

Social exclusion, solidarity and the challenge of globalization

Room G.J. Social exclusion, solidarity and the challenge of globalization
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During the 1990s, the notion of “social exclusion” has given a new impetus to the debate about poverty and disadvantage. This paper assesses the extent of conceptual reconfiguration that the concept of social exclusion involves and the implications for empirical research and policy evaluation. It proceeds to examine critically the extent to which current notions of social exclusion risk neglecting patterns of inequality in the wider society. It concludes by arguing that the globalization of our market economies is tending to erode the support which more advantaged groups are ready to offer and to force retrenchment of the formal welfare organizations on which the poor can call. In a global economy, moral solidarity with the disadvantaged atrophies, and the national communities within which the postwar welfare states were built no longer serve as the focus for good neighbourliness.

G. J. Room

Department of Social and Policy Sciences, University of Bath

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Professor Graham J. Room, University of Bath, Department of Social and Policy Sciences, Bath BA2 7AY, UK

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Introduction

The 1990s have seen increasing concern about the growth of poverty and social disadvantage. In western Europe, this has been associated with fears about high levels of unemployment and restrictions on social expenditure in the run-up to monetary union; in central and eastern Europe, the stresses of the transition to a market economy and the dismantling of state provision have been the principal factors.

This growing concern has been evident in debates at the level of the European Union: first within the narrow realm of DGV (the Directorate General for Employment, Industrial Relations and Social Affairs), with its anti-poverty programmes, research studies and efforts at statistical harmonization (Room *et al.*, 1993); then in DGXII (the Directorate General for Science, Research and Development), which included research on social exclusion within its Fourth Framework Research Programme; and finally, in the incorporation into the Maastricht and Amsterdam Treaties and the objectives of the Structural Funds of a commitment to combat social exclusion. Alongside these initiatives by the EU institutions, the Council of Europe has also been commissioning studies of social exclusion, focused on the wider range of European countries which make up its membership, and informed by its specific interest in human rights (Duffy, 1995).

During the 1970s and 1980s, the European Commission embraced the language of “poverty” when championing its research studies and action projects concerned with disadvantage, despite the displeasure of some governments, notably the British and German. During the 1990s, in contrast, under the inspiration of Jacques Delors and the French political debate, the European Commission adopted the language of “social exclusion”. The Council of Ministers passed a Resolution in 1989 calling for action to combat social exclusion and in 1990, the Commission set up a research network, a so-called “Observatory”, to monitor national trends and policies in this field (Room *et al.*, 1992).

Until recently, researchers and policy-makers in Britain tended to regard “social exclusion” as rather unhelpful, combining as it did the traditional alleged imprecision of the French social philosophical debates with the echoes of earlier, discredited right-wing accounts of the “underclass”. The election of the new Labour government in May 1997 changed all that. The Prime Minister has established in Downing Street itself a Policy Unit concerned with social exclusion; the Economic and Social Research Council has established at the LSE a high profile Centre for the Analysis of Social Exclusion; and “social exclusion” recurs as a central point of reference throughout a wide range of government policy documents. However, it remains too incoherent and confused to serve as a

reference point for policy and research, despite various efforts at clarification (see e.g. Abrahamson, 1997; Berghman, 1995; Levitas, 1996; Saraceno, 1997; Silver, 1994).

This paper has two aims. First, to clarify the conceptual relationship between poverty and social exclusion: is the difference merely semantic, or does “social exclusion” offer the basis for new insights into disadvantage and new guidance for policy-makers? Secondly, to analyse social exclusion in relation to the globalization of our market societies and to highlight the policy dilemmas that this poses.

