

Reports to the Government

Social Dichotomy in Perspective

50

1996

Summary of the 50th Report

The Hague, 1997

**Netherlands Scientific Council
for Government Policy**



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Synopsis

This report explores the opportunities for and threats to social cohesion in the Netherlands in the next twenty years. Reason for this is that concepts like social segmentation, social disruption and 'dichotomy' and their possible social consequences have been given much attention in recent years, not only in the public discussion, but also in government policy and scientific circles. The result of this report, which can be considered a socio-cultural exploration of the future, can be summarized as follows:

- during the 1970s and 1980s the social cohesion in the Netherlands has been under severe pressure. The socio-economic framework was not flexible enough to deal with profound socio-cultural changes. Nowadays the chances of success for a harmonious socio-cultural development in the medium long run have increased. This is mostly due to the expected positive development of the socio-economic framework, especially the job market, due in part to the continuation of government policy in that area;
- however, this in itself does not rule out an increase in social dichotomy. Especially progress for those in the middle could lead to stragglers at the 'bottom' being left out of the equation. Insofar as there is such 'stragglings', it is largely related to the remaining regulations and institutions in the welfare state that once were adequate protection for weaker groups in society, but in today's social developments have the opposite effect;
- to avoid this from happening, policy must continuously be adapted to modern times. Two notions are especially important for the immediate future: the 'emancipation of work' and the 'emancipation of talent', meaning creating more possibilities for unskilled but socially meaningful jobs, as well as recognizing human equality at different levels in the working order;
- insofar as these notions of emancipation are successful, it will appear that even a society that is becoming more individual can retain a high measure of social cohesion.

This train of thought has been developed as following. Chapter 1 takes a closer look at the concept of 'dichotomy', to provide a more scientific definition. The main definition of the problem that is deduced from this entails that *facts* about dichotomy cannot be seen separate from *opinions* about it. There is an interaction between what is actually going on and what people think of this. A better view of this interaction is required to place the notion of dichotomy in perspective.

In chapter 2 the actual state of dichotomy in the Netherlands is considered by analyzing the developments in three areas of division - work, education and income. These areas have been chosen because they make up the framework within which the social cohesion is formed. The reasoning behind this being that a prosperous development in these areas should in principle offer the opportunity of increased social cohesion. A less prosperous development could mean that social connections will be increasingly strained. Chapter 2 deals with changes in relevance, imbalance, accessibility and openness for each area of division.

The main conclusion of these analyses is that the relatively positive development of the present, after the years of deterioration of the framework for a socio-cohesive development during the 1970s and 1980s, does not mean that opportunities for social integration are automatically guaranteed.

In chapter 3, this main conclusion will then be considered for three groups that are historically known as 'emancipation categories', namely women, allochthonous people and the elderly. This results in a second main conclusion, namely

that these categories have become less relevant as a group for government policy. The differences between these categories have become too large to consider them as one group. It also becomes clear (again) that, despite sex, ethnicity, age or other backgrounds, it is especially the combination of being unskilled and being excluded from the job market that forms the common factor of disadvantage. The meaning of this conclusion for government policy is that efforts aimed at the difficult position of unskilled labor on the job market are more relevant - and, which is an advantage, can also be less discriminating - than specifically categorical policy.

In chapter 4 these findings are used to contemplate the future. The chapter deals with the question how developing 'facts' will influence 'opinions' and how changed opinions will lead to the discovery of new facts.

The first paragraph deals with the contextuality of concepts, so it can clarify the discussion about dichotomy and the possible social disruption as a result of it. Problems are pointed out that arise in judging reality when concepts that were once adequate in themselves are used out of context. The wide variety of evaluations of the same reality, depending on which facts are included in the assessment, speak for themselves in this case. Facts are often not conclusive; whether certain facts and groups are in- or excluded in the assessment (the 'inclusive' or 'exclusive' calculus) also determines the concepts with which reality is considered.

Under the subsequent header of 'emancipation of labor' is indicated how the historical movement of quality control in labor can be followed up on in the future, provided all kinds of time-bound regulations that once attributed to this emancipation will be replaced by new ones, that are better suited for the changed circumstances. Thought is given to removing hindrances for performing meaningful work at the bottom of the educational ladder. The enrichment of the social system and especially the introduction of the job participation motive in the function of social security as guarantor are of great importance here.

The removal of such hindrances also means that the 'emancipation of talent' should receive attention in government policy. If intellectual competence replaces descent and fortune as a social instrument of division, this can further diminish the position of the less educated. An unstipulated meritocracy would therefore not contribute to the social cohesion. 'Emancipation of talent' means that all talent, including the small, is entitled to a place in the most important mechanisms of division in society. Exclusion of the job market does not fit in that concept. In the long run, inclusion would mean that the fundamental equality of people is recognized, disregarding criteria such as social heritage or intellectual competence. The breakthrough of a possible identification of intellectual competence with human dignity would also create more possibilities for a tailored education.

The last section once again elaborates on the future. In a society that is becoming more and more individualized, forms of categorical emancipation and solidarity become less useful as touch-stones for government policy. The disappearance of traditional forms of solidarity and social cohesion does not have to mean that solidarity itself is gone. The council thinks that although old 'preconceived' forms of solidarity are dwindling because of the individualization, new forms of individualized solidarity are appearing. Historical examples are pointed out to demonstrate this. The gradual change that is taking place in the role and style of government, market and social ground also fits in. The realization that individualization of solidarity is not a contradiction in terms is a valuable condition/prerequisite for a sufficient socio-cultural policy in the next twenty years.

Introduction

This report was prepared by an internal project group at the WRR under the chairmanship of Professor H.P.M. Adriaansens, member of the council. Other members of this projectgroup were Professor R. Rabbinge, member of the council, dr. A.P.N. Nauta, former secretary to the council, and the staff members dr. P. den Hoed, H.C. van Latesteijn, Professor C.W.A.M. van Paridon (project co-ordinator) and D. Scheele.

