

Creating a Sustainable Solidaristic Society:

A Manual

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Points of departure

Looking out over the world, both the rich industrial nations as well as the less developed countries, it is striking how large differences there are in social, economic and political equality. Measures of political, social and legal rights as well as respect for human rights vary enormously between countries. The same goes for measures of economic inequality and measures of social well-being such as poverty, literacy and population health. It is also the case that there is not only variation between countries but also huge variation within countries regarding most measures of social, economic and “de facto” political equality. One example is the variation in the percentage of children that live in poverty which is much lower in some countries than in others although they have the same level of general prosperity. In fact, some very rich countries have more children living in poverty than countries that are not so prosperous. In addition, in all democracies, possibilities to influence public policy vary systematically with social class. Moreover, the overall development within most rich capitalist market oriented countries is that inequality has increased over the last two or three decades. Solidarity, understood as a practice that increases equality in life chances in the above mentioned areas, is thus something that varies a lot both between and within countries. From a social science perspective, this variation can be used for explanatory purposes.

The starting point for this *manual for creating a sustainable solidaristic society* is the following: For a vast majority of people, human well-being would be improved if social inequality would decrease. The problem is how this can be achieved, given available knowledge and resources? This manual is an effort to summarize the *policy relevant results* of what is now my twenty years of research into this topic. The analysis is

mainly based on three books that I have published on this topic.¹ However, what is presented here should not be understood as resting on any sort of evidence or proofs since I think these words are too presumptuous for most of what can count as explanations for how causal relations operate in the social sciences. Therefore, I limit my pretensions by saying that there are reasonable empirical indicators that support my arguments. This article is thus intended to serve as a political manual for those interested in achieving increased equality in their societies. Simply put, this manual is a list of the “dos and don’ts” that I believe are essential for policy measures that are intended to increase equality. This implies that I will not burden this manual with references to research or presentation of data. For those interested in this I refer to the above mentioned books where I present my own as well as interpretations of many other’s research on this topic.

One central message in this manual is that *the level of social solidarity in a country is not culturally determined*. For example, the Nordic countries are not more egalitarian than Australia, the UK, Kenya, Brazil, Hungary or the US because there is something special with the Nordic culture. Another central message is that *policy measures for increased equality in a society are influenced by, but cannot be sustained over longer periods only by, interest-based political mobilization*. Thus, I will argue against cultural determinism as well as against different interest based theories such as neo-classic economic theory or interests-based variants of Marxism. My argument is that political choices are important, and most important is how central political institutions are designed. In other words: *increased social and economic equality is something that can be manufactured by the design of political institutions*. In political terms, designing institutions is thus the sophisticated equivalent to designing policies. This is because institutions (understood as formal and informal rules) have a large impact on what future agents come to understand as being in their interest and/or being in line with their social norms. To be more precise, if you want a more egalitarian society, thinking about how to design institutions is more important than engaging in ideological mobilization about the virtue of or need for increased equality. Also, I do not argue that solidarity should result in a perfectly equal society (and I don’t think such a society is something

¹ *Just Institutions Matter: The Moral and Political Logic of the Universal Welfare State* (Cambridge University Press 1998), *Social Traps and the Problem of Trust* (Cambridge University Press 2006) and *The Quality of Government: Corruption, Inequality and Social Trust* (University of Chicago Press 2011).

to strive for), but that much more equality, especially in certain areas that will be specified below, is both desirable and possible to achieve through political means.

Theory: The Basic Nature of the Problem

Anyone who is interested in a more equal society needs to be in possession of a correct understanding of “the nature of the problem”. To achieve this, one has to answer three questions. The first is the “what is it” question, namely what should equality be about? The second is the “how to get it” question, that is, what can be expected from (the vast majority of) humans when it comes to their propensity for solidarity. The third question is about strategy, namely how to make social solidarity sustainable.