Social exclusion: five steps beyond poverty

Until recent years it was commonplace in poverty research – in particular, cross-national studies within Europe – to focus on the disposable income (or expenditure) of an individual or household at a given moment in time. This was the basis for most of the estimates of the overall poverty rate in the EU that have appeared during the 1980s and 1990s (see e.g. European Commission, 1981; Eurostat, 1990; O’Higgins & Jenkins, 1989). The reason for this narrow focus was, at least in part, because of the limited data available on a cross-nationally comparable basis: Eurostat had secured some consistency of national household budget surveys but other data sources remained disparate (Ramprakash, 1994). The methodological discussions surrounding this work deal with equivalence scales, the choice between income and expenditure data, the choice of the specific poverty line, etc.

Recent years have seen growing acknowledgement that this focus is too narrow (cf. Room, 1995). In part because of this awareness and in part under the influence of the proponents of “social exclusion”, the research debate has changed significantly during the 1990s. There are five main elements in this reconfiguration:

- from financial to multi-dimensional disadvantage;
- from a static to a dynamic analysis;
- from a focus on the resources of the individual or household to a concern also with those of the local community;
- from distributional to relational dimensions of stratification and disadvantage;
- from a continuum of inequality to catastrophic rupture.

From financial to multi-dimensional disadvantage

In our modern urban-industrial societies financial resources are, of course, of enormous importance for the whole range of life chances which a person can

enjoy. Nevertheless, financial indicators such as low income are insufficient as proxies for general hardship: multi-dimensional indicators are needed, directly revealing different aspects of disadvantage. It is, moreover, important, both for policy and for explanatory purposes, to disentangle different elements of hardship and to identify their interrelationships: for example, between financial poverty and poor housing; between educational failure and a lack of skills on the job market; between deprived childhoods and subsequent patterns of health and sickness.

During the 1990s, the European Commission in its work on disadvantage has shown growing interest in this multi-dimensionality (Whelan, 1995). Eurostat has been developing new statistical tools, centred on the European Community Household Survey, launched in 1995, which collect information on multiple disadvantage from a multinational panel (European Commission, 1998). National government surveys already collected data on many aspects of disadvantage – ill health, poor housing, etc. – but only to a very limited extent have these been drawn together on a systematic basis and rendered comparable. Those who promote the language of “social exclusion” have also been prominent in these efforts to develop multi-dimensional indicators. Hills (1998), for example, includes in his assessment of income and wealth inequality a wide range of elements of the social wage (free education, healthcare, social services, etc.). However, the fact should not be overlooked that many of the classic studies of poverty during the 1970s and 1980s were already well aware of this multi-dimensionality: Townsend’s various studies, Mack and Lansley’s survey of “Breadline Britain” (Mack & Lansley, 1985), and Ringen’s analysis of direct (consumption) and indirect (money) measures of deprivation (Ringen, 1988). Indeed, many of the cross-national studies and pilot projects in the poverty field sponsored by the European Commission itself had this same multi-dimensional notion of disadvantage (Room, 1993). Only the early, crude cross-national comparisons of poverty rates can be fairly accused of a narrow concern with financial resources alone, and even then the paucity of comparable data provided an excuse. In short, the move to an appreciation of the multi-dimensionality of disadvantage is significant and important; but it hardly suffices to justify the excitement which the new language of social exclusion has been generating.

From a static to a dynamic analysis

A second feature of recent analyses of disadvantage has been their concern with the dynamics and processes involved. As Robert Walker (1995) has

written, “far from time simply being the medium in which poverty occurs, it helps to forge different experiences”. It is not enough to count the numbers and describe the characteristics of those who are disadvantaged; it is also necessary to identify the factors which can trigger entry or exit from this situation and to understand how the *duration* of disadvantage shapes how it is experienced and what are its consequences. As Walker writes, “there is growing evidence that the events which trigger poverty are widespread but that poverty is a comparatively rare outcome.” To explain the circumstances under which particular trigger events do result in poverty is thus an important research priority.