The report is based in part on studies by external experts from Utrecht University and Nijmegen University. These studies have been published in the volume *De sociale segmentatie van Nederland in 2015* (Social segmentation in the Netherlands in 2015); by H.B.G. Ganzeboom and W.C. Ultee (eds), WRR, Preliminary and Background Studies, no. 96, The Hague, Sdu Publishers, 1996.

Social dichotomy in the Netherlands

I.1 Opinions and facts

The future of our society is often addressed with concern. There seems to be a widespread fear that the present forms of social injustice will increase, and that a social dichotomy will develop in numerous areas, from health care to the labor market. The growing gap between the haves and the have-nots is used as an indication. Dichotomy, exclusion, dual society, outsiders and underclass are terms used to warn for such developments.

An unknowing outsider - the proverbial 'man from Mars' - would be amazed at the fact that in an advanced welfare state like the Netherlands people are discussing dichotomy and its possible distorting influences on society. In one of the most healthy societies in the world, there is talk about an impending dichotomy in health care; in a country with a very egalitarian distribution of income there are warnings about increasing the gap between the rich and the poor; in a country with the most successful post-war public housing policy, inner city decay is seen as a threat; in a country with a relatively good welfare system, a connection is noticed between a 'culture of crime' and a 'culture of poverty'. It is the people who stay on welfare who - despite the growing economy - influence the discussion on social security, and even though participation on the labor market is bigger than ever, there is concern about the high level of unemployment.

Are such discussions unwarranted? Certainly not. Even though the facts indicate that sometimes things are seen out of proportion, there is still a problem. The essence of the problem is the *discrepancy between the desired and the actual development* in these areas. The ideal of a humane society and the need for a more just subsistence level are still not in conjunction with the facts - certainly not on an individual level. Recognition of this inevitable gap between desired and actual developments is the starting point from which this report considers dichotomy, especially in the future. Of course this approach has its limitations as well, which will be discussed later on.

This report does not attempt to deny the social concern about dichotomy and its possible consequences, but wants to put it into perspective. It tries to do so by representing both the *actual* changes that have taken place in a number of important dimensions of social distribution and social cohesion, as well as the changing *opinions* on desired forms of cohesion and distribution. After all, actual developments and opinions influence each other back and forth, and both are under continuous change. When considering the question if social dichotomy will put increasing pressure on the social cohesion in the Netherlands in the future, the answer cannot ignore this, and therefore cannot limit itself to the extrapolation of short-term developments in the light of current problem definitions. If and how these problem definitions are subject to change and what the effect will be on the trends and developments measured earlier must be considered as well. Experience shows that especially in the area of socio-cultural changes, actual developments go hand in hand with developments in opinions, new problem definitions and new ideology. Social arrangements that are now seen as a threat, were once the basis for the functioning of society. The very same regulations that 'protected' women from labor in the 1950s, and left them free to provide care and raise children were criticized as discrimination against women in the 1970s. An important part of our population considered a reprehensible system like Apartheid a suitable

form of Christian charity and a 'debatable' form of guardianship until the middle of this century. In 1978 it was the leader of the (liberal) party in the Dutch Lower Chamber who thought the increase of unemployment to over 150,000 would be the end of social cohesion in the Netherlands. Such diverse factors - changing attitudes, definitions and ideology - cannot be left out of a socio-cultural exploration of the future.

Taking this interaction into account does not make the exploration any easier. It becomes somewhat like shooting clay pigeons from a roller coaster: although the track of the clay pigeon can be predicted to some extent, the movement of the roller coaster is already much harder to foresee, and a connection between the two almost impossible to describe. In the case of this socio-cultural exploration of the future, substantial material can be contributed on the developments in the most important areas of social distribution. A lot less is available on the development of wishes, opinions and basic principles at the foundation of these areas of social distribution, and on the interaction of both there is hardly anything to hold on to. Still, if the angle from which these issues are seen is to be relevant in the future, it has to look for answers here and cannot make do with simplifications like 'there is or is not a dichotomy' and 'there is or is not a disruption of society'.

This report attempts to find answers by charting trends and developments in the three most important areas of social distribution - occupation, education, income - on the basis of 'best available knowledge'. The expected developments are placed in a theoretic-interpretative frame to point out discrepancies between actual and desired developments. The idea is to take developments that can cause social tensions in relatively positive economic circumstances and confront them with changing problem definitions and changes in opinions and ideology that are gradually taking shape. The council hopes to contribute to the knowledge on two points: in the first place which preconditions for future social cohesion should *at least* be taken into account; in the second place, where, when and to what extent which dangers could threaten the social cohesion.

The next paragraph documents the importance of this theme (1.2), followed by an explanation on how these themes are approached from different disciplines (1.3). The themes of dichotomy and social disruption are clarified in a conceptual way (1.4), and the chapter is concluded by a problem definition and a guide to reading the report.

1.2 The public debate

In a recent memo from the Department of Education, Culture and Science, the following appeared under the heading 'Dichotomy in Society':

This subject has been named spontaneously and almost immediately by all groups as one of the major changes expected for 2010. It is remarked that this dichotomy may already be starting to show, but the distance, the gap between the upper stratum of society and the lower stratum will only increase. One of the reasons for this is that both groups know less and less about each other. They meet less, and so there is little awareness of and less understanding for each other's situation. Ghetto forming is expected to increase: separate areas with concentrations of the underprivileged. It is also expected that the number of underprivileged will increase. ¹

¹ See: Department of Education, Culture and Science, *Bouwstenen voor het Kennisdebat* (Building stones for the debate on knowledge); Zoetermeer, 1996.

The consensus in this quote on the inevitability of a social dichotomy - even more in the future than at present - is an important social fact. This consensus has grown gradually. The stagnating economic development after 1973, the increasing level of unemployment and the observation that the welfare state was not able to offer the expected protection can be seen as stimuli for the change from optimism about progress to cultural pessimism, and a widespread sense of crisis.

