic lines, fragmenting political discourse, and making it more difficult to focus reformist politics on an agenda of economic equality. In one major study, Stephens found that during the expansion of the postwar welfare state, ethnic and linguistic diversity was strongly and negatively correlated with the level of labour organization (Stephens 1979).[4] More direct

studies of the impact on social spending are limited. Wilensky (1975) offers off-setting hypotheses on the subject. Gould and Palmer are more definitive, suggesting that "more heterogeneous populations seem to experience more income inequality" and "encounter great difficulty in reaching consensus on public policies to address problems caused by income inequality;" however, they concede that "to argue this point conclusively and empirically, we would like to have a wealth of comparable data not available ...., as far as we know, anywhere (1988: 426-27).

Development economists might claim to provide the comparative analysis Gould and Palmer seek, but their evidence is for a much wider range of countries, covering both the richest and poorest nations of the world. Although their findings suggest that the relationship between ethnic diversity and the overall size of government is weak (Mueller and Murrell 1986), studies that focus on more specific features of the public sector have found more powerful relationships. For example, private as opposed to public spending on education tends to be higher in countries with considerable religious and linguistic diversity (James 1987, 1993); transfer payments by the central government tend to be lower in countries with high levels of ethnic diversity (McCarty 1993); but government consumption tends to be higher (Annett 1997). A recent study by the World Bank concludes that ethnic fragmentation is associated with rent-seeking behaviour, reduced support for public goods, lower schooling, political instability, distorted foreign exchange markets, high government deficits and slow or stagnant economic growth (Easterly and Levine 1997). Given the levels of ethnic diversity around the globe, these results tend to be dominated by the experience of third world countries. However, comparable work on U.S. localities also finds evidence that ethnic diversity is associated with reduced provision of public goods such as roads, schools, trash pickup and libraries (Alesina, Baqir and Easterly 1997). Obviously, these

conclusions cannot be applied directly to the levels of support for social citizenship across western democracies, but they do suggest that the issues are important.

Finally, political scientists have contributed a neo-institutionalist perspective to the debate, emphasizing the ways in which political institutions channel and refract social pressures on public programs. Two streams of research within this tradition are important to the analysis of ethno-linguistic diversity and the welfare state. The literature on consociational democracy has explored the implications of political institutions and decision procedures for the management of conflict in culturally plural societies (Lijphart 1968, 1977, 1995; Steiner 1974). In addition, cross-national studies of the determinants of social spending in OECD nations have increasingly incorporated institutional variables, and have concluded that federalism, decentralization and other forms of institutional fragmentation of power tend to constrain social spending (Huber, Ragin and Stephens 1993; Hicks and Swank 1992; Hicks and Misra 1993; Cameron 1978; also Pierson 1995). As we shall see, political institutions play an important role in conditioning the impact of ethno-linguistic diversity on the social role of the state in western nations.

Although none of these bodies of literature comes to grips fully with the interaction between multiculturalism and the welfare state, they do highlight a number of critical issues. Three inter-related questions seem to emerge. First, do higher levels of multiculturalism constrain the redistributive role of the state, lowering the levels of social transfers that might otherwise be expected? Second, do major social programs in western democracies sustain a network of common benefits that incorporates new forms of diversity, as celebrated in Marshall's traditional conception of social citizenship; or is this historic conception of social citizenship giving way to a more variegated welfare state that provides a differentiated pattern of social rights and perhaps

8

excludes new social groups? Third, to the extent that a common regime of social benefits exists, does it function as an instrument of social integration, reinforcing the sense of a common community and moderating the political salience of ethno-linguistic divisions; or are common social benefits at best irrelevant to divisions rooted in ethnicity and language, and at worst actually a source of deeper conflict?

These questions represent a compelling research agenda, and this paper makes only a start. The next section analyses the implications of multiculturalism for the level of social transfers in western nations, drawing its evidence from the postwar era; and the following section examines whether the contemporary welfare state is successfully incorporating newer forms of ethno-linguistic diversity in a regime of common benefits that might contribute to a sense of shared community.

Multiculturalism and Redistributive Expenditures in the Postwar Welfare State

To explore the implications of multiculturalism for the redistributive role of the state, the analysis examines the relationship between an index of ethno-linguistic diversity in western nations and government spending on income transfers. The details of the construction of the index of ethno-linguistic diversity, the definition of income transfers, and the countries included in the analysis are provided in the Appendix. The analysis is based on a linear regression of government transfers on the index of ethno-linguistic diversity. Unfortunately, because of the lack of consistent, systematic source of cross-national data on ethno-linguistic diversity over long periods of time, the analysis is restricted to the period 1965-1980, the era of rapid expansion of the welfare state in western countries. Calculations were therefore completed for the years 1965, 1970, 1975 and 1980. The

detailed results are reported in the Appendix.

At the aggregate level, ethno-linguistic diversity does appear to have been a constraint on the redistributive role of the state during the postwar years. The relationship can best be described as moderate, leaving considerable unexplained variation in transfers, as one would expect in an analysis of only one of the factors that may influence the redistributive effort of governments. Nevertheless, the results do represent a *prima facie* case for the inclusion of ethno-linguistic diversity in multiple-regression analyses of the determinants of redistributive expenditures. To date, such studies have focused on such factors as the level of economic development, the proportion of the population over 65 years of age, the openness of the economy, the strength of organized labour, the relative strength of political parties of the left and right, and so on. Ethno-linguistic diversity clearly should be added to the list.

Any comprehensive analysis is likely to reveal that the influence of ethno-linguistic diversity is powerfully conditioned by the structure of political institutions. This argument can be illustrated impressionistically by an examination of three clusters of countries: socially homogeneous countries with unitary political institutions, socially heterogenous countries with consociational political institutions, and socially heterogeneous countries with fragmented political institutions. Social homogeneity and consolidated political institutions clearly facilitated the expansion of the welfare state in a number of countries. The apogee of this linkage was the experience of social-democratic welfare states of Sweden, Norway and Denmark. These societies were remarkably homogeneous in terms of ethnicity, religion and language; their cultural solidarity facilitated political mobilization around class divisions and the agenda of the welfare state; and although programs were often delivered locally, basic policy decisions were made

nationally in highly concentrated political processes.