There is a growing number of national panel surveys which can provide insights into these dynamics. Some focus on those who fall below a particular poverty line (Muffels *et al.* (1992), analysing data from Dutch panel studies) or within the lowest section of the income distribution (Goodman, Johnson and Webb (1997), dealing with the first results from the British Household Panel Study); others focus on the recipients of minimum benefits (Leibfried (1995), analysing data on social assistance recipients in Bremen). These national panel studies will soon be enriched by the findings emerging from the new European Community Household Panel, with annual waves from 1994 onwards. Meanwhile, various attempts have been made to set alongside each other the findings emerging from different national panels and to draw comparative conclusions (on this, see Leisering & Walker, 1998). These various studies show that most poverty is short-term: there is plenty of income mobility, although many of those who escape from poverty remain on its margins and may subsequently descend into it once more. These panel studies can also identify those most at risk of falling into poverty and staying there: people who are poorly educated, unemployed or disabled, and lone mothers. Factors related to employability are crucial in determining who escapes.

Many of those who use the language of social exclusion place this dynamic analysis at the centre of their own work and appear to believe that *this* is the major step forward which the notion of social exclusion involves (Atkinson & Hills, 1998). Again, however, this risks overstating the situation. Many of the classic studies of poverty were already well aware of this dynamic or temporal dimension, even if they were not equipped with the technical possibilities that panel studies offer. Studies of disadvantaged local communities – for example, Coates and Silburn’s study (1970) of the St Anne’s district of Nottingham – explored the dynamics of change over a period of years; and during the 1970s the alleged processes of

intergenerational transmission of poverty were at the heart of the UK Social Science Research Council’s research programme on Transmitted Deprivation (Rutter & Madge, 1976). Again, therefore, while the move to an appreciation of the dynamic aspects of disadvantage is important, of itself it is not unique to the new language of social exclusion.

From individual or household resources to those of the local community

As already argued, many of the conventional cross-national comparisons of poverty rates take as their focus the *financial resources* which are held at a *particular moment*: held, that is, by an *individual or household*. This focus on the individual or household has come under attack from two directions: first, from feminist writers who wish to direct attention to the processes of unequal access to resources inside the household unit (Glendinning & Millar, 1992); and secondly, from writers who point to the resources which are available or lacking within the local community, which affect the extent to which a household or individual is able to manage in times of adversity. The second of these is the focus here.

Deprivation is caused not only by lack of personal resources but also by insufficient or unsatisfactory community facilities, such as dilapidated schools, remotely sited shops, poor public transport networks and so on; such an environment tends to reinforce and perpetuate household poverty (Robson, 1995). This is a common theme of recent British government policy documents (see e.g. DETR, 1997). This suggests that household surveys and panel studies need to include questions on the availability or non-availability of these local community resources, if we are to understand the differential vulnerability of different individuals and households to social exclusion and disadvantage. No less important, it is argued, are local traditions of mutual aid, self-help organizations and other elements of development potential; or, more negatively, local sub-cultures which may limit and undermine the capacity of local people to take up opportunities and to gain control of their lives (Moulaert, 1995). This is of obvious relevance for policy-makers, who must consider what actions they will take to invest in these local community resources – this social capital – alongside policies which are targeted on particular individuals and households.

Housing policy is particularly important in determining the extent to which low income individuals and households are concentrated spatially. Where such concentration occurs, the level of local community resources is of particular importance in determining the quality of their lives, but these resources depend on a much wider array of economic

and social policies. Area-focused actions can be important in these circumstances, as means of reinvesting in the local social infrastructure. However, collective resources do not have a uniform significance for different people within the local population. Local schools are of interest mainly for those with children; and people with disabilities may have a quite different perception of the adequacy and appropriateness of these resources from that of the able-bodied.