The first question – equality of what? – has turned out to be complicated. In an era of “conspicuous consumption” and increased individualism and social heterogeneity, it is difficult to argue that the government has a responsibility to equalize all forms of consumption. First, consumption cannot be an end in itself and secondly, we should reward ambition. The best answers to the question “equality of what” have been given by liberal right-based philosophers such as John Rawls, Amartya Sen and Martha Nussbaum. They differ in certain important respects, but they agree that *equality should be about guaranteeing access to a specific set of goods and services that are important for people in order for them to be capable to realize their various potentials as human beings*. The central term for Rawls is “primary goods”, and for Sen and Nussbaum “capabilities”. The terminology implies that the problem is not to equalize economic resources or social status as such, but to ensure all individuals a set of *basic resources* that will equalize their chances to reach their full potential as humans. Standards are access to high quality health care and education, civil and political rights, equal protection under the law, basic social services and social insurance systems that support people that cannot generate enough resources from their own work, support for persons with disabilities, etc. The set of such capabilities enhancing goods and services can of course vary, but it is important to realize that equality, as a politically viable concept, has to be about specific things.² There is simply no way we, by political means, can

² Increased equality in the work life and in the family are for sure also important, but for reasons of space, I leave this out. I have treated these issues in other publications that I will be happy to send by email upon request.

equalize the ability to be a skilled musician, to be creative, to be loved, to be an outstanding researcher, a good parent or to be a first rate ballet dancer. What *is* possible to do by political means is to increase the possibility for those who happen to have ambitions in these (and many other) fields to realize their talents even if they have not entered this world with huge endowments. This can be done by giving them access to certain goods and services that are likely to enhance their capabilities of reaching their full potential as human beings. One implication from this that is very important is that *equality should be about individuals, not collectives* such as classes, groups, clans or tribes whether these are based on social class, occupation, kinship, religion, gender, ethnicity, sexual orientations or any other form of collective categorization. One reason for this is that many of these community belongings or identities are floating and that branding individuals (especially children and young people) into such collectives by administrative means can result in gross violations of their human rights. A second, and more important argument, is that there is no guarantee that the majority in groups like these will not oppress or exploit individuals that are put under their surveillance or, even worse, jurisdiction. In sum, *arguments for increased equality should not be based on utilitarian theory but on theories about individual rights*.

The idea that social equality should be about having rights to primary goods or basic resources is important. However, this is also the end of what modern political philosophy can do for us when it comes to increasing equality. For the other central questions on how to create and sustain a more equal society, contemporary political philosophy is, at best, useless but most often counterproductive. The first reason is that political philosophers in general are uninterested of and unaware of the organizational and institutional sides of politics. One can say that they deal with the question of what the (democratic) state ought to do, but ignore the problem of what this state is capable of doing. Issues about institutional design or implementation of policies are, with a few exceptions, ignored in modern political philosophy. More often than not, the policies that would follow will result in implementation nightmares. This is because political philosophers in general think that the normative principles they deal with should have first priority. Once we know what these principles about justice, fairness and equality are, they argue that the rest is second-order administrative and organizational tasks that really don't require much serious attention. My argument is that *neglecting the administrative and organizational parts of politics is detrimental for achieving*

increased equality. Issues about institutional design should not be treated as second-order problems since they are necessary for realizing any propositions about equality, not least the issue of how to get a majority to support equality enhancing policies. The idea of most political philosophers, that issues about institutional arrangements should not influence (in reality, contaminate) their suggestions based on “first principles” is, to put it mildly, irresponsible and makes many of their suggestions irrelevant or counterproductive. Neglecting this side of the problem is a serious mistake because the policies they usually suggest may, more often than not, run into severe problems of legitimacy that according to what is known from empirical research would create a political majority against any realization “on the ground” of increased equality.

For example, many well-known political philosophers (and people on the left in general) have over the years suggested policies for increasing equality that are directed to specific disadvantaged groups. Such policies are very likely to run into a long range of serious problems of legitimacy when they are to be implemented. For example, in order to decide who belongs to the disadvantaged group and, if so, how much and what support this person should be entitled to, an army of bureaucrats has to be employed, which has to engage in investigations that can be very intrusive. Moreover, there will always be a number of “border cases” that either don’t get the support they deserve, or who do get support they don’t deserve. In addition, such programs, precisely because they are directed towards vulnerable and/or deprived minorities, tend to increase what renowned social psychologist Claude Steele has labelled “self-stereotyping”, that is feelings of being less capable, which in its turn hampers the individual’s *de facto* capability. Moreover, services intended “for the poor” tend to be “poor services” thereby increasing stigmatization of the group one want to support. In fact, when deciding if they think that their government is legitimate, recent studies show that the quality of government (that is, control of corruption, the rule of law and government effectiveness) is more important than are democratic rights and welfare outputs. In sum, citizens in general do pay attention, not only (if at all) to the normative principles that policies are based on (substantive justice) but to a surprisingly high degree to the issue if they are implemented in a fair, trustworthy and impartial way (procedural justice). It

should be added that considerable parts of modern political philosophy in this area also rest on unrealistic and unsubstantiated ideas about the human nature (see below).³