The awareness of social and cultural degeneration, of the threatening loss of social cohesion has been advanced strongly by the politicians responsible. Starting in the second half of the 1970s, prime-ministers, vice-premiers, ministers and party leaders have regularly pointed out the threats to social cohesion in our country. Vice-premier Van Agt was the first with his appeal for a 'moral revival' in 1975. Initially this appeal was only concerned with sexual behavior, but in 1976 he expanded it to a spiritual revival.

There is such a decrease of solidarity. It is easy to say that this is just another sign of nostalgia. Where are the people who did so much good, who dedicated themselves without professionalization to health care, child protection and resettlement of discharged prisoners. This is a symptom of what is happening in our society. ²

It is a theme that returned regularly in the following years, and that emphasized the moral deficiencies of citizens in the welfare state.

The criticism of modern society that was heard in the Netherlands did not stand alone. It was part of a stream of social criticism that found a wide base especially in the Anglo-American world. There it was propagated by well-known (neo-)conservative politicians, intellectuals, and foundations such as the Heritage Foundation (1973) and the Moral Majority (1979) ³. Three factors of evil were indicated in this flow of criticism. They were:

- a government bureaucracy that was too large, placing too much of a burden on the business community;
- an underprivileged class consisting of people with a long-term dependency on welfare, and because of that were out of the habit of working; and
- a crisis of legitimacy with symptoms like city riots, ethnic conflicts, tax fraud and abuse of social regulations ⁴.

These three factors were also central in the Dutch public debate. Criticism of bureaucracy formed the guiding principle in well-known articles and reports on overregulation, decreasing margins of government policy, 'overcharging of policy' and 'illusion of the democratic state'. According to some, long-term unemployment was the indication of the development of an - especially urban - underclass; others rejected that claim. And finally, the government showed its concern about the possible increase of ethnic conflicts, the accumulation of problems in certain areas, abuse of social laws and the erosion of social control.

It may have taken a little longer for the notion of a crisis to grow in the Netherlands than it did in other countries. The term 'Dutch disease' was popular in the Anglo-American media to describe a patient who is ill but does not realize it, because his thermometer is wrong. Important symptoms of disease were not noted because they fell outside the official line of socio-economical thinking. But once the symptoms were recognized, things moved fast and

²] Quote from: Jan Tromp and Paul Witteman, *Voor de duvel niet bang; mr. Dries van Agt, van weerzin tot wellust* (Not afraid of the devil; dr. Dries van Agt, from reluctance to lust); Haarlem, De Haan, fifth edition, 1980, p. 24-27.

³] Peter Steinfels, *The neoconservatives, the men who are changing America's Politics*; New York, Simon and Schuster, 1979.

⁴] David M. Ricci, *The Transformation of American Politics, the new Washington and the rise of think tanks*; New Haven/London, Yale University Press, 1993, p. 155-160.

former prime-minister Lubbers spoke of a - remarkably gloomier - new consensus. This gloominess was directed even more towards the future than to the present.

A Dutch encyclopedia summarizes these developments as follows: 'In the eight years between 1976 and 1984, the Netherlands changed from a relatively prosperous country to a country with major concerns for the future'⁵. The economy stagnated. The estimated number of unemployed varied from 400,000 to 800,000, depending on the in- or exclusion of disabled workers, and those who were 'only' looking for part-time employment. As a consequence, the dangers of social dichotomy were pointed out. In 1984, the leader of the social-democrats Mr. Den Uyl discussed the social relations during the general debate in the Dutch Lower House in terms of dichotomy. The following sentences drew a lot of attention:

Deeper and deeper are the gaps between those who work and those who are excluded from the labor process. Between those, who have a prospect of increasing their income, and those who lose spending power. Between those, who have a chance to participate in new developments in technique and economy, and those for whom the gate to the future appears closed.⁶

The characterization of Dutch society in terms of dichotomy raised many protests in those days. The criticism did not just come from intellectuals; also the prime-minister lectured Mr. Den Uyl for using the term dichotomy. In his defense in parliament, Mr. Den Uyl referred to a recent publication by the minister for Social Affairs and Employment, which had spoken explicitly about social dichotomy. The taboo of the new term was, so he said, broken by the cabinet itself, and it would be impossible to deny in the years to come.

The truth of this statement became obvious from lectures by Mr. Lubbers himself about the Dutch welfare system. The central theme was social disintegration and atomization, but the notion of dichotomy was mentioned as well. For instance in a lecture on social renewal the prime-minister stated that a different way of thinking about the welfare state had become necessary, since society had atomized in several aspects. The opening paragraph ends as follows:

All kinds of connections have become less important, and that too causes problems. The strong will manage, but the underprivileged are forced even more into disadvantage. And there is no obvious connection anymore to cushion that effect.⁷

In another lecture, Mr. Lubbers states on social disintegration:

that our welfare state has many regulations and provisions, but is not sufficiently successful in preventing people who depend on these regulations from getting trapped in them, or in adequately integrating them in society.⁸

5] J.C. Mulder, in chapter 'Nederland'; in: *Winkler Prins Encyclopedisch Supplement 1984*; ('the Netherlands' in the 1984 supplement to the Winkler Prins Encyclopedia) Amsterdam, Elsevier, 1984, p. 307.

6] J.M. den Uyl, 'Na de Tweedeling' (After Social Dichotomy); in: *J.M. den Uyl, de toekomst onder ogen, beschouwingen over socialisme, economie en economische politiek* (J.M. den Uyl, facing the future, dissertations on socialism, the economy and economic politics); Amsterdam, Bert Bakker, 1986, p. 165.

7] 'Sociale vernieuwing als paraplu' (Social renewal as an umbrella), speech held on the VNG congress, 22 March 1990; in: *Samen onderweg; over democratie, christendom en samenleving, economie en internationale vraagstukken* (In transit; on democracy, Christianity and society, economy and international dilemmas), by A. Joustra and E. van Venetië (ed.), Utrecht, Het Spectrum, 1991, p. 91.