The second cluster of countries, the consociational democracies of Europe, demonstrated that social heterogeneity was not necessarily fatal to an expansive conception of social citizenship in the postwar era. Countries such as Belgium, Austria and the Netherlands were able to build comprehensive welfare states despite deep cleavages rooted in religion, language and other cultural divisions. These countries operated through relatively centralized unitary states, but the elements of the consociational model of governance -- consensus decision-making, collaboration among political elites representing distinct sub-cultures, and proportionality in the distribution of public resources — provided a formula for managing inter-communal tensions (Lijphart 1968, 1977, 1995). Although the cultural divisions in the Netherlands and Austria were not rooted primarily in ethnicity or language, Belgium demonstrated the extent to which consociational practices could manage the interface between redistributive politics and these forms of diversity.

The third cluster of countries highlights a stronger tension between social heterogeneity and the postwar welfare state. Countries such as the United States, Canada and Switzerland combined ethno-linguistic diversity and fragmented political institutions. The United States represents the quintessential case in which social heterogeneity weakened political support for a comprehensive welfare state. Racial divisions have compromised the politics of social policy through the country's history. Passage of the Social Security Act of 1935 was secured in part by largely excluding blacks from the new benefits: agricultural and domestic labourers were ineligible for the social insurance components of Social Security, denying coverage to three-fifths of black workers; and southern congressmen led a successful campaign in the name of "states' rights" against national standards in the public assistance component, leaving southern blacks at the

mercy of local authorities (Orloff 1988; Quadagno 1988). In the decades that followed, the New

Deal coalition of southern whites and northern liberals, union members, white ethnic groups and

blacks "could endure only so long as the issue of race was submerged" (Williams 1998: 420). In

the 1950s and 1960s, however, the politics of civil rights forced race to the forefront of the

American political agenda. Minorities increasingly gained access to social benefits, and black and

Hispanic groups became significantly over-represented among the beneficiaries of key programs

such as Aid to Families With Dependent Children. In this context, the politics of race drove a

wedge through the heart of the New Deal coalition, and steadily corroded support for the War on

Poverty of the 1960s and the Family Assistance Plan in the early 1970s (Quadagno 1990, 1994).

In other countries in this third cluster, such as Canada and Switzerland, the tension

between ethno-linguistic diversity and the welfare state seems more indirect, flowing through the

design of political institutions. In these countries, territorially concentrated linguistic communities

led to the establishment of relatively decentralized federal institutions. As noted earlier, cross-

national studies of the determinants of aggregate social expenditures have found that federalism is

associated with lower levels of spending. The impact of federalism is clearly contingent. Federal

institutions were not a decisive break on the welfare state in Germany and Austria, for example,

two federal countries which are relatively homogeneous in ethno-linguistic terms, and in which

policy-making is relatively consolidated at the national level even if programs are delivered at the

regional level. In Canada and Switzerland, however, the building of the welfare state was

conditioned by complex, decentralized institutions which fragmented power in important ways:

Canada proceeded through a decentralized federation; Switzerland did likewise, but with the

addition of a vigorous plebiscitary tradition. In both cases, institutional fragmentation constrained

the redistributive role of the state (Banting 1987, 1998; Immergut 1992).

Perhaps the most revealing measure of the interaction between social diversity and federal institutions is the extent to which financial transfers reduce fiscal imbalance among constituent units. In some federations, equalization or solidarity programs place constituent governments in rich and poor regions on an equal footing, allowing poor regions to offer their populations the same public services as richer areas without recourse to unusually high taxes. In other countries, equalization programs are weak or non-existent, and the toleration of territorial inequality is much higher. It is striking that equalization programs are strongest in federations with more homogeneous populations such as Germany and Austria, weaker in federations with heterogeneous populations such as Canada and Switzerland, and absent in the United States, which makes no separate provision for equalizing the fiscal capacity of rich and poor states (Watts 1996; Bird 1986).

The pattern of the postwar era seems clear. At the simplest level, there was a tension between the level of ethno-linguistic diversity and the expansiveness of the redistributive state, as measured by public expenditures on income transfer programs as a proportion of GDP. However, the simple correlation obscures the complexity of the relationship and the role of institutions in moderating or reinforcing the constraints inherent in diversity. In culturally homogeneous countries, political coalitions favouring the welfare state did not have to surmount the fragmenting potential inherent in an additional set of deep social cleavages. The consociational democracies of Europe, operating through centralized institutions but consensual traditions were able to accommodate diversity and the redistributive state. But in other countries, the combination of ethno-linguistic diversity and fragmented political institutions seems to have constrained

13

redistributive efforts.

Today, previously homogeneous countries are having to come to grips with cultural diversity; as immigration transforms the populations of countries not previously seen as immigrant societies. Understanding the contemporary implications of multiculturalism for redistribution will require overcoming significant data problems. However, is the past likely to provide a precise guide to the future? There are important reasons for being cautious about such inferences. First, although the presence of new ethnic and racial minorities is an important reality in previously homogeneous societies, especially in Europe, these groups still represent small components of the population of many countries, and have not generated anything like the levels of ethno-linguistic diversity that characterized plural societies of the postwar era. Second, the welfare state itself has transformed the political landscape on which cultural conflicts now take place.[5] It was one thing for plural societies to build less expansive welfare states in the postwar years; it is quite another thing for countries facing new forms of diversity to wind down established social programs. Other responses to multiculturalism are possible. The ways in which states respond to diversity today is shaped by the network of commitments and expectations embedded in the social roles of government, as an examination of the contemporary politics of social citizenship underscores..