Again, while the recent debates in terms of social exclusion have encouraged attention to this local community dimension, this is not an invention of the 1990s. First, there is a long tradition of studies of disadvantaged local communities and of the interplay between individual and community resources: in the UK, an obvious example is provided by the studies coming out of the Institute of Community Studies in the 1950s and 1960s and out of the Community Development Project in the 1970s (Home Office, 1977). Secondly, but in a different tradition, some governments have used indicators of disadvantage of local areas in their programmes of resource allocation: in the UK, the Department of the Environment has been using its so-called z-scores for this purpose for many years (Robson, 1995). Nevertheless, the former tradition was dominated by case studies of particular localities, rather than offering methodologies for comparing the levels of local community resources in different areas; the latter tradition, while quantitative and nationwide, relied heavily on the aggregation of indicators of individual and household resources and made little attempt to marry these with data pertaining to the local area as a whole. To develop indicators of local community resources which can be applied nationally (and even perhaps cross-nationally) and which can be set alongside indicators of the resources of individuals and households is an urgent research task and one which has a high level of policy relevance.

From a distributional to a relational focus

There is a fourth element in the conceptual shift from poverty to social exclusion which is, if anything, even more fundamental. The notion of poverty is primarily focused upon *distributional* issues: the lack of resources at the disposal of an individual or a household. In contrast, notions such as social exclusion focus primarily on *relational* issues: in other words, inadequate social participation, lack of social integration and lack of power.

These two sets of concepts can be related to the different intellectual traditions from which they derive. Research into poverty, in its modern scientific form, is primarily an Anglo-Saxon – more specifically a

British – product of the nineteenth century (Rowntree, 1901; Townsend, 1979). It is closely associated with the liberal vision of society, under which society was seen by the relevant intellectual and political elites as a mass of atomized individuals engaged in competition within the marketplace. The goal of social policy is thus to ensure to each person sufficient resources to be able to survive in this competitive arena. It must be admitted that Townsend, the most prominent contemporary heir of this tradition, judges the sufficiency of the resources at the disposal of an individual or household by whether or not the person is able to “participate” in the activities customary in their society. He thus makes an effort to break out of the limitations of the Anglo-Saxon legacy and to include relational elements also. Nevertheless, with his focus on the resources which individuals need to have at their command, it is still distributional issues that are at the heart of his definition (Townsend, 1979).

In contrast, notions of social exclusion are part of a continental – and perhaps more particularly a French – tradition of social analysis. Society is seen by intellectual and political elites as a status hierarchy or as a number of collectives, bound together by sets of mutual rights and obligations which are rooted in some broader moral order. Social exclusion is the process of becoming detached from this moral order (Castels, 1995). The task of social policy is to reinsert or reintegrate people into society.

At first glance, to operationalize this relational notion of social exclusion for purposes of empirical investigation is not as straightforward as measuring the financial resources at the disposal of an individual or household and counting the numbers of people who are poor. However, there are several recent studies which can be seen as offering such an operationalization (whether or not this is how they see themselves).

Paugam (1995) uses cross-sectional survey data in France to explore the relationship between a person's detachment from the occupational community and his or her detachment from the extended family. By comparing individuals who are categorized according to the security or fragility of their employment situation, and examining the proportions of such individuals who lack links with their extended families, Paugam is able to show that the two forms of detachment tend to go together. This is especially the case for men: in contrast, women, when their occupational integration weakens, seem to be able to maintain their family links to a much greater extent. Paugam then goes on, in a subsequent study, to consider cross-national variations in the strength of these occupational and family relationships (Paugam, 1996). He shows, using national datasets – albeit imperfectly comparable – that the French experience is

mirrored in the other large urban-industrial societies of northern Europe, the United Kingdom and Germany. In Spain and Italy, however, as separation from the occupational community worsens, the extended family seems to play a stronger role, as our stereotypes of the southern European family might indeed lead us to expect. Paugam's studies can be set alongside other evidence on the role of the extended family in supporting its more insecure members: see e.g. Kempson (1996, Chapter 3), who brings together a wide range of evidence culled from recent British studies. What is unusual about Paugam's study is his attempt to explore the interrelationships between occupational and domestic links and to do so on a comparative basis.