8] Speech by Mr. Lubbers, spring 1978, in Joustra and Van Venetië, op. cit. p. 64-74.

The present prime-minister Kok has also given attention to the image of a threatening social dichotomy. In a speech in 1995 in Brussels, the prime-minister formulated the social themes for the European countries as follows:

Economical and social imbalance lead to dichotomies, to oppositions that become more and more distressing. It is an enormous challenge to make sure people will not be excluded from their just share in prosperity, social security, work and development. Exclusion from opportunities threatens the stability and the quality of society, both in the North as in the South, in separate countries and in big cities.⁹

In short: it is undeniable that the notion of social dichotomy, in a relatively short period of time, has become a recurring theme on the political agenda. After the initial opposition to the subject, it became part of the official vocabulary over a period of ten years.

What is also noticeable in all these considerations, is that threats are discerned for the social fabric from within as well as from without. 'Endogenous' are future threats that are observed in the form of continuous secularization, individualization and atomization. These would cause the solidarity between and within communities to decrease, and a mentality of 'every man for himself' would develop, which in turn would lead to hedonism, commercialization and cultural erosion in general. This would not just damage the fabric of social relations, but would also attribute to the decrease of social defense against the rise of extreme ideologies.

Besides this, the debate also acknowledges many 'exogenous' future threats. In this case they are mostly developments of an economic and demographic nature: a globalizing economy and the changing position of the national government, the 'victory' of the 'neo-liberal' market economy over the 'socio-democratic' planned economy, the technological development and intensified knowledge, and lastly the aging and the increasing immigration. In the political debate the opinion rules that these exogenous developments will increase the problems of social disruption and dichotomy. Sometimes defensive policy suggestions can be heard, varying from economic protectionism for the fort of Europe to the restriction of numbers of immigrants.

1.3 Social distribution within the social sciences

Issues of social distribution are part of the core of many social science disciplines. The study of social equality and inequality, of decisive factors in the social order and organization, has historically been one of the most important areas in sociology. This main field of study was long part of a now gradually superseded battle between functionalists and Marxists. The functionalists claimed the origin of social injustice and social order lay in 'cultural' notions (values, norms, ideas), the Marxists thought 'material' manufacturing proportions were the cause. Both sides had their own ideas on the interaction between cultural and material factors. Modern studies into social stratification and mobility largely pass by this contradiction. By now they offer a good view of many decisive factors of social inequality and their mutual shifting. They also - however preliminary - offer some indication on the level of international comparison and long-term processes. During the past decade, a Dutch version of the mostly American 'underclass' studies has developed. Through such sociological and cultural anthropological research much has become known about the environment of long-term unemployed and long-term welfare dependents. More and more attention has also been paid to the dynamics of the informal circuit. More knowledge was gained about that part of society that was

^{9]} Lecture on the occasion of the 100-year existence of the Algemeen Nederlands Verbond in Brussels, 5 april 1995.

'unknown' for a long time, partly through studies about the position of illegal immigrants, for example. Characteristic for the sociological research is that the studies and conclusions are rather divergent in tenor. The longitudinal study into a number of important areas of social distribution, based on extensive sets of data, generally shows a historic movement towards increased equality in education, income, work and living conditions ¹⁰, whereas the more anthropological in depth studies almost always use a warning tone of voice ¹¹. Again, this says less about the measure in which one of both is right than about the fact that the first kind of study usually emphasizes actual developments, and the second kind leaves a lot more room for confrontation of those developments with changing desires, perspectives, opinions and ideologies.

A similar distinction can be made in the economy. There too both types of study exist. One kind follows actual developments in the distribution of income over a long period of time. The studies of Pen and Tinbergen in this area are well known ¹². On the basis of about twenty factors, they concluded that the distribution of income in the Netherlands became less distorted between 1938 and 1972. The government's socio-economic policy since the 1950s is seen as the most important factor behind this redistribution.

Other studies are more aimed at the political-economical topicality, and are more in depth when it comes to the Dutch political and decision making culture, the necessity of policy change and institutional impediments. There are contributions for example in which the necessity of adapting the socio-economic system is pointed out, to ensure the social cohesion in our country will not be endangered ¹³. There is the irresponsible passing on of labor costs, caused by growing unemployment, to the generously executed system of social security ¹⁴. Other imbalances of the Dutch economy are the high collective expenditure quota and inflexibility on the job market, partly caused by corporatist arrangements ¹⁵. According to this view, wage agreements in collective labor agreements that are declared generally binding, are responsible for the exclusion of people from the job market. There are also studies in which it is emphasized that newcomers cannot be allowed to enter the labor market if the protection of those who already have a job is maintained at the same time ¹⁶. These studies denounce the lack of conditions for dynamics, and often end with recommendations for more liberalization, deregulation and privatization.

^{10]} *De sociale segmentatie van Nederland in 2015* (Social segmentation in the Netherlands in 2015); by H.B.G. Ganzeboom and W.C. Ultee (ed.), WRR, Preliminary and Background Studies no. 96, The Hague, Sdu Uitgevers, 1997.

^{11]} See among others: *Arm Nederland. Het eerste jaarrapport armoede en sociale uitsluiting* (The poor Netherlands. The first annual report on poverty and social exclusion); by G. Engbersen, J.C. Vrooman and E. Snel (ed.), The Hague, Vuga, 1996; Th. J. Roelandt, *Verscheidenheid in ongelijkheid. Een studie naar etnische stratificatie en onderklasse vorming in de Nederlandse samenleving* (Diversity in inequality. A study of ethnic stratification and the forming of an underclass in Dutch society); Amsterdam, Thesis publishers, 1994.

^{12]} J. Pen and J. Tinbergen, *Naar een rechtvaardiger inkomensverdeling* (Towards a more just distribution of income); Amsterdam, 1977; 'Hoeveel bedraagt de inkomensegalisatie sinds 1938?' (How much have incomes been leveled since 1938?); *ESB*, 1976, vol. 61, p. 880-884.