Multiculturalism and Social Citizenship in the Contemporary Welfare State

The second issue concerning the interface between multiculturalism and the welfare state is the extent to which the welfare state in western nations reflects a sense of social citizenship, integrating newer social groups in a common benefit regime and contributing in turn to a common sense of community in increasingly diverse societies. In approaching this question, it is important

to recognize that multiculturalism itself is becoming more complex in the contemporary period, and the simple dichotomy between homogeneous and plural societies no longer suffices. In particular, it is important to distinguish between ethnic minorities and national minorities.[6] Ethnic and racial minorities, which emerge from changing immigration patterns, tend to *seek* incorporation into the mainstream of society. To be sure, they normally resist full assimilation: they seek to preserve their traditions and customs, and press social institutions to be more tolerant of cultural differences; they are often unwilling to surrender their ties to their original homeland and retain dual citizenship; and they increasingly live in transnational communities. Their dominant concern, however, is to be accepted as full members of the wider society. In contrast, national minorities increasingly *resist* incorporation. These minorities represent territorially concentrated, historic communities which may have been independent at some time in the past but have long since been subsumed by a larger state. In the postwar years, the nationalist aspirations of such minorities were relatively muted in western democracies; but in recent decades nationalist movements have grown strongly in a number of countries. They seek to preserve their communities as distinct societies and to enhance their political autonomy, either within the context of the existing state or through the formation of a separate state altogether. As we shall see, these different orientations to incorporation generate very different implications for social citizenship and the welfare state.

i) Ethnic Minorities: The challenge to the postwar conception of social citizenship posed by ethnic and racial diversity comes less from minorities than from majorities. Certainly, members of minority communities often encounter problems with important social services. Education in

particular is culturally sensitive, and can become a battleground over the recognition of difference. In France, for example, *l'affaire du foulard,* which turned on the right of young Muslim women to wear traditional head scarves in school, reached the top of the national judicial system. Similar conflicts have emerged elsewhere, with battles being waged over the language of instruction and the role of heritage studies in the curriculum. In some cases, immigrant groups seek more traditional forms of education than is available in mainstream schools; in Britain, for example, the development of some independent Muslim schools reflects a preference of parents for single-sex schools for their daughters.[7] In other cases, the response to social services may be conditioned by an underlying wariness about state organizations; undocumented migrants or those who have left countries governed by repressive regimes are often uneasy.[8]

Nevertheless, concerns about sensitivity in the delivery of public services are compatible with support for the general concept of social rights and comprehensive social programs. Formal equality of status contributes to a stronger sense of social standing, and a firmer political position from which to assert the need for sensitivity to cultural difference. From this perspective, it seems likely that ethnic and racial minorities, especially those that are economically and socially marginal, are supportive of a broad definition of the welfare state, and that social rights retain an important role in building social cohesion. In the case of the best studied minority, black Americans are particularly supportive of a powerful social role for the state. Kinder and Sanders (1996) report that the opinion divide between black and white Americans is enormous, not only on racial policy but also on social spending more generally. Although the differences are sharpest for programs with racially distinctive clienteles, such as welfare and Food Stamps, they are also substantial for broad social programs such as Social Security, Medicare and domestic social

spending generally. Admittedly, there is a minority separatist strain within black political discourse. Nevertheless, in general "the modern American welfare state enjoys much more support among blacks than among whites" (1996: 29). Moreover, the gap in support for federal spending is not diminished by controlling for economic class (ibid: 299). The attitudes of ethnic and racial minorities in other countries undoubtedly vary, reflecting distinct traditions and differences in the extent of integration into the dominant community.[9] Nevertheless, it would be surprising if the U.S. pattern proved highly exceptional.

The deeper tension between ethnic diversity and the welfare state is rooted in the reaction of majorities. This is hardly surprising, since majorities normally carry more weight than minorities in democratic politics. Three types of majority response to ethnic and racial diversity are possible. First, new immigrant populations might be incorporated into the existing social regime with little challenge to the underlying societal consensus on social policy. Second, vulnerable sections of the dominant culture -- such as young, less educated, blue collar workers — might be driven by a "welfare chauvinism" that supports the welfare state but rejects open immigration policies and the ready access of foreigners to social benefits (Andersen and Bjørklund 1990; Andersen 1992; Kitschelt 1995). Another version of this reaction attempts to make the social services an extension of immigration policy, on the assumption that generous welfare programs attract migrants from poorer countries and that restrictions on benefits for immigrants will help stem the flow of migrants, both documented and undocumented. Third, a political backlash against immigration and multiculturalism might help fuel a more comprehensive neo-liberal attack on the welfare state, contributing to the emergence of new radical right parties and/or the retreat of established parties from expansive social programs.

All three of these reactions are occurring in western democracies, but the balance among them varies considerably from country to country. One might expect that previously homogeneous countries would face the most difficulty incorporating new minorities into social citizenship regimes, and that countries with traditions as immigrant societies or long experience with ethno-linguistic diversity would have the least trouble. This is not the case. A critical variable seems to be the nature of the welfare state established in the postwar period. In countries that established expansive welfare states, whether of social democratic or corporatist inspiration, the balance tilts towards social incorporation. In countries that established more liberal welfare states, including those with higher levels of ethno-linguistic diversity, welfare chauvinism is leaving a heavier imprint.

Thus, in the expansive welfare states of Europe, the predominant response in social policy terms is incorporation. Formally, immigrants enjoy social rights that differ only at the margin from those of citizens (Soysal 1994; Brubaker 1992). Full benefits are denied to asylum-seekers while their claims are being processed (Blank 1998), but once residency is confirmed, inclusion in the full regime of benefits is the norm. Analysts vary in their explanation for this pattern. Soysal (1994) argues that social benefits have slowly become detached from national definitions of citizenship, and that the incorporation of immigrants reflects an increasingly transnational conceptions of human rights. Although the underlying normative discourse may well reflect this transition, it cannot explain significant variation across different countries and different types of welfare states.[10] The "ethos of equality" inherent in mature welfare states may well be important (Heisler and Heisler 1990), but more structural forces are also probably at work. Organized labour does not want to see competition between their members and immigrants "who would have

18

to accept any payment and any working conditions" (Radtke 1997: 251); and within the European Union, the mobility provisions for EU nationals make formal discrimination against non-EU migrants more obvious and more difficult.

Incorporation is not uncontested, however, and these countries also reveal signs of welfare chauvinism. Welfare chauvinism takes two forms: restrictive immigration policy, designed to prevent foreigners coming into the country and enjoying comprehensive social benefits; and restrictive benefit policy, designed to deny resident foreigners access to benefits. Although both forms have figured in political discourse in European nations, the bigger impact in policy terms has been on immigration policy. Successive waves of restrictive legislation have sharply reduced immigration, especially economic immigration, to Western Europe, and regulations in the 1990s have reduced the flow of refugees seeking asylum. In comparison, denial of social benefits to resident foreigners has been very limited. Pressures to turn social policy into an instrument of immigration control have been turned back. In 1993, for example, plans for a more draconian immigration policy being developed within the French government headed by Edouard Balladur initially did include serious restrictions on the access of foreigners to social security, especially health care, but internal opposition from the Social Affairs Minister, Simone Weil, blocked the proposals (Hollifeld 1998). The formal denial of social benefits to resident immigrants has been largely limited to occasional actions at the local level.[11] The employment-related basis of social insurance systems that predominate in these countries does implicitly disadvantage immigrants with weak ties to the labour market, especially in the case of pension credits which build slowly over time. Nevertheless, welfare chauvinism has had more impact on immigration policy than social policy in expansive welfare states.

