



REBUILDING THE WELFARE STATE IN MULTICULTURAL SOCIETIES

Tel Aviv 25th May 2015

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FEPS
MAY 2015

FOUNDATION FOR EUROPEAN
PROGRESSIVE STUDIES
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Dear friends,

It is an honour and pleasure to address you this morning here in Tel Aviv.

FEPS is very pleased that it was possible to set up this seminar together with the Center for political economics and its General Director Dr. Roby Nathanson. I am also very pleased that this seminar is organised together with the Renner Institute present with its President the former Chancellor of Austria, Dr. Alfred Gusenbauer and its Director Karl Duffek, who is also Vice President and Treasurer of FEPS.

The French member foundation of FEPS the Fondation Jean Jaurès is also contributing to this event.

The topic we have chosen is a very complex and concrete one for our daily work in politics. It is sensitive certainly here in Israel but also in our European countries as it is a crucial question of the labour movement and Social democracy in general.

“Rebuilding the Welfare state in Multicultural Societies” has to inspire us very thoughtfully.

Very quickly there are the usual questions occurring and for sure these types of questions are not coming from our political family or spectrum:

- Is ethnic diversity an enemy of social solidarity?
- Can generous social democratic welfare policies be designed and implemented in ethnically diverse societies?
- Is the western welfare model under attack by the increasingly blurred racial and ethnic lines in our countries?

This debate is of course framed by the fact that modern (western) democracies are experiencing the impact not only of deepening economic globalisation. The exponential increase in cross-country travelling, the increase in international labour, new patterns of mass international migration and the growth of immigrant communities are all factors that entail that modern societies have to deal with unprecedented levels of social flows.

It becomes easily apparent that there are two main worries, which in a way are the same side of the coin.

- Firstly, that these new forms of social diversity can only work to weaken support for the agenda of economic and social redistribution.
- Secondly, that policies encouraging multiculturalism, instead of succeeding in creating a more integrated society, only work to splinter the social coalitions supporting welfare societies.

Behind these two populist fears is the belief that multiculturalism and a generous welfare state are incompatible. Or, let us put this argument in the way the populists are framing it: A truly functioning multicultural welfare state is simply impossible to create and sustain.

Unfortunately this argument is also deeply rooted in the progressive family. In many of our political parties in Europe the belief is that something has to be changed fundamentally. The welfare state is under pressure and is seen as inadequate and inefficient in meeting the needs of the contemporary multicultural societies.

But is the welfare state and multicultural societies mutually exclusive? Is there really an inherent conflict between the welfare model and multiculturalism?

The answer is a clear NO!

There simply is no concrete evidence to support that this conflict is real, or at least of the magnitude that conservative critics would want us believe. What there is simply is either attacks on less homogenous societies or the welfare model itself.

Put more bluntly, if you want to attack multiculturalism because you want a 'purer' society, it's always easier to blame it on its supposed impact on the welfare state, and if you want to blame the welfare state, it's always easier to do so through attacking diversity. We have seen these attacks in Europe, we have seen them in the US and we have certainly seen them in Israel.

Therefore, we are not facing a grave dilemma in choosing between social insurance and redistributive policies that embrace multiculturalism and diversity.

This dilemma is a false one because it very horribly tries to attribute the problems of national welfare models (which are many, but are mostly due to lack of funding, inadequate design, inconsistent implementation and occasional lack of political will) to the fact that our societies are increasingly comprised of diverse constituencies.

Yes, tensions between these constituencies exist, but it is an extremely dangerous path to suggest that these are the main reasons behind whatever problems our national welfare systems are facing.

If anything, the bonds within our communities that used to be the foundation behind the solidarity required to build a solid and robust welfare state have now been substituted by bonds between communities. The homogeneity of societies that was once the bedrock behind public support for social re-distribution has now been substituted by new political coalitions that support the welfare system, simply because they are in dire need of it.

