Multiculturalism and the Welfare State:

An Emerging Debate

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ABSTRACT

The authors present the beginnings of a new research project, undertaken to assess the relationship between multiculturalism policies and the welfare state. First they explain why some people now believe that MCPs may be eroding welfare systems, and then go on to examine preliminary findings from their project. They conclude that there is no evidence of a systematic tendency for MCPs to weaken a country's welfare state. A number of individual case studies are forthcoming.

The past 30 years have witnessed a dramatic change in the way many Western democracies deal with issues of ethnocultural diversity. In the past, ethnocultural diversity was often seen as a threat to political stability, and hence as something to be discouraged by public policies. Immigrants, national minorities and indigenous peoples were all subject to a range of policies intended to either assimilate or marginalize them. Today, however, many Western democracies have abandoned these earlier policies, and shifted towards a more accommodating approach to diversity. This is reflected, for example, in the widespread adoption of multiculturalism policies for immigrant groups, the acceptance of territorial autonomy and language rights for national minorities, and the recognition of land claims and self-government rights for indigenous peoples.

The adoption of these policies of cultural recognition and accommodation – which we will call "multiculturalism policies" or MCPs – has been (and remains) controversial. One line of critique is philosophical, arguing that MCPs are inherently inconsistent with basic liberal-democratic principles, since they involve treating people differently on the basis of their ethnicity (which contradicts liberal norms of non-discrimination), or because they involve recognizing "group rights" (which conflict with liberal commitments to individual rights). This philosophical debate dominated the literature on multiculturalism for many years, particularly in the 1980s and early 1990s.[1] The debate is not over, but since the mid-90s it has been supplemented, and to some extent supplanted, by a new more empirical argument against MCPs: namely, that they make it more difficult to sustain a robust welfare state. On this view, there is a trade-off in practice between a commitment to MCPs and a commitment to the welfare state. Critics generally acknowledge that defenders of MCPs do not *intend* to weaken the welfare state. On the contrary, most defenders of MCPs are also strong defenders of the welfare state, and view both as flowing from the same underlying principle of justice. The conflict between MCPs and the welfare state, therefore, is not so much a matter of competing ideals or principles, but of unintended sociological dynamics. MCPs, critics worry, erode the interpersonal trust, social solidarity and political coalitions that sustain the welfare state.

This newer, empirical complaint has been advanced by influential writers in both the United States and Britain (eg., Richard Rorty, Todd Gitlin, Brian Barry, David Goodhart), and has become a major cause of controversy within the social-democratic left throughout Europe. This conflict is often labelled as a conflict or trade-off between a "politics of recognition" and a "politics of redistribution." The belief that such a conflict exists is causing progressive intellectuals throughout the West, who might in the past have been favourable to MCPs, to rethink their support, since it is now seen as potentially threatening to distributive justice.

The empirical complaint has some intuitive plausibility. After all, the same 30-year period that has witnessed the widespread adoption of MCPs has also witnessed a widespread backlash against, and retrenchment of, some important welfare state programs. It is natural to wonder whether the former trend has somehow facilitated the latter trend. On the other hand, the same retrenchment of the welfare state has occurred in countries (like France) that have strenuously avoided MCPs. Moreover, defenders of MCPs argue that these policies are intended to increase feelings of solidarity and trust, and hence can actually strengthen rather than weaken the welfare state.

There has been much armchair speculation about these possible effects, both by defenders and critics of MCPs, but there is surprisingly little empirical evidence on the topic. While the empirical complaint is now well-known, it has never

been systematically tested. In order to fill this gap, we have embarked on a new research project to try to assess the relationship between MCPs and the welfare state. In this short article, we first explore why some people think that MCPs might erode the welfare state, and then examine some preliminary evidence from our research project.

Explaining the Complaint

Critics offer a variety of reasons why the adoption of MCPs could inadvertently erode the welfare state. We can summarize these reasons under three headings:

The crowding out effect: According to one line of argument, MCPs weaken pro-redistribution coalitions by diverting time, energy and money from redistribution to recognition. People who would otherwise be actively involved in fighting to enhance economic redistribution, or at least to protect the welfare state from right-wing retrenchment, are instead spending their time on issues of multiculturalism.