19

Multiculturalism has also contributed to a neo-liberal strain in these countries, but the impact on the politics of social policy has not been decisive. Across Europe, radical right parties have combined elements of enthnocentrism with strains of authoritarianism and neo-liberalism or anti-state populism, with France representing the proto-typical case (Kitschelt 1995; Betz 1994). However, these parties have not broken through to the centre of politics. Although they have influenced broad political discourse and have a significant impact on immigration policy, they do not appear to have seriously challenged the underlying consensus on social policy. There is no evidence that welfare states, or major social programs, are generally losing support over time in these countries. There are ups and downs in popular support, reflecting shifts in the partisan campaigns and other factors; but there is no evidence of a steady decline in support for the social role of the state (Borre and Scarborough 1995).

In contrast, the social-policy response to new minorities has been less inclusive in countries with more limited, or "liberal" welfare states, such as the United Kingdom, Australia, the United States and - to a lesser extent - Canada. These countries start with weaker social commitments. Most of them are immigrant societies with relatively open processes of naturalization, and closing the borders has been less of an option (Brubaker 1989). Moreover, liberal welfare states rely more heavily on means-tested benefits, for which newly arrived, unemployed or poor immigrants can potentially qualify immediately. In this context, welfare chauvinism and neo-liberalism have figured more prominently.[12] In Australia, immigrants must be resident for ten years before they can receive the age pension, or five years before they are eligible for a sole-parent pension or disability pension; and the resident waiting period for a wide range of other allowances such as unemployment and sickness benefits has recently been extended from six

months to two years.[13] In the United Kingdom, immigrants are precluded from a number of benefits, such as Income Support, Housing Benefit and Council Tax Benefit; and this list was extended in 1996 to include Attendance Allowance, Disability Living Allowance, Disability Working Allowance, Family Credit, Invalid Care Allowance and Severe Disablement Allowance.

The United States illustrates the most potent cocktail of neo-liberalism and welfare chauvinism. Racial attitudes remain the most important source of opposition to welfare among the white population (Gilens 1995, 1996). Republican electoral campaigns in the 1980s capitalized on the unpopularity of programs associated with poor blacks, and the party reaped major electoral gains among white union members, urban ethnics and southerners, creating the political room for significant cuts to social programs, especially those with disproportionately minority clientele (Skocpol 1991). In the 1990s, the Democratic Party sought to insulate itself by embracing hard-edged welfare reform itself, promising to "end welfare as we know it." The resulting reform package replaced Aid to Families with Dependent Children (AFDC) with a block grant to the states to provide temporary assistance to needy families (TANF), eliminating the entitlement to welfare and adopted firm time limits on benefits for recipients. Recent welfare reforms have also included elements of welfare chauvinism. Indeed, the largest savings from welfare reform came from restrictions on immigrants' benefits (Weaver 1998). Immigrants were denied access to Food Stamps and Supplementary Security Income for the elderly until they become citizens; and other means-tested programs, such as Medicaid and social assistance, were denied to new immigrants for a period of five years.[14] In the same period, referendums in California challenged the access of immigrants' children -- including those born in the United States -- to education and health care. Subsequent political battles eased marginally some of the cuts to immigrant benefits at the

national level. However, the multi-racial and multicultural nature of American society has clearly helped to fragment support for the welfare state, and the political left faces a formidable task in rebuilding a multi-ethnic, multi-racial coalition dedicated to redistributive policies (Wilson 1996).

Canada stands as something of an exception in this group. Legal immigrants and refugees have the same benefit entitlements as citizens. However, it might be argued that a backlash against multiculturalism did help to launch the new Reform Party, a populist, neoconservative party that advocates a significant reduction in the social role of the state more generally.[15] In the 1997 federal election, the Reform Party emerged as the second largest party and the official opposition in Parliament. As the party has become a more established part of the system, it has struggled to mute the strains of ethnocentrism in its ranks, and its parliamentary caucus now includes people of colour. Nevertheless, Reform remains committed to a deeply individualist approach to social issues, and uses its prominent position in the House of Commons to advance its agenda in national political discourse.

In summary, the primary challenge to social citizenship does not seem to come primarily from ethnic and racial minorities. The greater danger is that majorities will withdraw, denying benefits to newly arrived "strangers" or retreating to a smaller, enfeebled welfare state to minimize transfers across ethnic and racial lines. The pattern differs, however, from one set of countries to another. Relatively homogeneous or consociational states that established a strong social regime in the postwar era appear to have been more successful in incorporating new immigrants without eroding mass support for the welfare state. If there has been a price to be paid, it has been more restrictive immigration policies. In other countries where the welfare state has a weaker base and immigration is a strongly entrenched tradition, new forms of cultural

diversity seem to be further weakening support for redistribution generally or for inclusive

definitions of social programs. Freeman (1986) seems unduly concerned when he warns, as we

saw earlier, that immigration has led to the "Americanization of European welfare politics." It has,

however, accentuated the American nature of U.S. welfare politics.

ii) National Minorities: Countries such as Belgium, Canada, Spain and the United

Kingdom also face a second dimension of cultural pluralism: a multi-national society and the

mobilization of sub-state nationalism. Obviously, the strength of nationalist movements varies

considerably across these countries. Nevertheless, in several of them, conflicts rooted in

competing political identities pose significant challenges to a common definition of social rights.

Unlike the case of ethnic minorities, the challenge can come from minorities as well as majority

communities, and the resulting political dynamics are more complex. In common with the case of

ethnic minorities, however, these cultural conflicts are played out on a field dominated by the

postwar welfare state, a reality which both stimulates and constrains inter-communal conflict.