^{13]} L.A. Geelhoed, '1995: conjunctuurherstel of economisch herstel' (1995: cyclic recovery or structural recovery); *ESB*, vol. 80, 4-1-1995, p. 4-7.

^{14]} L.A. Geelhoed, 'Uitdagingen voor het sociaal-economisch bestel' (Challenges for the socio-economic system); *ESB*, vol. 79, 5-1-1994, p. 5.

^{15]} Eg. OECD, *The jobs study. Evidence and explanations*; OECD, Paris, 1994.

^{16]} Coen Teulings, 'Solidariteit en uitsluiting. De keerzijden van een en dezelfde medaille' (Solidarity and exclusion. Two sides of the same coin); in: Godfried Engbersen en René Gabriëls, *Sferen van integratie. Naar een gedifferentieerd allochtonenbeleid* (Spheres of integration. Towards a differentiated ethnic minority policy); Amsterdam, Boom, 1995; A. van der Zwan, in the theme-issue 'Sociale ongelijkheid' (Social Inequality); *ESB*, vol. 72, 25-2-1987, p. 118.

However, the solution for one is the problem for another: there are also studies that point out the drawbacks of changing existing rights and the risks of liberalization, deregulation and privatization. The beginning of a contrast is noted between for instance the rich upper-class that is not bound to any nation-state ('footloose') and a relatively poor 'underclass' which is, with a fluid new class of people in between, who sometimes do and sometimes don't participate in the labor process¹⁷. The danger of a division within the labor market between people with flexible working relations on one side, and people with a steady job on the other is also emphasized¹⁸. Furthermore, unexpected dangers of privatization and deregulation are examined, like it becoming impossible to insure part of the population, instability on the private insurance market and negative selection processes¹⁹. Finally the dangers are pointed out of a relative reduction in the quality of living under the influence of a decreasing 'egalitarianism' and an 'libertine' tendency that is starting to come up²⁰.

As mentioned before, the important thing is not which is right, but the observation that there is a difference between studies which emphasize long-term developments, and studies which are more aimed at the political-economical topicality and examine the economical desirability and institutional impediments that hinder their realization.

The social issue of in- and exclusion has by now been given a prominent place in the long-range program for social and behavioral sciences of the Dutch Organization for Scientific Research, NWO²¹. Within that framework an extensive research program was recently started into the multi-cultural society. Among the objectives are gaining insight into the processes that determine social and cultural in- and exclusion, and mapping out the various forms of in- and exclusion from a historical and comparative perspective.

Finally the Department of Social Affairs and Employment has added the theme of social exclusion and social cohesion as a 'new' topic to its program of activities. To that effect the minister has published his first 'annual report on poverty and social exclusion' at the end of 1996²². The goal is to write at least four more annual reports. This report concludes that although there is less real poverty than expected, this poverty is more distressing than previously assumed. It appears 22,000 households (including one-person households) do not have enough to eat sometimes, and 43,000 households cannot afford a hot meal every day due to lack of money. The report also states that of the 657,000 to 915,000 households that live on or below the social minimum, it is mostly the unemployed, welfare recipients and unskilled that risk poverty.

It is undeniable that studies and policy dealing with social dichotomy and disruption are clearly linked with each other, as government grants for research in this area are considerable. Besides being very advantageous, this can also

¹⁷ A. van der Zwan, *Regressie en voortijdige rijpheid - ontbindingsverschijnselen van de verzorgingsstaat* (Regression and premature maturity - symptoms of decay in the welfare state); Stichting Willem Dreeslezing, 1993.

¹⁸ Commissie Economische Deskundigen van de SER (Committee of economic experts of the Socio-Economic Council), *Arbeidsmarkt, informatietechnologie en internationalisering* (Job market, computer technology and internationalization); The Hague, 1996.

¹⁹ A.J. Vermaat, 'Oververzekeraarbaarheid: een groeiend probleem' (Overinsurance: a growing problem); *ESB*, vol. 80, 22-2-1995, p. 169-182; and H.A.A. Verbon, 'De onverwachte effecten van maatregelen in de sociale zekerheid' (the unexpected effects of measures in social security); *Staatscourant*, 28 June 1994, p. 5.

²⁰ J.W. de Beus, *Economische gelijkheid en het goede leven* (Economic equality and the good life); Amsterdam, Contact, 1993.

²¹ NWO, *Meerjarenplan 1997-2001; Kennis verrijkt in uitvoering* (Long-range plan 1997-2001; knowledge enriched in execution); The Hague, 1996.

²² This report was developed by the Netherlands school for social and economic policy research (AWSB) in Utrecht and the Socio-Cultural Planning Bureau (SCP). See: Engbersen, Vrooman and Snel (eds.), op. cit.

be dangerous. The distance to the concepts used in the policy discourse is not always sufficient. The recognition that it is also the categories which these social sciences use that play a part in or form the reflection of a certain political morale is sometimes too much ignored, as will appear in the next chapter. On the other hand, and that too will be clarified in the next chapter, the thoughtless use of allegedly scientific data can lead to mistakes in the interpretation and judgment of social processes. Awareness of the dangers and limitations of such studies is therefore of great importance.

1.4 Differentiation and segmentation: a conceptual exercise

In each society, members can be distinguished on the basis of a large number of characteristics. Some of these characteristics are socially relevant, which means they play an important part in the structuring and organizing of society, and in the perception of individual persons. Empirically seen, socially relevant distinctions provide a dynamic on a macro-level, and motivation on a micro-level. Together these form the engine of society²³.

In most societies there are usually several socially relevant criteria of distinction. Because these criteria are interwoven in many ways, they form the 'fabric' in that society. In socio-scientific jargon this means that each society is differentiated: heterogeneity is the cement of a modern society. The classical sociologist Emile Durkheim talked of organic solidarity: a social connection that is kept together by complementary functions. Social *differentiation* and *pluralism* thus form the most essential aspects of a modern society.