The corroding effect: Another line of argument suggests that MCPs weaken redistribution by eroding trust and solidarity amongst citizens, and hence eroding popular support for redistribution. MCPs are said to erode solidarity because they emphasize differences between citizens, rather than commonalities. Citizens have historically supported the welfare state, and been willing to make sacrifices to support their disadvantaged co-citizens, because they viewed these co-citizens as "one of us," bound together by a common identity and common sense of belonging. However, MCPs are said to corrode this overarching common identity. MCPs tell citizens that what divides them into separate ethnocultural groups is more important than what they have in common, and that co-citizens from other groups are therefore not really "one of us."

The misdiagnosis effect: A third line of argument suggests that MCPs lead people to misdiagnose the problems that minorities face. It encourages people to think that the problems facing minority groups are rooted primarily in cultural "misrecognition," and hence to think that the solution lies in greater state recognition of ethnic identities and cultural practices. In reality, however, these "culturalist" solutions will be of little or no benefit, since the real problems lie elsewhere – such as racist prejudice or economic deprivation. (A Machiavellian version of this argument suggests that right-wing political and economic elites have in fact promoted MCPs precisely in order to obscure the reality of racism and economic marginalization).

These are not entirely implausible suggestions. On the other hand, one can imagine equally plausible arguments in the other direction. In response to the crowding out argument, for example, defenders of MCPs have argued that the struggle for MCPs may actually have helped to reinvigorate the left, which had been progressively losing ground to the right well before the rise of multicultural politics.

In response to the corroding argument, one could argue that low levels of inter-ethnic trust and solidarity predated the adoption of MCPs, which are intended precisely to combat this pre-existing problem. And finally, in response to the misdiagnosis argument, defenders of MCPs argue that any adequate diagnosis of the disadvantages facing minorities requires attending to a range of different dimensions – including race, class and culture – and that it is a mistake to ignore any of them. The theory and practice of multiculturalism is intended precisely to supplement and enrich our conceptual tools and political spaces for arriving at a more adequate diagnosis of the full range of injustices faced by different groups in our society.

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Testing the Complaint

In our study, we asked whether countries that have adopted strong MCPs over the last two decades have, in fact, experienced a weakening or even just slower growth in their welfare states, compared to countries that have resisted such policies. Answering these questions required several steps. First, we classified OECD countries in terms of the relative strength of their MCPs, based on the presence or absence of a series of specific policies.

In the case of *immigrant groups,* the list of MCPs included:
(1) constitutional, legislative or parliamentary affirmation of multiculturalism;
(2) the explanation/celebration of multiculturalism in school curriculum;
(3) the inclusion of ethnic representation/sensitivity in the mandate of public media or media licensing;
(4) exemptions from dress-codes, Sunday-closing legislation, etc.;
(5) allowing dual citizenship;
(6) the funding of cultural activities by ethnic group organizations;
(7) the funding of bilingual education or mother-tongue instruction;
(8) affirmative action for disadvantaged immigrant groups.

The first three policies celebrate multiculturalism; the middle two reduce legal constraints on diversity; and the final three represent forms of active support for minority communities and individuals. One could obviously think of additional policies to add to the list, but we

believe that these eight policies provide a good measure of a country's commitment to immigrant MCPs. A country that had adopted six or more of these policies was classified as "strong"; a country that had adopted two or less of these policies was classified as "weak." Countries falling in-between were categorized as "modest." The resulting classification was:

STRONG: Australia, Canada
MODEST: Belgium, Netherlands, New Zealand, Sweden, UK, US
WEAK: Austria, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Norway, Portugal, Spain, Switzerland.

In the case of *national minorities,* we adopted the following list of six MCPs that are designed to recognize and support distinctive national groups:[2]

(1) federal or quasi-federal territorial autonomy
(2) official language status, either in the region or nationally
(3) guarantees of representation in the central government or on Constitutional Courts
(4) public funding of minority language universities/schools/media
(5) constitutional or parliamentary affirmation of 'multinationalism'
(6) according international personality (eg., allowing the substate region to sit on international bodies, or sign treaties, or have their own Olympic team)

A similar approach to grouping countries as strong, medium and weak produced the following classification:

STRONG: Belgium, Canada, Finland, Spain, Switzerland
MODEST: Italy, UK, US (with respect to Puerto Rico)
WEAK: France, Greece, Japan

Finally, in the case of *indigenous peoples,* we developed the following list of nine MCPs designed to recognize their distinctive claims:

(1) recognition of land rights/title
(2) recognition of self-government rights
(3) upholding historic treaties and/or signing new treaties
(4) recognition of cultural rights (language; sacred sites; hunting/fishing)
(5) recognition of customary law
(6) guarantees of representation/consultation in the central government
(7) constitutional or legislative affirmation of the distinct status of indigenous peoples
(8) support/ratification for international instruments on indigenous rights
(9) affirmative action