Although the postwar welfare state was often smaller in multi-nation federations, it

nonetheless represented a form of social citizenship. Multi-nation states generally established a

common framework for major income-security and health-care programs, and provided

comparable levels of benefits to citizens across the country as a whole, which is perhaps one

indirect measure of a common sense of political community. A variety of mechanisms was used to

sustain a country-wide framework. In the case of income security programs, such as pensions,

unemployment benefits and family allowances, responsibility was usually left with the central

government; in other areas such as health care, broad framework legislation applied across the

country but allowed considerable scope for regional or communal discretion in design and implementation. In these circumstances, the potential for social policy to breathe life into the idea of a country-wide political community remained viable.

In recent decades, a resurgence of substate nationalism has placed intense pressure on this social framework in a number of countries. Conflicts in these countries often centre on control over social programs, and to some extent the postwar welfare state itself helped to create this new challenger. As governments have become more intimately involved in people's lives, national minorities increasingly wish for a state that speaks their own language and reflects their cultural traditions. The result has been extensive redesigning of state structures. In Canada, a separatist movement has established a powerful position, and responsibility for several social programs has been increasingly decentralized in a series of incremental steps over the last twenty years. In formerly unitary states such as Belgium, Spain and the United Kingdom, demands for greater national autonomy have also led to decentralization, in the form of federal, quasi-federal, or regional institutions. In addition, the inter-communal transfers that underpin the social framework have become politically controversial in several of these countries. In combination, decentralization and reduced inter-communal redistribution have the potential to fragment a common definition of social rights, but also to weaken social programs generally as they become more exposed to regional inequality in fiscal resources and inter-regional economic competition.

These dynamics play out in different ways, depending on the strength of nationalist mobilization, the level of centralization in existing political institutions, and whether substate nationalism represents a rebellion of the rich or the poor. Belgium, Canada and Spain display three distinct patterns. In Belgium, the mobilization of Flemish nationalism and the gradual transition to

a federal system have unleashed powerful new political pressures on the comprehensive welfare state built up in the postwar era. This case involves a nationalist challenge from a relatively affluent, majority community to a highly centralized social benefit regime and the inter-communal redistribution implicit in it. Social security, including income transfers and health care, remains the largest and most important function still lodged with the central government; and social programs involve a significant implicit transfer of resources from the richer Flanders to the poorer Wallonia. These transfers have become controversial. In the early 1990s, studies pointed to an 'income paradox': although primary or earned income was higher in Flanders, the actual disposable income available to citizens after the effects of taxes and social security benefits was actually higher in Wallonia, suggesting that the redistributive mechanisms were over-compensating for inter-communal inequalities (Alen et al. 1990: 141-51). Flemish politicians increasingly attacked the transfer system, with more radical spokesmen asserting that, in effect, Flemish taxes had bought each Wallonian family a new car in recent years.

During the 1990s, the Flemish community and regional government carefully prepared a determined political challenge to this system. The challenge is rooted not only in growing resistance to inter-communal redistribution, but also a broader nationalist desire for greater political autonomy in core social programs, and a conviction that more socialist-inclined Wallonia will continue to resist a restructuring of social programs favoured in the more christian-democratic north. In 1992, the Flemish government commissioned a substantial research program to document more fully the size of the transfers from Flanders to Wallonia, and to propose a new regime; in 1994 the research group issued its report, and recommended the decentralization of health care and family benefits; in 1996 the Flemish government gave its endorsement to the

25

proposal; and in 1997 the State Reform Commission of the Flemish parliament adopted the same position virtually unanimously.[16] More recently, the Flemish government has also raised the issue of greater fiscal autonomy for community and regional governments, which currently depend heavily on transfers from the central government, raising less than 10 percent of their budgets from own-source revenues. A government discussion paper recommends a significant increase in own-source revenues, and suggests the decentralization of personal income taxes, which would have a powerful inter-communal impact.

Separately and in combination, these proposals would have a major impact on the Belgian welfare state. Unless accompanied by a common policy framework, which is not anticipated in the Flemish proposals, they would end a common social citizenship in health and family benefits; and unless accompanied by substantial inter-regional transfers, they would result in weaker social programs in Wallonia. The issue of inter-regional transfers remains highly controversial. On this dimension, the consensus within Flanders is not yet complete. The dominant view is that any transfers should be explicit, transparent, reversible, and less comprehensive than the subsidies to Wallonia embedded in the current system. However, the Flemish Socialist Party is concerned about the dangers implicit in opening up the finances of social programs completely, fearing that they might end up with a less generous system even in the north, and they tend to favour retaining the current funding mechanisms. Nevertheless, the Socialists are members of the government and support the general decentralization initiative.[17]

Under the Belgian constitution, constitutional changes require a two-thirds vote in the Belgian parliament. The Flemish government hopes that another round of constitutional reform will begin after elections in 1999, with the major issues being resolved during negotiations over

the formation of a new government. However, the decentralization of social security is rejected completely in Wallonia, which insists on the importance of social solidarity across communal lines. Because the Wallonian community does not have its own agenda for constitutional reform in this round of negotiations, the prospects for a compromise package of reforms are considerably reduced and change may well be blocked. Such an outcome, however, would severely strain inter-community relations. In the words of one observer, "failure to reach an acceptable compromise on this issue would be regarded by some in Flanders as a signal that no more could be achieved through inter-community dialogue. At that point, some would seek to put separatism on the agenda" (Fitzmaurice 1998). As a result, some incremental change is likely following the elections. Thus in centralized Belgium, social citizenship plays a contradictory role: nation-wide social programs are a source of inter-communal conflict, but the ties of social solidarity embedded in those programs constrain radical change.

Canada reveals another version of the same dynamic. There are important differences from the specifics of the Belgium case. *Québécois* nationalism represents a challenge from a less affluent, minority community. Although there has been considerable convergence in the standard of living of anglophones and francophones over the last generation, the population of Quebec is still a net beneficiary of the transfers embedded in the Canadian welfare state. In addition, Canada is already a relatively decentralized federation. Although the federal government has considerable responsibility for pensions and unemployment insurance and still sets the broad parameters of the health care system, the provincial governments have the exclusive or predominant role in education, health-care, social assistance and social services. Despite these differences, the same contradictory pattern appears. Nation-wide social programs both stimulate conflict and constrain

radical change. On one hand, there has been a protracted struggle between the federal government and Quebec, supported at times by other provinces, for control over social programs. On the other hand, Canadian social programs are often seen as part of the social glue holding together an otherwise divided society (Banting 1987, 1995).