Thus, my second message in this manual is this: *In order to create a sustainable solidaristic society, insights from normative theory and empirical research about public policy should to be given equal weight* when policies and institutions for enhancing equality are to be designed. If the latter is left out from the equation, the policy proposals are likely to do more harm than good. Needless to say, empirical research into this area that is carried out in the absence of a serious reflection of its normative implications is as dangerous and irresponsible since it is likely to end in mindless utilitarianism where the dignity and rights of individuals will be sacrificed for some future common good. It deserves to be pointed out that utilitarianism has come in both a rightist (fascism) and leftist (Stalinist communism) version. Nevertheless, the idea of giving all citizens equal access to a set of primary goods or basic resources that will increase the likelihood that they can fulfil their potential as human beings is problematic in this respect. The reason for this is that the majority's preference for whatever set of such primary goods/basic resources can be seen as very problematic for various minorities. Even such a, usually uncontroversial, "primary good" as access to secondary education has been contested by ethnic-religious groups (e.g. the Amish) as a threat to the survival of their culture since it dramatically increases the risk that their children will leave their congregations. The problem is of course that the children deprived of such education will have to forsake many roads in life in which they may have realized their potential. There is, as I see it, no perfect solution to this problem other than that this calls for a fair amount of tolerance and respect for human rights in the implementation of any set of "primary goods" policies. In general, *primary goods that can be used by citizens to increase their capabilities as autonomous citizens should be preferred and systems that cater to the "one size fits all" idea should be avoided.*

Empirical Finding One: Reciprocity as Human Nature

³ A recent such misconception is Ronald Dworkin's idea that a more just society requires that in politics, agents would not regard each other as competitors but instead as "partners". This is admittedly quite romantic but as a base for creating sustainable solidarity completely unrealistic.

When striving for a more equal society, it is important to start from a correct understanding of “human nature”, especially if you want your reforms to have a lasting impact. Ideas about the “basic human nature” have had a long history in the social sciences that has now, I believe, finally been resolved mostly by experimental research. To make a long story short, the idea of man as a “homo economicus” has simply been refuted by this type of research. The results from laboratory, fieldwork, and survey research that speaks against man a utility-maximizing rational agent is now by and large overwhelming. Self-interest is for sure an important ingredient when people decide how to act, but it is far from as dominating as has been portrayed in neo-classic economics (or for that matter, in many Marxist theories). Moreover, it would be impossible to create solidaristic or cooperative institutions of any kind (including democracy, the rule of law and respect for property rights) if individual utility-maximizing self-interest would be “the only game in town”. The reason is that such individuals would fall for the temptation to “free-ride” and if a majority do this, such institutions would never be established and if they existed (for some other reason) they would soon be destroyed. If all agents act out of the template prescribed in neo-classic economic theory, they will sooner or later outsmart themselves into a suboptimal equilibrium. The result is that they will end up in a *social trap* which is a situation where all agents will be worse off because even if they know they would all gain from cooperation, lacking trust that the others will cooperate, they will themselves abstain from cooperating.

However, this new experimental (and to some extent field) research does not present humans as benevolent altruists. True, there is altruistic behavior, but it is usually restricted to very small circles of family and close friends. Or it is simply too rare and also too unpredictable for building sustainable systems for solidarity at a societal level. This lesson is important since it tells us that trying to mobilize political support for increased equality by referring to peoples’ altruistic motives is likely to fail. Admittedly this is a hard and somewhat sad lesson for many who would like to see a more equal world.