The resulting groupings are:

STRONG: Canada, Denmark, New Zealand, US
MODEST: Australia, Finland, Norway
WEAK: Japan, Sweden

Having categorized countries as "strong," "modest" or "weak" in their level of MCPs, the next step was to examine how the three categories of countries fared in terms of change in the strength of their welfare state between 1980 and the end of the 1990s. Is it true that countries that adopted strong MCPs had more difficulty than countries that resisted such approaches in maintaining and enhancing their welfare states over the last two decades of the 20th century? To answer this question, we relied primarily on two indicators: change in social spending as a proportion of GDP; and change in the redistributive impact of taxes and transfers. Table 1 provides a first cut at the answers.[3]

Clearly, there is no evidence here of a systematic tendency for MCPs to weaken the welfare state. Countries that adopted such programs did not experience an erosion of their welfare states, or even slower growth in social spending, compared to countries that resisted such programs. Indeed, in the case of immigrant groups and national minorities, the countries with the strongest MCPs fared best in terms of growth in social spending and greater redistribution, providing a hint that perhaps MCPs may actually ease any tension between diversity and redistribution. In the case of indigenous peoples, it was the countries in the middle group that fared best. On no indicator did countries that resisted MCPs – the "weak" group – fare best.

This study represents the starting point in a continuing research agenda about the relationship between the politics of recognition and redistribution. Together with several colleagues, we are pushing the analysis forward in two ways. First, we are conducting more complete statistical analyses, which incorporate MCPs into leading models of the determinants of social spending, in order to hold constant other factors known to influence social spending. Second, we are conducting a number of case studies of the experience of particular countries. Aggregate cross-national statistics say little about the complex experiences of specific countries, and more in-depth explorations can help illuminate how MCPs and social policy are linked in particular places or contexts. Our case studies include Netherlands, Germany, Canada, Britain, and the United States, and will examine the linkages between multiculturalism and the welfare state at the level of public attitudes and political coalitions, as well as policy choices and social outcomes. The results of our ongoing research will be published in a forthcoming volume.[4]

In the interim, however, we believe that the evidence presented so far casts serious doubt on assertions about

Table 1 – Multiculturalism Policies and Change in Social Spending and Redistribution

Strenght of MCPs	Immigrant Groups		National Minorities		Indigenous Peoples	
	Social Spending %	Redistribution %	Social Spending %	Redistribution %	Social Spending %	Redistribution %
Strong	46.4	15.3	38.1	12.2	16.4	10.0
Modest	8.6	-2.1	27.9	-5.4	48.6	12.7
Weak	31.8	10.1	36.5	11.4	6.9	1.0

the inevitably corrosive effects of MCPs on the welfare state. Our research to date suggests that the ideal of a "multicultural welfare state" that combines multicultural recognition and economic redistribution remains a viable goal.

Notes

[1] For an overview of the philosophical debate, see Will Kymlicka, *Multicultural Citizenship* (Oxford University Press, 1995).

[2] By "national minorities", we mean sizeable groups (at least 100,000 people) that are regionally-concentrated in what they view as their historic homeland, that conceive of themselves as a nation within a larger state, and that mobilize behind nationalist political parties to achieve recognition of their nationhood, either in the form of an independent state or through territorial autonomy within the larger state. Examples of such substate nationalisms include the Québécois in Canada, the Scots and Welsh in Britain, the Catalans and Basques in Spain, the Flemish in Belgium, the German-speaking minority in South Tyrol in Italy, the people of Puerto Rico under US rule, and the Corsicans in France.

[3] Change in social spending represents change in public social expenditure between 1980 and 1998. Based on data in OECD SocX. Change in redistribution represents change in redistributive impact of taxes and transfers between the early 1980s and the late 1990s or near years. Based on data provided by the Luxembourg Income Study. For details of the calculations, see the appendices in our "Do Multiculturalism Policies Erode the Welfare State?", Working Paper No. 33, posted on the web at:www.queensu.ca/sps/WorkingPapers/

[4] Keith Banting and Will Kymlicka (eds) *Is Multiculturalism Bad for the Welfare State?* (Oxford University Press, forthcoming). Contributors include Stuart Soroka, Richard Johnston, Geoffrey Evans, Nicola McEwen, Han Entzinger, Peter Kraus and Karen Schoenwaelder, Rodney Hero and Rob Preuhs, Donna Van Cott, Willem Assies, Matt James, David Miller, Anne Phillips and John Myles.