This integrative role is most clearly seen in knitting together the English-speaking parts of the country. Despite continuing conflicts between the central and provincial governments over jurisdiction and financial issues in the social sector, English Canadians take considerable pride in having developed a more expansive welfare state than exists to the south in the United States. A number of commentators have questioned whether social programs also serve an integrative role across the deep linguistic divide in the country, arguing that social programs cannot link Quebec more firmly to Canada (Kymlicka 1995: 188; Taylor 1991). However, public opinion polls reveal that social programs do contribute to a sense of attachment to Canada, making Quebecers more ambivalent about the separatist project than they would otherwise be.[18] This attachment has emotional and instrumental dimensions. At the emotional level, francophone Quebecers take pride in the Canadian system of health care and other social programs, and these programs reinforce a sense of engagement with the wider country. At the instrumental level, the question of whether social programs are more effectively protected inside or outside Canada remains an important one, especially for less nationalist Quebec voters.

This concern was highlighted in the referendum campaigns held on whether Quebec should separate from Canada. During the first campaign in 1980, federalist leaders argued that a sovereign Quebec would not be able to sustain the social programs that Quebecers enjoyed as citizens of Canada. The *Parti Québécois* protested the legitimacy of such tactics, but was on the

defensive. In 1995, the pattern was reversed. The federal government was in the midst of a drive to balance its budget, and cuts to federal programs made it difficult for federal ministers to pose as defenders of social benefits. In the early weeks of the campaign, the *Parti Québécois* argued vigorously that only sovereignty could save social programs. Their message was targeted especially at less-educated, female francophone voters, a group with a high sense of economic insecurity and a tendency to support the federalist side. The strategy was effective, and the gender gap closed noticeably in the referendum vote. The outcome was very close: the sovereignty option was defeated by only 0.7 percent of the votes cast in a record turnout. Obviously, the shift from a decisive federalist win in 1980 to a near loss in 1995 cannot be attributed solely to differences in the debates over social policy, as the primary impulses reflected in growing nationalist strength are rooted in a sense of a distinctive political identity and cultural affirmation. However, the two battles confirm the importance of the security of social policy for the Quebec population. Moreover, as memories of federal retrenchment began to fade in the months after the 1995 referendum, and as the Quebec government's drive to balance its own budget led to cuts in the province's own programs, polls once again found that a solid majority of francophone voters agreed with the proposition that a united Canada is better able to protect social programs.

The ability of social rights to serve as an instrument of social cohesion, even on the rocky terrain of Canada-Quebec relations, is no guarantee that common social programs will remain vibrant. The fiscal weakness of the federal government in recent years substantially reduced its leverage in the system, and there are powerful wider pressures for further decentralization emerging from both Quebec and the rest of Canada. The Quebec government continues to press its historic agenda of decentralization. An asymmetrical status for Quebec is not acceptable to the

rest of the country, and a general decentralization is being pressed by a growing coalition of

provincial governments as a means of accommodating Quebec's jurisdictional aspirations while

preserving formal equality across the provinces. Decentralist steps have recently been taken in

labour-market training and social assistance programs, and there are similar demands in the case

of the universal Medicare program.[19] In addition, opposition to inter-regional transfers, although

not as marked as in Belgium, is growing in the rest of the country. Once again, this sentiment is

strongest in the Reform Party, whose support among voters is also strongly correlated with anti-

Quebec feelings (Blais, Nadeau, Gidengal and Nevitte 1998). During the 1997 federal election

campaign, Reform proposed a revision in the equalization grants program which supports the

revenue capacity of poorer provinces. If adopted, the proposal would have the effect of removing

Quebec from the list of recipient provinces (Reform Party 1997a, 1997b). A continuing

decentralization of responsibility for social programs, unaccompanied by some mechanism for

sustaining a pan-Canadian approach to social policy and a substantially enhanced inter-regional

equalization, would clearly erode the postwar experiment in a common social citizenship, and

over time might well usher in a more conservative Canada.

Spain represents a third configuration of the nationalist dynamic. As in Canada, the

Catalan and Basque nationalists represent minority communities; but as in Belgium, they come

from relatively affluent regions that are net contributors to inter-regional fiscal flows. Spain is at a

different phase of the developmental cycle, however, and is still developing its version of the

welfare state and its version of federalism. The emerging distribution of power in the quasi-federal

system resembles the postwar pattern of most multi-nation federations: major income security

programs are centralized, while health care is quite decentralized (Agranoff 1996; Guillén 1997;

30

Rico 1997). However, Spain is still finding its own equilibrium between the norm of equal benefits for all citizens and the natural tendency towards diversity in decentralized polities. For example, when the Basque regional government established a *salario social*, a minimum income for the poor designed to combat social exclusion, the central government reacted strongly against the initiative, on the grounds that the benefit "might violate the constitutional right to equality of treatment for all Spanish citizens" (Laparra and Hendrickson 1997: 528).[20] Spain is also still finding its equilibrium in intergovernmental fiscal relations, and is encountering both vertical and horizontal imbalances. Vertically, the autonomous regions still have limited independent revenue; they continue to depend heavily on transfers from the central government, and major deficits are building in health-care systems. Horizontally, the Spanish Constitution does provide for inter-regional equalization but, as in other multi-nation states, these do not fully offset regional inequalities in fiscal capacity; rather they simply guarantee that autonomous communities can provide a minimum level of basic public services throughout the Spanish territory (Linz 1989: 292). This pattern is unlikely to be stable. Given the relative balance between the contributor and beneficiary regions, it would hardly be surprising if inter-regional fiscal solidarity is politicized in the years to come.