What comes out from this research is instead that *reciprocity is the basic human orientation*. The central idea here is that people are not so much motivated “from the back” by utility-based calculations or culturally induced norms. Instead, human behavior is to a large extent determined by forward looking strategic thinking in the

sense that *what agents do, depends on what they think the other agents are going to do*. Thus, the idea of reciprocity recasts fundamentally how we should understand and explain human behavior. Instead of looking backwards to what causes variation in utility-based interests or culturally induced norms, the important thing is to understand how people's forward looking perceptions about "other people" are constructed. Historical experiences and "collective memories" certainly play a role here, but research also show that people update their perceptions based on new information.

Regarding the prospect for solidarity, results from research show that most people are willing to engage in solidaristic cooperation for common goals even if they will not personally benefit from this materially. However, for this to happen, three specific conditions have to be in place. First, *people have to be convinced that the policy is morally justified (substantial justice)*. Secondly, *people have to be convinced that most other agents can be trusted to also cooperate (solidaristic justice)*, that is that other agents are likely to abstain from "free-riding". Thirdly, *people have to be convinced that the policy can be implemented in a fair and even-handedly manner (procedural justice)*. For the first issue, the work from the philosophers mentioned above can come in handy. The second requirement, which are as important for generating support for solidarity for policies for increased equality, have to be resolved by institutional design where knowledge from research in policy implementation and public administration in general are needed. For example: It is not difficult to argue that universal access to high quality health care and sickness insurance qualifies as a "primary good" in the above mentioned sense. However, if a majority cannot be convinced that a) most people will pay the increased taxes required for producing these goods, or that b) the good will not be delivered in a manner that is acceptable, fair and respectful, they are not likely to support this policy. If the health personnel are known to be corrupt, unprofessional or disrespectful, support for this policy will dwindle. The same goes for sickness insurance. People are likely to support insurance for people that are ill, but if perceptions of misuse or overuse (that is, "free-riding") become widespread, support will decline. In other words, *solidarity is conditioned on the institutional design of the systems that are supposed to bring about the policies that will enhance equality*. This has been formulated in the following words by John Rawls:

A just system must generate its own support. This means that it must be arranged so as to bring about in its members the corresponding sense of justice, an effective desire to act in accordance with its rules for reasons and justice. Thus, the requirements of stability and the criterion of discouraging desires that conflict with the principles of justice put further constraints on institutions. They must not only be just but framed so as to encourage the virtue of justice in those who take part in them (*John Rawls: A Theory of Justice, 1971, p. 261*).

The central idea in this quote is how Rawls specifies that for making a solidaristic system sustainable, we have to be aware of the existence of a “feed-back mechanism” between people’s support for just principles and their perceptions of the *quality of the institutions* that are set up to implement these principles.

It is important to realize that reciprocity also has a dark side. History and many contemporary events as well as experimental evidence show that “ordinary people” are willing to engage in the most horrible atrocities to other people (again, also if they do not personally benefit from their actions) if they are convinced that those “other people” would otherwise harm them. However, bad reciprocity also exists in less dramatic (and horrible) circumstances. Distrust in other agents or in the institutions may lead to a vicious circle that can break any system or policy set up to increase solidarity. Again, Rawls did clearly see this problem between institutional design and support for justice (which has sadly been neglected by most of his followers in political philosophy):

For although men know that they share a common sense of justice and that each wants to adhere to existing arrangements, they may nevertheless lack full confidence in one another. They may suspect that some are not doing their part, and so they may be tempted not to do theirs. The general awareness of these temptations may eventually cause the scheme to break down. The suspicion that others are not honoring their duties and obligations is increased by the fact that, in absence of the authoritative interpretation and enforcement of the rules, it is particularly easy to find excuses for breaking them. (*John Rawls: A Theory of Justice, 1971, p. 240*)

It is clear that Rawls points to the problem of reciprocity in the form of trust in others (“confidence”) and that he argues that it is the existence of institutional arrangements that can handle “free-riding” and other forms of anti-solidaristic and opportunistic behavior that are needed to avoid that systems based on principles of justice to break down.