A second, although rather different, approach to these relational aspects of social exclusion is provided by Perri 6, the research director of the London-based Demos think-tank, which has been highly influential in shaping the new Labour government's social policy (6,1997). Perri 6 distinguishes two sorts of social bonds: those that link us to people in the same position as ourselves – our family members, people in the local neighbourhood, our immediate colleagues at work – and those that link us to people in very different positions from ourselves, especially those people who are in contact with opportunities which they can bring to our attention, but of which we are unlikely to be able to avail ourselves without their help.

Perri 6 proceeds to argue that social policies typically concentrate disadvantaged people together with people like themselves, instead of helping them to make the second type of link: with people who are in touch with opportunities in the wider society, people who can therefore provide them with ladders to move out of their disadvantaged positions. Policies tend to concentrate low-income families into the same housing estates; to put the young unemployed together on to separate training programmes; to neglect the low-cost public transport that would enable low-income families to maintain and develop contacts and networks in the wider society. An appreciation of the importance of the relational dimension of social exclusion should, Perri 6 argues, prompt policy-makers to re-examine some of these practices.

A further example of how these relational aspects of social exclusion can be used to illuminate the analysis of policy and of inequality is provided by Levitas (1996), who explores the gender dimension of inequality, notably in relation to unpaid work within the family. This could be developed further, using insights from feminist arguments with regard to power relationships within the family, and the consequences of these for the unequal distribution of resources. Analysis of these relationships of gender inequality, underpinned by power inequalities within the family,

can be extended to include analysis of age inequality: older people on the one hand, children on the other (Ridge, 1998).

However, it is not just relationships with the family and local community that are at issue. Relationships to the occupational community – the workplace and work-based organizations including trade unions – vary between different groups of the employed and self-employed, as is well documented in the sociological literature. Relationships to formal welfare organizations – housing departments, schools, local health services, etc. – may also be experienced as disabling or empowering. Over many years, research studies in the field of social administration have been concerned with these relational aspects of social exclusion and, in particular, the relationships between welfare bureaucracies and their clients: the person who claims social benefits from the local social assistance office, the patient who seeks healthcare, the student who confronts the various opportunities and obstacles which are offered by the public educational system (see e.g. Coote, 1992). The quality of these relationships is extremely important in the modern world, in enhancing people's lives as citizens or in making them feel powerless and disabled.

Ivan Illich (1977) stands as the arch-critic of these relationships. Against his scathing criticism, it is possible to argue that the welfare professional and bureaucrat, made suitably accountable, can support rather than undermine people's autonomy as active citizens. The establishment of "Citizens' Charters", aimed at securing a good quality of service from these welfare professionals, may go some way in the right direction, but again, the most disadvantaged groups may be least likely to take advantage of such charters. However, it is evident that people who are already disadvantaged are particularly vulnerable to having their powerlessness compounded, and hence their risk of social exclusion increased, by modern welfare bureaucracies. Moreover, national policies which are aimed at increasing the range of choice for citizens in general may increase the risk of exclusion for those who are most vulnerable: for example, in the UK the use of school league tables, comparing school performances in order to improve parental choice, is increasing the tendency of schools to exclude difficult pupils and not to accept those with special needs, lest they undermine the school's league table performance.

It is worth noticing, finally, that the relational aspects of social exclusion must themselves be seen as located in space and time. In Perri 6's terms, the homogeneous networks of lower income people tend to be spatially concentrated, whereas the more heterogeneous networks of more advantaged people allow them to tap into collective resources beyond the confines of the local community. For individuals who

are in secure careers, the resources available through the work community may be at least as important for their quality of life as the resources which are embedded in the local neighbourhood, and which loom as proportionally much more important in the lives of people in insecure jobs.