In summary, the political challenge to common social rights inherent in substate nationalism clearly differs from the dynamics generated by ethnic diversity. National minorities as well as majorities may disengage from a common social citizenship, generating much more complex political patterns. Although some multi-nation states established less expansive welfare states in the postwar period, cross-country social programs did stand as a visible symbol of a common political community. In the contemporary period, the relationship between social rights

and substate nationalism has been a contradictory one. The expansion of the welfare state

contributed to the nationalist resurgence and have generated inter-communal conflict over their

control. At the same time, however, common social rights have also shown some capacity to mute

nationalism's full force: they have helped to constrain, if only narrowly, Quebec separatism; and

the claims of social solidarity may yet block Flemish aspirations. Nevertheless, the future of the

multi-nation welfare state remains problematic. Growing resistance to inter-regional transfers and

the pressures for decentralization are growing palpably in several of these countries. Unless

decentralization were accompanied by some form of cross-country framework and enhanced

inter-regional transfers, the long-term result would be a more variegated social landscape and

potentially a more conservative one as well.

Concluding Reflections

As expected, no general theory of multiculturalism and the welfare state flows from this

discussion. The full implications of the politics of diversity for contemporary social policy remain

to be mapped, and there is a compelling research agenda here.

Nevertheless, a number of interim conclusions suggest themselves. First, there is a tension

between ehno-linguistic diversity and the welfare state, which emerged more clearly in the

postwar years. This relationship was modified by political institutions, and a consociational

democracy such as Belgium was able to build an expansive welfare state. However, countries with

substantial ethno-linguistic diversity unmitigated by consociational practices tended not to build as

comprehensive a welfare state as did their more homogeneous neighbours. In statistical terms, the

negative relationship was only moderately strong. However, theories that emphasize the role of a

common community in underpinning social redistribution find resonance here, and a *prima facie* case has been established for the proposition that our prevailing models of the determinants of social spending need to pay more attention to cultural fragmentation.

One cannot, however, simply extrapolate from the postwar experience to the proposition that heightened cultural pluralism today will erode the social edifice inherited from the past. There is no inevitability here, and no reason to assume that a multicultural welfare state is not viable. Two important realities intervene. First, the tension at the aggregate level between multi-culturalism and the welfare state masks very different political dynamics associated with different forms of diversity today. Ethnic diversity and substate nationalism generate very distinctive challenges to social citizenship. Second, the existence of the welfare state itself, and the social expectations embedded in it, condition the response of western democracies to contemporary diversities. Modern electorates do not easily surrender social benefits in the face of cultural change. A previously homogeneous society that has become more diverse, or a country in which internal nationalisms have become more intense, might not build as comprehensive a welfare state if it were starting from a clean slate today. But they are not starting from a clean slate. The social commitments established in an earlier era shape contemporary responses to new forms of cultural diversity.

The challenge to the welfare state triggered by ethnicity seems, on the evidence presented here, the less critical of the two. The danger seems to come primarily from one rather than two directions, from majorities rather than minorities. Moreover, countries that established a comprehensive welfare state in the postwar era appear to have incorporated new forms of cultural diversity without turning majorities against the redistributive functions of the state, albeit perhaps

33

at the price of more restrictive immigration policies. Admittedly, the danger to social programs flowing from the politics of ethnicity and race have proven more lethal in countries where the postwar welfare state is less well rooted. Nevertheless, substate nationalism seems to pose a more compelling challenge to a common social citizenship. Here minorities as well as majorities can, for different reasons, withdraw. The current accommodation between the multi-nation state and the welfare state reveals a curious syndrome: the expansion of the social role of government has encouraged the mobilization of nationalist minorities that challenge the integrationist nature of social citizenship, as the case of Belgium highlights; yet the inter-communal ties inherent in common social programs can also help to constrain more radical nationalist agendas, as the Canadian case illustrates. The durability of a common social model, however, remains problematic in several multi-nation countries. Wearying of the struggle between conflicting internal nationalisms, these countries may surrender a common definition of social rights, and devolve the definition of citizen-state relations onto constituent units without the integrative framework and inter-communal transfers essential to preserving equal benefits for all citizens.

In the end, this survey suggests that the concepts of social rights and social citizenship remain relevant in a world of growing cultural diversity. They are, however, chastened concepts, and expectations of their integrative potential are considerably tempered from Marshall's early optimism. Citizenship represents a less complete understanding of identity and community than in the postwar era. People in western countries increasingly inhabit a world of multiple identities and diverse communities, all of which make separate claims on their imagination and energies. The status of citizen (or denizen) represents only one of these identities, one of the communities within which people find meaning and meet their social needs. In a world of multiple communities and

34

loyalties, citizenship takes on a certain thinness.[21] Nevertheless, it is important to remember that citizenship has important advantages in a world of multiple communities. Its abstract nature and legal definition makes it potentially more inclusive than forms of community and social cohesion defined in purely cultural terms. Perhaps the case for a universal conception of social rights becomes more compelling, not less, as societies become more culturally diverse.

APPENDIX

Ethno-linguistic Diversity and Income Redistribution: 1965-1980

This appendix reports the results of an analysis of the relationship between ethno-linguistic diversity and government expenditures on income-transfer programs during 1965-1980, the period of the rapid expansion of the welfare state in western countries.

There is no ideal set of data that measures levels of ethno-linguistic diversity within nations on a consistent basis across time. Following the approach adopted by Stephens (1979), Easterly and Levine (1997) and others, this analysis adopts the index of ethnic and linguistic diversity utilized by the *World Handbook of Social and Political Indicators* (Taylor and Hudson 1972). [22] The index measures the probability that two randomly selected individuals in a country

will belong to different ethnic or linguistic groups, and is calculated as follows:

$$F = 1 - \varepsilon(ni/N)((ni-1)/N-1)) \quad \text{(from i=1 to n)}$$

where ni = the number of members of the ith group and N = the total population. The data on

ethnic and linguistic diversity used to construct the index refer to the period of the early 1960s

and, although levels of ethno-linguistic diversity tend to change slowly, they are presumably

somewhat less reliable by 1980, the end of the period examined here.

Given the theoretical arguments about the particular sensitivity of the redistributive role of

the state to ethno-linguistic diversity, the analysis distinguishes between government *transfers* on

one hand and government *consumption* on the other. Government transfers are all government

payments to the civilian household sector, including social security payments, government grants,

public employee pensions and transfers to non-profit institutions serving the household sector,

expressed as a percentage of GDP. Government consumption is total government consumption of

goods and services net of military spending as a percentage of GDP.[23]

Countries included in the analysis are western countries with democratic systems of

government throughout the entire period in question: Australia, Austria, Belgium, Canada,

Denmark, Finland, France, Germany, Italy, Netherlands, Norway, Sweden, Switzerland, the

United Kingdom, and the United States. This small sample is obviously far from ideal; the number

of observations is low for conducting reliable inferences, and the estimated coefficients can be

highly affected by extreme data values. The results must therefore be treated with considerable

caution.