Thus, we arrive at the conclusion that regarding justice, the basic nature of human behavior – reciprocity – can go both ways. On the one hand, the idea of reciprocity stands against the cynicism about human nature that has been central to interest-based theories that has dominated most economic approaches in the social sciences. On the other hand, reciprocity is also in conflict with a naïve idea about human nature as genuinely benevolent, which many equality-enhancing policies have been built on. Instead, reciprocity tells us that if we through the design of institutions can make people trust that most other agents in their society will behave in a trustworthy and solidaristic manner, they will do likewise. If not, they will defect, even if the outcome will be detrimental to their interests.

That reciprocity can go in different directions is also what we see if we take just a simple look at most of the rankings of countries’ performance that have now become abundant. The level of corruption, to take just one example, shows staggering differences between countries. This particular “social bad” also serves as a good example of why reciprocity is a better starting point for understanding human behavior than its rivals. If we relied on cultural explanations, we would have to say to our sisters and brothers in, for example, Nigeria that the extremely high level of corruption in their country is caused by their corrupt culture. Or if we started from interest based explanations, we would be unable to explain why the huge variation of corruption exists without relying on either genetic or cultural explanations. However, if we base our explanations on the idea of reciprocity, the explanation for the high level of corruption in, for example, Pakistan is that the institutions in place makes it reasonable for most people to believe that most other agents will be engaged in corrupt practices, and thus they have no reason not to engage in these practices themselves. Simply put, it makes no sense to be the only honest policeman in a thoroughly corrupt police force. It is important to underline that, contrary what is taken for granted in neo-classical

economics, we have absolutely no reason to believe that societies (or any group of agents) are able to produce the type of institutions that they would prosper from. A quick look at the facts shows that a vast majority of the world's population live under either deeply or fairly corrupt public authorities. This, it should be added, turns out to have devastating effects on their prosperity, social well-being and possibility to launch policies that will increase equality.

Finding Two: The Importance of Social Trust

A central conclusion is thus that reciprocity, as the baseline for human agency, can go in two directions. One will result in more solidaristic cooperation for increased equality and thereby increased human well-being. The other one is exactly the opposite resulting in all sorts of bad outcomes such as high levels of corruption, discrimination, civil strife, massive exploitation and ethnic cleansing. Given what is known from the record of human history, it is not advisable to be naïve in these matters. We should never forget that even societies known for their high level of civilization have shown themselves to be capable of the worst imaginable forms of atrocities.

The most important thing we need to know is then what it is that makes reciprocity turn bad or good. Theory and research gives a reasonably clear answer to what determines the direction reciprocity will take society, namely the level of social or generalized interpersonal trust. Simply put, if most people in a society believe that most other people in that society can be trusted, they have good reasons to support policies that are based on solidarity and thereby will increase equality as it has been specified above. However, if they believe that most people should not be trusted, the outcome will be the opposite.

As with corruption, research on social trust (and the related concept of social capital) has increased tremendously since the mid-1990s. This is in part because empirical research shows that high levels of social trust at the individual level is connected to a number of important factors such as tolerance towards minorities, participation in public life, education, health, and subjective well-being. At the societal level, high trust

societies have more extensive and generous social welfare systems. How to understand a concept like social trust is not easy; obviously when asked in surveys, most people do not really know if most other people in their society can be trusted. One interpretation is that social trust is an expression of optimism about the future. Another interpretation is that when people answer the survey question if they believe (or not) that most other people can be trusted, they are in fact answering another question, namely that they are making an evaluation of the moral standard of the society in which they live. Both interpretations should be seen as answers to the central question for the way in which reciprocity will turn, namely what people believe about what other people will do if they try to engage in some collaborative effort with them. Again, the notion of reciprocity says that what people do depends on what they think other people will do, and this is likely to be determined by how they think about other people's trustworthiness, which of course can be seen as how they interpret the general moral standing of their society. For the case of creating a more equal society, the results are clear. Although not a perfect correlation, societies with more interpersonal trust have more political, economic and social equality, including gender equality. It is important to note that I'm here referring to what is known as generalized trust, that is, trust in people in general of whom there is no way to have anything that comes close to perfect information. This is different from particularistic trust which refers to trust in small groups of friends, clans or (social and professional) cliques. Such inward or group-based trust can often lead to severe social conflicts that are detrimental to human well-being.