The relational aspects of social exclusion also unfold dynamically. The relationships in which a person is involved today may have implications for his or her capacity to manage relationships in subsequent phases of life. The causal links between, for example, health and low income must be analysed within a relational context as they unfold over time. Moreover, the processes of movement into and out of multi-dimensional disadvantage, as monitored by the panel studies discussed above, must be analysed by reference to these relationships, as must the "trigger" factors which precipitate entry or exit. Otherwise, such panel studies remain little more than technical exercises which trace movement but cannot explain it. More fundamentally still, the mainstream society from which people are taken as being excluded must itself be analysed problematically as the product of active human agency over time, in which different social groups continuously contest and assert their relationships to each other.

Continuity or catastrophe

There is one final element in moving conceptually from poverty to social exclusion. The most common estimates of the proportion of people who are poor, especially for the purpose of cross-national comparison, make use of a fairly arbitrary poverty line defined in financial terms. One of the most commonly used poverty lines is drawn at 50% of the mean or median disposable income (or expenditure) in each of the societies being compared. But recognizing that 50% is indeed arbitrary, estimates are then often also produced based on 40% or 60% lines (Eurostat, 1990).

In a famous debate with Piachaud, Townsend argued that as one moved down the income hierarchy, at a certain point the consequences of income deprivation had a disproportionately great effect on the capacity of a person or household to join in the activities which are customary in the society concerned. This discontinuity or "kink" provided an objective indicator of what it was plausible to call the poverty line. Piachaud (1981) disagreed: no evidence of such a discontinuity could be found in Townsend's data. To define poverty, and to distinguish the poor from the non-poor, required a value judgement, from which the empirical data could not provide an escape.

However, whatever the outcome of this debate in reference to Townsend's own data (see also Desai & Shah, 1988), the concept of social exclusion appears to

carry with it the connotation of separation and permanence: a catastrophic discontinuity in relationships with the rest of society. This is very evident in William Julius Wilson's account of the underclass of Chicago (Wilson, 1987). Wilson has investigated the processes of community erosion and isolation which affect the black and Hispanic inner city areas of the northern United States and which compound the experience of disadvantage for individual households in those neighbourhoods. His research, although in one sense admitting the existence of an underclass, aims to explain the underclass by reference to the collapse of employment opportunities, the lack of good quality public services, the exit of the black middle class and the counter-attractions of a delinquent sub-culture of crime and drugs in neighbourhoods where there are no "legitimate" opportunities.

Other groups of the population who are suffering disadvantage may or may not experience this catastrophic discontinuity: this is a matter for empirical investigation in each case. However, if the notion of "social exclusion" is to be useful as an analytical concept and as a point of reference for policy design, it may be better to use this core notion, rather than to use "social exclusion" as no more than a synonym of "disadvantage". In short, then, to use the notion of social exclusion carries the implication that we are speaking of people who are suffering such a degree of multi-dimensional disadvantage, of such duration, and reinforced by such material and cultural degradation of the neighbourhoods in which they live, that their relational links with the wider society are ruptured to a degree which is to some considerable degree irreversible. We may sometimes choose to use the notion of social exclusion in a more general sense than this: but here is its core.

Solidarity and the challenge of globalization

In summary, the notion of social exclusion consolidates and integrates five key elements in the definition and study of disadvantage. None of these elements is sufficient by itself to justify the scholarly and political interest that the notion of social exclusion has generated, although together they probably can. None is so novel as to render irrelevant previous research into poverty. Nor does the notion of social exclusion provide some wondrous new approach as far as policy is concerned: we need to learn from past efforts to combat disadvantage, what worked as well as what did not. A crucial role of the academic researcher is to oppose any tendencies to collective amnesia.