1.4.1 Socially relevant distinctions

Socially relevant are those distinctions that are decisive for the organization and articulation of a society. Aspects like work, income, housing, education, descent, religion, sex, age quickly come to mind. For that matter, the socially relevant distinctions are only a small part of all possible distinctions. After all, only few societies are organized on the basis of criteria like length, weight or hair-color.

The social relevance of distinctions is *historically specific*: it increases or decreases in strength. The role of a noble descent or a certain religious denomination was once highly relevant. In the present Dutch society the strength of organization of these criteria has dwindled. Other, more achievement-oriented criteria have come in their place. Education is one of them, but profession and income have also become more and more important. Since we have come to consider such achievement criteria more important than 'ascribed' criteria, a lot of resistance has grown in the past decades against criteria which were once taken for granted like gender, race, skin-color and age. If a society is still organized along those lines, we are quick to speak of 'discrimination'.

The social relevance is furthermore *culture-specific*: the same criteria of distinction play different parts in different cultures (e.g. descent, religion, gender), while very diverse criteria play the same role in different societies (e.g. age and education as a standard of expertise, or the discussion about the cultural particularity of universal human rights).

^{23]} The social dynamic is defined as the wide area of behavioral reactions between passivity and idleness on one the hand, like merely watching the succes and failure of others, and rebellion and revolution on the other hand, like the *revolution of rising expectations* which has sometimes been used to explain the fact that revolutions took place in developing counties during the 1960s, while the standard of living was rising; cf. Nripesh Podder, 'Relative deprivation, Envy and Economic Inequality'; *Kyklos*, Vol. 49, 1969, no. 3, p. 353-376.

I.4.2 Patterns of social differentiation

Social differentiation usually follows two lines; there is differentiation along vertical lines and there is differentiation along horizontal lines. The first is based on opinions (e.g. with respect to religion, ethnicity, skin-color), the second is based on material opportunities (e.g. labor vs. capital, nobility vs. 'Commons'). In extremity, the first leads to a *plural* or *segmented society*, the second to a *rank* and/or *class society*. In the social differentiation of modern societies, both lines are usually of importance, and there is not one single factor on which the organization of a society is based. This is called a *pluralistic society*. The question if a modern society tends to head in the direction of a class society or a segmented society is therefore always relative: i.e. with respect to an imaginary balance, developments will be observed which lead in one or the other direction.

I.4.3 Social segmentation

We can speak of a process of social segmentation if two conditions are met. If socially relevant distinctions of a society start to concentrate on one of both lines, connections between groups become less common. At the same time, the boundaries between the distinct groups become more difficult to cross. A consequence of the first is that the socially relevant criteria of distinction start to concentrate around religion, for example. All other criteria become subordinate and lose in power to distinguish and organize on their own. In this way a 'segment' can be formed, which is practically its own micro-cosmos: its own political party, own schools, own soccer competition, et cetera. Eventually all of society becomes organized on the basis of that one criterion. It becomes more difficult for an individual to move out of his/her segment and take part in another micro-cosmos: 'mixed marriages' are unacceptable, soccer players who still want to play on Sunday are given the cold shoulder. This typically Dutch way of organizing society along the lines of denominational affiliations during the 1950s and 1960s is a well-known example. The term 'pillarization' was used for this phenomenon. A 'pure' form of social segmentation, however, is a contradiction in terms, because such a society ceases to exist. Bosnia has been a distressing example of this the past couple of years. A sharp form of segmentation on the basis of language, like in Belgium and Switzerland, still seems to offer enough possibilities for the existence of one society.

I.4.4 Segmentation and cohesion

Social segmentation generally leads to cohesion, solidarity and organization-building *within* the segment, and to competition, conflict and emancipation battles *between* the segments. For that matter, the conflict between the segments can be institutionalized, organized or pacified in many ways. The conflict is often not seen as such, and is considered a normal way of coexistence. In the case of a pillarized society this can happen through 'pacification at the top', in a class society through the *institutionalized* consultation among the 'social partners'. The presence of such forms of institutionalized conflict is a sign that a pure form of social segmentation is not yet in existence, or no longer in existence.

The purer the form of social segmentation, the more splitting or disintegrating its effect will be on society; eventually and per definition it will end society. Between segments there are less and less forms of institutionalization of such conflict, of coordinating legislation, et cetera. In a situation like that there is more that divides than unites. Societies are rarely destroyed by such segmentation though. The sociologist Schuyt was right when he recently wrote:

A society does not fall apart so easily. It is not a rickety old chair, or a thing, a body that can decay. The social order continues, norms and values do not run out, because something new replaces the old. An absolute social nadir is rarely seen. Even in times of cholera, love continues to blossom.²⁴

1.5 Dichotomy in perspective

In light of the above we can say that the present discussion about dichotomy, underclass and other forms of segmentation is a discussion about tendencies, not about absolute quantities. It can be imagined as follows: where we now speak of segmentation or dichotomy, we speak of a breakthrough of a situation or development which, however justly, is considered as being rather stable. The forces which lead to such a breakthrough can be both endogenous as exogenous. It is supposed that such a breakthrough, if not somehow stopped by explicit policy, would disrupt the existing social order. The situation that is experienced as being rather stable is often represented in the public debate by the welfare state and the 'completion' of the system of social security between 1950 and 1975. In the same debate individualization and calculating behavior of citizens often are considered endogenous threats, and globalization and technological developments as threats of an exogenous nature.

It will not hurt to point out again that social dichotomy does not automatically mean a society is falling apart. It has been mentioned earlier that situations with large inequalities and little access and openness could exist in societies functioning in a very coherent and cohesive way for a long time. Apparently the amount in which inequalities are considered normal or abnormal in a certain era is an equally large factor in the perception of social disruption or dichotomy as the actual inequalities themselves. The expectation of a 'better' future does not mean the present should be considered in a more positive light as well. On the contrary, the analysis will show that especially the period of the 1980s can be called a social and cultural low. For many people social security became a trap rather than a safety net, and not participating in the work force meant missing out on an opportunity to develop oneself. This fact influences the definition of the situation of this moment, on which visions of imminent dichotomy and disruption in the future are based.