An important result from recent research is that people from cultures where interpersonal trust is very low do not keep their low social trust when they have moved to a society where interpersonal trust is high. Instead, they update their trust in other people based on new information of how trust-relations operate in their new society. Most important for the issue discussed here is how they perceive the trustworthiness of other agents in their new society and especially of how they perceive the fairness of the public institutions that exists in their new society. This shows that propensity for social solidarity is not culturally determined but can be influenced by institutional design.

Finding Three: The Quality of Government Institutions Increase Social Trust

How then, can generalized trust be generated? Again, recent research gives a reasonable clear answer to this question. A high level of generalized trust is caused by what has been called high quality government institutions, especially the institutions that implement public policies. The central basic norm for these institutions is impartiality. This implies that things like discrimination (whether based on ethnicity, gender, class, etc.), corruption (in its many forms), clientelism, nepotism and political favouritism are very rare or non-existent when public officials or professionals implement public policies. Social trust is thus not generated “from below”, for example from civil society or voluntary associations, but “from above”, by how people perceive the fairness and competence of government institutions. Thus, *designing institutions that implement public policy is to create (or destroy) social trust*. The reason for this effect is that when people make up their mind if most people in their society can be trusted, they make an inference from how they perceive the authorities. If the local policeman, schoolteacher, social insurance administrator, judge or doctor cannot be trusted (because they discriminate against people like you, or ask for bribes, or give preferential treatments to some groups, etc.), then it is reasonable to assume that neither should you trust “people in general” in your society. And vice versa, if they are known to be honest, impartial, competent and fair, then it is likely that this will spill over to “people in general”. Moreover, if the public authorities are known to be engaged in the type of “bad” practices mentioned above, then many people will come to think that in order to get what they need in life (immunization to their children, building permits, employment in the public sector, etc.) most people will have to be engaged in these kinds of bad practices, and thus they should not be trusted.

For social policy and many other policies that are intended to cater to increased equality in the above mentioned sense, this has a number of implications regarding institutional design. The most important is to strive for universal systems and avoid, as much as possible, all systems that are directed to supporting specific groups and/or entail bureaucratic discretion. Universal programs, like for example universal child allowances, universal pre-schools and schools, universal pensions, universal health care,

are to be favoured instead of specific programs directed to specific groups like “the poor”, to certain minorities, or to women, etc. The reasons for universalism are fivefold: First, universal systems entail a minimum of (if any) bureaucratic discretion. Thereby, not only corruption, but all forms of bureaucratic intrusions connected to needs-testing, is avoided. Secondly, since universal programs in principle cater to “all”, they will include the middle class and thereby almost automatically secure a political majority and thereby make the program politically sustainable. Programs that are built solely on interest group mobilization will always be vulnerable to interest-based counter-mobilization. Universal programs also avoid an “us and them” division of society. Thirdly, universal programs avoid the problem of stigmatization of specific groups and individual “stereotype-threat” that was mentioned above. Forth, although they give benefits also to “rich” people, universal programs turn out to be very redistributive, more so than programs which “take from the rich and give to the poor”. The reasons are that the benefits are usually nominal in money or costs of services, but taxes are either proportional to income or progressive. Even when universal programs are income-related, such as for example many pension systems in more developed countries, there is usually a “cap” which makes them redistributive. Fifth, universal programs, especially when it comes to services like education or elderly care, will usually be of high quality since the need to keep the more well-to-do people “on board” will make it difficult for politicians to lower the quality of the services if they want to stay in power. In sum, universal programs have the capacity to “generate their own support” as stated by John Rawls above.

Admittedly, there are policies when universal institutions will not work. It is difficult to have a universal policy for active labor market policy since each unemployed person is different and will need different types of support in order to find a new job. The same goes for much of social assistance to dysfunctional families since each decision of whether or not to take a child into custody must be based on a professional judgement of the specificities of the particular case. In these areas, it is important to try as much as possible to use other means to ensure impartiality and fairness in how decisions are made in the implementation process. High quality training for professionals and civil servants, systems for accountability and control, possibilities to appeal, are but a few such possibilities. *In sum, high quality of government institutions will increase the level of social trust, which will make reciprocity turn into solidarity, which in turn increase*

equality. To the best of my knowledge, this is in one sentence how to reach a more equal society.