However, while the newly fashionable notion of social exclusion provides illumination, it also holds

certain perils. For example, it may encourage us to conceive of society – as it presently exists – as a moral community (albeit hierarchical) with networks of mutual support; social casualties lose touch with these networks and the task of social policy is to reintegrate them. This can become a form of neofunctionalist social theory (Levitas, 1996). The counter-view is that society is a battleground of different social groups (based on social background, ethnicity, economic interest, gender, age, etc.), seeking to maintain and extend their power and influence, in a zero-sum struggle with other groups whom they seek to exclude. “Exclusion” is the result of this struggle, rather than a label to be attached to the casualties of some impersonal process of urban-industrial change. Social exclusion is a normal and integral part of the power dynamics of modern society.

This suggests a further agenda of questions for empirical research, focusing not on the conceptualization and technical measurement of poverty and social exclusion, but upon the broader political economy of the societies of which they are features, and addressing the most fundamental choices in social policy. First, there is a well-established literature – both academic and practitioner – concerned with the scope for community development and self-organization among disadvantaged and excluded groups, and the conditions under which this tends to produce an explicit challenge to the institutions, power inequalities and distributional outcomes of the wider society (Dennett *et al.*, 1982; Room *et al.*, 1993). This literature also deals with the scope for such groups to challenge the perceptions, value judgements and measuring instruments used by policy-makers. However, it also reveals the limited extent of the policy changes that such action can generate, unless it can create a wider coalition of support (Marris & Rein, 1974).

Secondly, a parallel set of questions arises in relation to more advantaged groups. In what ways do their actions shape the processes of exclusion which have been discussed here? In what ways are these same groups shaping – and perhaps limiting – the policies for inclusion that governments are pursuing? Are these policies – for example, the welfare to work programmes that many governments are now pursuing in one form or another – providing stepping stones back into mainstream society, or are they condemning disadvantaged people to eke out low-skilled, low-paid jobs on the margins of society? Finally, how ready are these more advantaged groups to support more vigorous inclusionary policies? Golding (1995) has used Eurobarometer data to analyse the perceptions of the disadvantaged held by more advantaged groups: he finds little evidence of substantial support for such policies.

Perri 6, in his analysis discussed above, calls for policies which will promote social mixing – in our local communities, in our schools, in our vocational training schemes – in order to create contacts and networks of mutual support between more and less advantaged people in our societies. But this begs the question: one can see what the poor might get out of such contacts, but how will the middle classes benefit? Will they not always face the temptation to retreat into their fortresses? Perhaps more seriously still, if the more capable among the disadvantaged are creamed off in the way that Perri 6 proposes, what of those who are left behind, now lacking those most capable of providing leadership for disadvantaged local communities? This is precisely the situation described by Wilson in his above-mentioned account of inner city Chicago. The prospects of these communities becoming the beneficiaries of more vigorous policies aimed at their inclusion would seem more remote than ever.

In the aftermath of the Second World War, Marshall (1950) offered his familiar account of social citizenship, set within the context of universalist welfare services. Titmuss continued the argument, pointing out that with such an infrastructure of universalist services, one could hope that the more prosperous sections of the population would feel sufficiently the mutual obligations of a shared citizenship: that they would – to return to the vocabulary used by Perri 6 – be ready to establish ties with people distant from themselves. However, at least in the United Kingdom, the 1980s saw growing inequality (Hills, 1998) and polarization, coupled with the curtailment of this infrastructure of common citizenship institutions.

The globalization¹ of our economies can only make this worse – and not just in the United Kingdom. One of the most obvious expressions of this is the way that,

¹ For a survey of recent literature on globalization and welfare, especially in relation to Europe, see Rhodes, 1996. The literature on globalization acknowledges the complex interrelationships between what can be termed *market globalization* (the removal of barriers to the free movement of capital and labour, goods and services, and entrepreneurs developing their activities outside the constraints of particular national markets); *political globalization* (the construction of new supranational systems of governance with a regional or even global mandate, in part to manage this global market) and *social globalization* (the convergence of social and cultural values, transcending the previously segregated national social debates). See e.g. Hirst & Thompson (1996). Social globalization tends to receive the least attention in the social policy literature. However, as the discussion in this paper underlines, it is important to analyse the consequences of market globalization for the social values underpinning policies of redistribution, and to rethink, in the light of this, the task of political globalization in establishing a global framework for welfare (see below). Cf. Deacon, 1997.