This means that this study does not only need to pay attention to developments at an actual level, but also to changes in the area of approaching social reality, opinions and ideologies. That is why the council does not just investigate certain socially relevant criteria of distinction, but it also studies developments in the very social relevance of those criteria. The first is supported by empirical and longitudinal material, but less empirical data is available for the second, and here the council has to rely more on interpretation.

In the discussion on dichotomy and social disruption, past and future are interrelated in such a way that is not always simple to keep facts and opinions separated, or to link them in the correct way. It is also true that actual developments could very well be going in the 'right' direction, but the gap between desire and reality, and with that the concern about the lagging of a desired development, can still increase. This explains why the concern over a development often increases when that development is starting to head in a positive direction. The more the normality or obviousness of the existing equalities start to fringe (mostly through changing external circumstances) and actual improvement is taking place, the more still existing inequalities are recognized as disrupting. This leads to the paradoxical conclusion that the discussion on and the fear for social disruption can start the moment the actual

^{24]} Kees Schuyt, 'De samenleving is geen oude stoel' (Society is not an old chair); column *Volkskrant*, June 1996.

developments are heading in the right direction. The observation of poverty and exclusion can happen at the same time it is observed there are some changes for the better. One observation does not have to be less true than the other ²⁵. As mentioned before, large groups have been excluded from the labor process during the late 1980s and early 1990s, despite economic growth.

To find a way through this complicated area of facts and opinions, present and future, this report is structured as follows. In chapter 2 the empirical and especially longitudinal data about the actual developments in three important dimensions of social distribution are first discussed. These dimensions - profession, education and income - have been chosen because they form the framework within which the socio-cultural development is shaped. The more this framework develops in a positive way, the more the opportunity for a harmonious socio-cultural development increases. This does not mean that this positive development will actually take place, but at least there is space for its occurrence. However, if the framework develops in a negative direction, chances are the socio-cultural differences will only increase. The space that can be used becomes smaller, and the chance that groups blame each other for bad prospects or bad results increases accordingly. However, the findings of chapter 2 about the developments in these three criteria do not indicate to what extent the lower sections of these three separate social distributions are being occupied by certain recognizable groups. That is why chapter 3 deals with the future position of 'marginal groups', to see if these groups as such are more at risk to be excluded from social participation. Finally the lines and results of the analysis are brought together in chapter 4, in a picture of future socio-cultural developments, and especially of the opportunities for and threats to social cohesion.

²⁵] Note the difference in tone of the optimism of the Queen in the address from the throne (17 September) and the strong indictment concerning poverty by the roman-catholic bishop of Breda (VPRO television, 2 October 1996).

Changes in three areas of social distribution

2

2.1 Introduction

This chapter maps out how the distribution of socially relevant goods in the Netherlands has developed over the past decades and how it may develop further until 2015. The three areas of social distribution in question are *occupation, education and income*, which constitute the framework within which social cohesion is formed. On the basis of the best available knowledge, and taking into account foreseeable trends and developments, this chapter looks at the future of these distributions. Each subject is discussed in terms of four aspects: changes in meaning, accessibility, skewness and mobility of the various distributed goods. The council has examined a great number of studies that have been published in the last couple of years. Especially the studies of the Central Planning Office (CPB) ¹ and the Social and Cultural Planning Office (SCP) ² should be mentioned. This report has also made extensive use of a study on social segmentation which was conducted for the Council by a group of researchers of the Universities of Utrecht and Nijmegen ³.

2.2 Occupation and work

2.2.1 Nature and meaning

Occupation has always been an important factor in determining someone's situation in life. Almost revolutionary changes have taken place in the past decades regarding the nature and meaning of occupation and work. Economic developments have caused major shifts in the way employment is distributed over different sectors. For instance, the share of the primary or agricultural sector in the Netherlands decreased from about 20 percent in 1930 to only 4 percent now. In 1960, the secondary or industrial sector comprised one third of all employment, but its share has gone down to no more than a fifth. On the other hand the share of employment in both the tertiary (services) and the quaternary (non-profit) sector has grown enormously: from less than half in 1960 to three quarters now.

This shift has important consequences for the quality of work: work based on muscle power changed to work based on intellectual capacity, a process called the dematerialization or knowledge intensification of production ⁴. This development was stimulated in the last couple of years by the continuous digitalization of production processes. Experience with computerized data processing has become a necessity for an increasing number of occupations.

The importance of such a shift should not be underestimated, particularly not with respect to the quality of work. There is even cause to speak of 'emancipation of labor' ⁵. When more and more people have to draw on knowledge, creativity, responsibility and care, we see a development taking shape that

^{1]} Central Planning Office, *Nederland in drievoud. Een scenariostudie van de Nederlandse economie, 1990-2015* (The Netherlands in triplet. A scenario studie of the Dutch economy); The Hague, Sdu Uitgeverij, 1992.

^{2]} Social and Cultural Planning Office, *Sociaal en Cultureel Rapport 1994* (Social and Cultural Report 1994); Rijswijk, 1994.

^{3]} *De sociale segmentatie van Nederland in 2015* (The social segmentation of the Netherlands in 2015); door H.B.G. Ganzeboom en W.C. Ultee (eds.), WRR, Preliminary and Background Studies no. 96, The Hague, Sdu Uitgevers, 1997.

^{4]} WRR, *Een werkend perspectief; Arbeidsparticipatie in de jaren '90* (Work in perspective; labour participation in the Netherlands) Reports to the Government no. 38, The Hague, Sdu Uitgeverij, 1990, p. 36. Available in English.

^{5]} Cf. chapter 4 of this report.

relegates the traditional concept of labor to the background. Although caution compels us to say this development is very gradual, and that there are still many jobs and functions that do not give workers much satisfaction, for the most part modern occupations have gradually become a more meaningful fulfillment of life. This also increases the desire to gain a position in this area of social distribution, which in turn places high demands on employment in general.