The Five Temptations that Should Be Avoided at All Costs

A manual cannot consist only of instructions on what to do. Usually, manuals also contain a long list of things *not* to do. As for creating a sustainable solidaristic society, I have four such warnings. They can, historically, be seen as temptations that politicians and activists who have strived for a more equal society have fallen into and which all have had detrimental effects on the possibility for achieving and sustaining political support for the type of equality enhancing policies specified above.

First, *do not side with the producers*. Many of the “primary goods” that need to be made available by the state in order to increase equality are services and thus entail a great amount of employees (teachers, health care workers, etc.) Too often, politicians that have been responsible for equality-enhancing policies have come to side with the service producers instead of with the citizens. There are various reasons for this, one being that many politicians on the left have a background in, or close connections to, public sector unions. Public sector workers’ interests are of course often very legitimate, but in many instances their interests have been set before the citizens they are supposed to serve. The problem is that many social services have been produced in the form of monopolies where the “customers” could be taken for given. Such organizations are usually neither service friendly nor particularly creative or innovative. While financing of the primary goods should be the responsibility of the government, production should in many service areas be left to private and non-governmental organizations. However, it is important to understand that since the services in question are very important for the well-being of citizens (there is a reason for the term “primary goods”), such markets needs to be tightly regulated and the producers supervised. Monopolies in service production should be avoided and market-like systems that promote choice and innovation should be supported. Such a transformation requires more, not less, regulation

Secondly, *do not fall for the siren calls from special interest groups*. Politics is admittedly an interest group battle, but too often politicians have sacrificed universalism for particularism and launched policies that cater to specific groups. Various groups on the labor market, specific branches of industries, or ethnic groups are but a few examples. Multiculturalism is in many parts of the world an empirical fact and should be applauded as such. However, this is not the same as saying that we should also have right-based multiculturalism in the form of specific rights for specific ethnic or religious groups. My recommendation is to avoid what has for a long time a favorite theme of the intellectual left, namely, identity politics directed at specific minorities. There are three reasons for this.

First, such politics is, by definition, anti-majoritarian – in fact, one could argue that, through its inherent logic, a focus on minorities creates a majority opposed to left-wing politics. It is quite simply impossible to build a politically effective coalition out of a plethora of disparate minority groups, as they often have completely conflicting interests. A political movement with such a focus will reduce itself to a supermarket for specific special interests and minority groups, rather than building toward a majority. This has been the case in many European countries with respect to the integration of immigrants and ethnic minorities. Again, support for vulnerable minorities is most effective when universal programs are designed to include minority needs without singling them out as special rights. .

Second, identity politics tends to stigmatize the very group it aims to support. Further, as demonstrated by social psychologist Claude Steele in a number of ingeniously constructed experiments, identity politics often creates negative stereotypical self-images among vulnerable groups. This has been shown to have very negative consequences on the self-esteem of the affected individuals, and on their ability to perform well. Third, such particularistic politics often breeds a cumbersome bureaucracy which, on a case-by-case basis, is left to decide what type of, and how much, support individuals are entitled to have. This, in turn, feeds criticism of social democracy for an over-reliance on top-down government solutions.

Third *stay clear of paternalism*. Activists and many politicians that have strived for a more equal society have in reality often had paternalistic idea of how ordinary people

should lead their lives. This has, with increasing individualism and education become much more problematic. Especially when it comes to services such as education, child-care, elderly care and health care, the “one size fits all” syndrome must be seen as outdated. Regulated market-like solutions, where citizens can choose from a plethora of different service providers, should be supported. There are, in addition to what was mentioned above, one more fundamental reason why choice in areas like this should be the rule. From implementation research comes an important result, namely that the operative staff who work face-to-face with the clients – teachers, health care and elderly care staff – must be granted a relatively wide freedom of action and discretion in how to carry out their work. Accordingly, many decisions of very great importance for individual citizens are made by local public organs and individual officials. This, however, creates what we might call a *democracy’s black hole*. Power is wielded over citizens, in for them extremely important, matters by officials that for the most part cannot be held accountable for their actions. The many cases where school children have been bullied, often for years, or when people in elderly care have been seriously mishandled, speak to this problem. Without the possibility to “go elsewhere”, that is to allow people to choose between different service providers, violation of basic human rights will be a constant trouble for equality enhancing policies. Again, systems with competing producers need to be tightly regulated since one cannot take for granted that such producers will not try to “cut corners”.