For all these reasons, we must be adamant in our rejection of the master narrative that these two concepts, multiculturalism and the welfare state are antithetical to each other.

We must fight tirelessly against the pessimism that undercuts most of today's debates, and which implies that diversity can only erode our welfare models. Above all, we must dismiss the belief that modern democracies must choose between actively supporting multiculturalism on the one hand and accommodating social policies on the other.

So every time we are faced with this false dilemma, we need to remember that diversity in our countries is and can further be the source behind the renewal of our welfare systems. Because, if we accept that both diversity and the welfare model are natural components of our lives, it follows that we must dedicate all our strength into not allowing any potential conflicts between the two to become obstacles towards finding the right balance. Multicultural politics is contemporary democratic politics, and for our democracies, the welfare state is a necessary prerequisite.

It is true that achieving this goal is a great challenge in itself. It is also true that there are no magic solutions, no universally applicable tricks to use, as each national story is different and each particular case unique.

But whatever the context, we must stand unified in our belief that this is doable. And to all the (mostly conservative) critics that would say that this is but a progressive illusion, let us simply remind them how much of a challenge it must have been in the beginning when societies first uttered the need for a welfare state: what obstacles had to be overcome, what widely held beliefs had to be reverted, what fears had to be countered, what social transformations had to take place.

Dear friends, we have to always remember where we are coming from.

It is often forgotten that we can better understand how we should place ourselves in a world that currently often disappoints to see a brighter future ahead. Social Democracy emerged as a movement against an economic and social system unable to accommodate hopes for decent living and quality employment. The movement provided a motivation for workers and people in general across the globe to stand up, unite and fight both for their rights and their dreams.

The record of historical achievements is more than overwhelming and could be interpreted as the impossible made possible and that realities can be transformed.

This is the battle we have to struggle for and we have to be eager to provide a renewed paradigm of a new vision of the social contract we want in our globalised societies.

Let us be clear: the roots of the crisis of the welfare state stem from the neo-liberal shift in the 1970s-1980s and should be seen as the culmination of a pattern of crises that has become frequent and deeper over the past 30 years. It is not by accident that we had last year the publication of the international bestseller of Thomas Piketty on “Capitalism in the 21st century”, it is not by accident that most of the progressive economists like Joseph Stiglitz or Paul Krugman and others have long argued that the policy priorities shifted away from the commitment to full employment and welfare and that is wrong and the cause of the problems we face.

Regrettably this also goes alongside with rising public discontent on how traditional parties and especially the Social-Democratic parties are behaving. The centre-left has unfortunately not come up with a convincing explanation of a strong message of change able to convince people and especially the younger generations to lend again their trust and invest their hopes for a better future in the Social Democrats again. Very often the message discredits the conservatives but on the other hand does not come forward with other clear alternatives.

Here lies the challenge for Social Democracy. It does not have to be the case any more that the poorer and more vulnerable layers of our societies pay the highest price in the form of long-term unemployment, lack of future opportunities and social impoverishment in old age.

This is a criminal neglect of the essential principle of the worker’s movement – Solidarity!

I’m sure that Social Democracy can re-emerge anew within such a difficult environment. It is time for the progressives to come up with a refreshed narrative on ways to ensure a fairer distribution of wealth, income, knowledge and power in the world of today.

FEPS has been working under the leadership of Alfred Gusenbauer in the last years in shaping such a new paradigm in Europe. We have created the NEXT LEFT debate, which has spread all over Europe even to the US and to Chile in Latin America. I am very grateful to him.

I am very pleased that we can discuss today these issues here in Israel with our friends. We are more than honoured that Isaac Herzog the Chairman of the Israeli Labour Party is with us this morning. Isaac Herzog attended the FEPS Call to Europe conference on international issues in Brussels in 2012 and we still have vivid memories of his very valuable intervention during that conference.

I am looking forward to the debate of today and I do hope that we have an open and enriching exchange of views and opinions.

Thank you very much for your attention.