in the upper reaches of the income hierarchy, it is the global rather than the national market for top managers that shapes the scale of their rewards. Within the UK, the Chief Executive of SmithKline Beecham, the pharmaceuticals company, commands an annual remuneration package which includes £60 million in share options, which his chairman justifies by reference to the global market in managers (*Guardian*, April 29, 1998). This is at a time when the majority of the working population receive pay increases which do little more than preserve their real standard of living, while those who depend on social benefits are fortunate if they get even this. The consequent elongation of the rewards hierarchy – something which individual national governments are fearful of challenging, lest capital make use of its mobility to exit to other countries – erodes all sense that we live in a single national society, with shared criteria for the distribution of rewards.

This is not all. Once someone is part of this small circle of highly privileged people, it is not at all easy to leave it. Managers of large corporations who fail, instead of getting their just desserts, often receive golden handshakes on a scale of which most of their fellow citizens can only dream. Nor is it only the financial failures who discover that failure is sweet. The unprecedented slaughter of Conservative MPs in May 1997 in the British General Election did not produce a sudden surge in the ranks of social benefit recipients; it has been more common for them to find themselves appointed to lucrative directorships (*Guardian*, April 28, 1998). They have no lack of the sort of ties of which Perri 6 speaks, acquaintances who are ready and able to find them alternative sources of income and standing when existing employment is suddenly terminated. This is not a situation of *catastrophe* in the sense discussed earlier, but one of what we might term *bliss*. (The state of bliss is admittedly less well researched than that of social exclusion: this may spring from the reluctance of the affluent to give up the privacy surrounding their dealings, at least as far as academic researchers are concerned. However, see Gregg *et al.*, 1994.) Their coexistence in the same society belies the notion that people share a common citizenship. This matters. As Titmuss always insisted, it is not possible to separate the way that the economy functions from the way in which a society organizes its common institutions and defines a common citizenship.

“Who is my stranger?” asked Titmuss (1973) in his book *The gift relationship*, cleverly reworking the New Testament question, “Who is my neighbour?” Titmuss was concerned with the way that we perceive our fellow man and women within the anonymity of the market society, and the extent to which, encouraged by universalist welfare institutions, we

treat every stranger as our neighbour. In a world where the global market overrides the boundaries and identities of local and national communities, this question is particularly poignant. Universalist welfare institutions will be able to transcend the divisions of the marketplace only if they too have a global dimension: only if they are universalist in a double sense. However, it can be argued that welfare institutions themselves are also being transformed by market globalization and by the pressures on public service budgets that this globalization produces, to the detriment of inclusionary efforts (cf. Dominelli & Hoogvelt (1996) in relation to the “technocratization” of social work). Market globalization poses a rising threat to the relational as well as the distributional dynamics of welfare and citizenship.

The ILO, the WHO and some arms of the United Nations Organisation represent partial and fragmentary steps towards establishing a global framework for welfare. So also does the Jubilee 2000 campaign by Aid Charities for the cancellation of the debts of the poorest countries. However, compared with the progress of the World Trade Organisation, their scope is sadly limited. Alongside what they are doing, actions can also be traced within the various regional blocks, notably the European Union, to establish a social framework for economic activities and to ensure that social policy objectives are met on a transnational basis; but even here, progress is pitifully limited. As we enter the twenty-first century, this surely stands alongside and equal to the environmental challenge as the major political choice which our societies and their politicians face. It must involve efforts to establish a common moral basis for the distribution of rewards; to ensure a basic minimum for all citizens, but perhaps also a sense of what is a decent maximum; and to reassert the social responsibility of business, as against the amoral anonymity of the global marketplace.²

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