Fourthly, *do not yield to narrow minded economic thinking about taxes*. Yes, it is true that universal social policies come with high taxes for the simple reason that if “everyone” is going to be entitled to a reasonable set of publicly funded “primary goods”, this will be costly for the public coffers. However, this is not the same as being a burden for the economy at large. It is a misunderstanding that high levels of taxation become a hindrance to economic growth. In a global perspective, rich states have a level of taxation that is almost twice as high as compared to poor states. And when the rich Western states are compared over time, the evidence that high public spending is negative for market-driven economic growth is simply not there.

This reveals a misconception regarding what a universal welfare state is about. The large part of this type of welfare state is not benefits to poor people but universal social insurances and social services that benefit the whole, or very large, segments of the

population. These goods are in high demand by almost all citizens, and research shows that having these demands covered by universal systems in many cases becomes more cost effective. The economic theory about problems of asymmetric information on markets is well suited for understanding this. Although this theory is quite technical, the logic is very simple. For example, in private health insurance systems, the costs that such information problems lead to (overtreatment, overbilling, the administrative costs for insurance companies screening out bad risks, the costs for handling legal problems about coverage) can become astronomical, as seems to be the case in the United States. Universal systems are much more cost effective in handling these problems since risks are spread over the whole population and the incentives for providers to overbill or use costly but unnecessary treatments are minimal. These information problems provide a very good economic justification for universal social insurances. From the standpoint of social equality, this has the advantage of including the segment of the population that, from their “market wage”, never would have had the chance to afford these services.

Lastly, on this point, it should be added that among the OECD countries which today carry the most malignant deficits in their public finances (Greece, Spain, Portugal, the UK, Ireland and the US), one will find none of the countries with relatively high public expenditures, while those with more egalitarian type of policies (Denmark, Finland, the Netherlands, Norway, Sweden), and thus much higher spending on social services and social insurance systems in general, have their public finances in good order. In other words, the main theme of neo-liberalism, that we need to choose between ‘fairness’ and ‘effectiveness’, and that large public expenditures would be damaging for the public economy, proves erroneous.

Fifthly, *do not excuse political defeats by blaming structural factors* such as the media, globalization, international finance or patriarchy. If the pioneers of social welfare policies would have done this, they would never have started. Structural conditions may make things difficult, but at the end of the day, I’m convinced that they can be defeated by clever forms of institutional design.

About the author:

Bo Rothstein holds the August Röhss Chair in Political Science at University of Gothenburg in Sweden where he is head of the *Quality of Government Institute*. He took his PhD at Lund University in 1986 and served as assistant and associate professor at Uppsala University 1986 to 1994. He has been a visiting scholar at the Russell Sage Foundation in New York, Cornell University, Harvard University, Collegium Budapest Institute for Advanced Study, the Australian National University, Edinburgh University and the University of Washington in Seattle. In 2006, he served as Visiting Professor at Harvard University. He has also served as adjunct professor at University of Bergen and University of Aalborg. From 2003 to 2009 he held a scholarship for “leading scholars” from the National Swedish Science Council and 2010 he holds a special stipend as *Wallenberg Scholar* from the Knut and Alice Wallenberg Foundation. His new book, *The Quality of Government: Corruption, Inequality and Social Trust in International Perspective* will be published by University of Chicago Press in August 2011. Among his earlier books in English are *Social Traps and the Problem of Trust*, and *Just Institutions Matters: The Moral and Political Logic of the Universal Welfare State* (both Cambridge University Press 1998) and *The Social Democratic State* (Univ. of Pittsburgh Press 1996). His articles have appeared in scholarly journals such as *World Politics*, *Governance*, *Comparative Politics*, *Scandinavian Political Studies*, *American Behavioral Scientist*, *European Journal of Political Research* and *Comparative Political Studies*. He is also a regular contributor to the Swedish debate about public policy and has published more than 100 op-ed articles in all major Swedish daily newspapers. Rothstein is also a proud member of the supporter club of his hometown soccer team Malmö FF – “The Heavenly Blue”.