The analysis is based on a linear regression of these two measures of government spending

on the index of ethno-linguistic diversity. To avoid problems posed by heteroskedasticity of

unknown form, the analysis employed White's Heteroskedasticity Consistent Covariance Matrix

Estimator (HCCME). The results do reveal a negative relationship between ethno-linguistic

diversity and government transfers. The relationship can be best described as moderate, leaving

considerable unexplained variation in government transfers, but

Transfers	Slope (St. Error)	Constant (St. Error)	t-stat slope (p-value)	r-square
1965	-7.2228 (2.789)	11.768 (0.9636)	-2.590 (0.022)	0.2216
1970	-7.3375 (2.684)	13.322 (0.9337)	-2.733 (0.017)	0.2098
1975	-6.1850 (3.442)	15.640 (1.330)	-1.797 (0.096)	0.1185
1980	-7.8179 (4.452)	17.236 (1.671)	-1.756 (0.103)	0.1229

the results do point to the importance of including ethno-linguistic diversity as one factor in

multiple regression analyses of the determinants of government transfer spending.

As expected, the results also point to a sharp difference between transfer and consumption

expenditures. Ethno-linguistic diversity has little explanatory power in the case of general

government programs and services.

Consumption	Slope (St. Error)	Constant (St. Error)	t-stat slope (p-value)	r-square
1965	-3.3210 (2.257)	11.566 (0.6053)	-1.472 (0.165)	0.1696

1970	-2.8903 (4.443)	13.396 (1.133)	-0.6506 (0.527)	0.0495
1975	-4.4238 (4.264)	16.487 (1.292)	-1.037 (0.318)	0.0931
1980	-6.6466 (4.764)	17.902 (1.682)	-1.395 (0.186)	0.1345

NOTES

1. Earlier versions of this paper were presented at the Center for European Studies at Harvard University and the Conference on International Migrations at the European University Institute. The paper has benefitted from the research assistance of Greg Caldwell, Peter Ciganik, Frieda Fuchs and Edwardeen Willson, and was strengthened by the comments from Erik Bleich, Pepper Culpepper, Torben Iversen, Andrew Martin, Paul Pierson, Richard Simeon, and Yasemin Soysal.

2. For example, tensions exist between immigrant groups and nationalist minorities in countries as diverse as Canada, Estonia and Spain (Shafir 1995; Conversi 1997; Abu-Laban and Stasiulis 1992). For a parallel discussion of differences between the agendas of the African-American and Hispanic communities in the United States, see Williams (1998).

3. For more optimistic views, see Penna and O'Brien (1996); also Plant (1991, 1994).

4. There is also a literature that worries about the implications of modern forms of multiculturalism for the strength of the social-democratic left. See, for example, Rex's discussion of left-wing critics of multicultural policies in Europe (Rex 1995a, 1995b).

5. This argument has been influenced by the work of Pierson (1993, 1994, and forthcoming).

6. This definition of the differences between ethnic and national minorities follows Kymlicka (1995), Miller (1995), and many others.

7. Fully private Muslin schools in Britain have faced financial difficulties, however, and the primary pressure has been for support for Muslim schools within the state system, as in the case of Anglican and Catholic schools. The issue had been politically contentious for a number of years, with several applications being rejected. However, the first such school was approved in 1998.

8. On the attitudes of East European migrants to western Europe, see Morawska (1998).

9. For a thorough analysis of the attitudes of different ethnic and racial minorities in Britain, see Madood et al. (1997).

10. Nor does an emphasis on a transitional commitment to human rights explain the continued exclusion of immigrants from full political rights in many of the countries that provide the fullest social benefits. For discussions of this difference, see Brubaker (1989, 1992) and Guiraudon 1998.

10. In the French town of Vitrolles, for example, the National Front began giving special $833 'birth allowances' to families that have children, but not to immigrant families. National authorities have asked the administrative courts to strike down the measure as unconstitutionally discriminatory (Whitney 1998).

12. This paragraph relies heavily on information from OECD (forthcoming).

13. These residency requirements can be waived if disability or lone parenthood takes place after immigration, or if adverse economic circumstances result from factors beyond the individual's control, such as the death of a financial sponsor.

14. State jurisdictions do have the flexibility to provide Medicaid and TANF to new immigrants within the five-year period from their own funds, but it unclear how many states are doing so.

15. The 1993 Canadian Election Study found that opposition to immigration and multicultural policy was especially concentrated in the support base of the Reform Party. As is seen below, the party's electoral support is also correlated strongly with anti-Quebec feelings.

16. The research group issued a lengthy list of reports on the social security system. However, their proposals for the future are set out in Pieters (1994) and Bertels et al. (1997).

17. Based on interviews with officials of the Flemish parliament, May 1998.

18. I am indebted to Matthew Mendelsohn for his insights on this issue, and for his assistance with relevant polling data. His draft note, "Evolution of Quebecers' Identity and Attachment to Quebec and Canada" was particularly helpful.

19. For a fuller discussion, see Banting (1998). Some advocates of full decentralization argue that a pan-Canadian approach to core social programs such as Medicare could be sustained through a compact among provincial governments, but this claim is contentious. See, among others: Courchene (1996), Institute of Intergovernmental Relations (1997), Kennett (1998).

20. Other regions have since established *salario social* programs, but there remains significant regional variation: "some regions have established important programs that reach most of the severely poor population, while in other cases the programs barely exist (Laparra and Hendrickson 1997: 528).

21. See the discussion of "high citizenship" and "low citizenship" in Flathman (1995) and Beiner (1995). See also Habermas (1994).

22. For an extended discussion of the relative strengths of different measures of ethno-linguistic diversity, see Easterly and Levine (1997). The measurement reported in Taylor and Hudson (1972) was first developed by a team of researchers at the Miklukho-Ethnological Institute in the Soviet Union and printed in the 1964 *Atlas Narrative Mira* (Atlas of Peoples of the World).

23. The expenditure data used in this study were reworked from OECD data, and were generously supplied by Professor Thomas Cusak.

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