2.2.2 Accessibility

A second revolution taking place in the postwar era in the area of occupation and work concerns the supply of labor. The process of individualization meant a strong increase in the number of households. Since 1960, the number has doubled, from 3.2 million to 6.4 million. The number of one-person households increased even more: from 0.4 to 2 million ⁶. This increase in the number of households has obviously put more pressure on the labor market. But also the supply of labor from households of more than one person has grown as a result of the individualization process. In more and more of these households, both partners want to take part in the labor force. This has caused an increase in the number of working people, and in the phenomenon of part-time labor. Between 1979 and 1995 the number of people working part-time went from 17 to 37 percent ⁷. Since 1960 the number of working people has increased by over 50 percent ⁸, whereas the employment in that period - measured in working years - only increased by 29 percent, and in working hours by a mere 5 percent.

Although formal inactivity (the percentage of the potential labor force without a paying job) is receding by now, and has reached a level which was considered full employment in the 1960s, the problem of unemployment is not solved. A considerable number of long-term welfare dependents still exists, even though their number has decreased from over a third to about a fourth of the influx after five years.

Besides this development within the formal labor market, there is a considerable number of labor years in the informal labor market. Estimates amount to 300 to 400 thousand man-years in the informal circuit, and 200 to 300 thousand in the black circuit. It is expected that the future balance of formal and informal will depend strongly on the economic developments, and on policies which succeed in making social arrangements run parallel to these developments.

In the period between 1968 and 1996 ⁹, the section of the population aged between 15 and 65 has grown faster than the overall population, as a direct result of the baby-boom that occurred in the Netherlands after 1945. Until 1990, the development of the labor force was always trailing this. This is even more true for the growth of employment, which reached negative values between 1978 and 1983. Since 1985 however, employment has increased, and at this moment the average growth rate is well over 1.5 percent, a remarkably high percentage from an international point of view. This increase is even larger when the employment is not expressed in labor years but in persons. The strong growth of part-time labor is responsible for this. The growth of the total employment is almost entirely realized through a higher participation of

⁶ See Central Bureau of Statistics, *Vijfennegentig jaar statistiek in tijdreeksen* (Ninety-five years of statistics in time periods); The Hague, Sdu Uitgeverij, 1994.

⁷ See OECD, *Employment Outlook*; July 1996, Paris, table E.

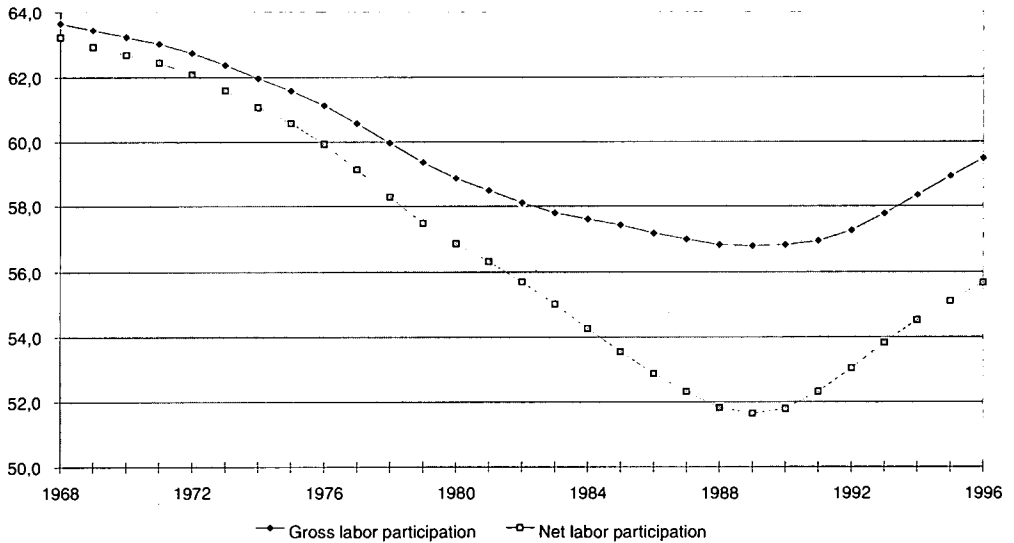
⁸ Social and Cultural Planning Office, *Sociaal en Cultureel Rapport 1994* (Social and Cultural Report 1994); Rijswijk, 1994, p. 111.

⁹ OECD, *Economic Outlook no. 59*; June 1996, information on computer disk.

women in the labor force ¹⁰. Consequently the share of men in the overall employment has decreased steadily.

The combination of a relatively fast growing population and a lagging growth of employment leads to a declining development of the labor force participation, as indicated in figure 2.1. Both the gross labor force participation (the relation between the working population and the population aged between 15 and 65) and the net labor force participation (employment ¹¹ in relation to the population aged between 15 and 65) show a considerable decline between 1968 and 1990. The difference between them increased, thereby reflecting the increase in unemployment. Not until after 1990 did a recovery set in, and did the difference become smaller. At the moment, gross labor force participation is at about 60 percent, net labor force participation at 56 percent and unemployment at 8 percent.

Figure 2.1 Development of labor force participation 1968-1996



The recovery of the growth of employment, and in a later stadium of labor force participation, is for a large part the result of a strictly executed long-term policy of wage restraint. Besides that revisions in social security, especially after 1990, and many attempts at deregulation have now started to pay off. Partly because of this, the Dutch economy has improved its position in international perspective considerably. Its growth rates were adequate, government expenses moderate, and employment grew remarkably. For the near future the prospects appear to remain positive; CPB expects an increase of employment with 100,000 jobs for the coming year, which is well over 1.7 percent ¹². At the same time it is true that the Dutch economy has gone through a long difficult period, with employment stagnating over a period of 20 years.

What can be said about the quantitative prospects for the labor market until 2015 and the chances of individuals of participating in labor? On the basis of

^{10]} The net labor force participation of men has strongly diminished, while that of women has strongly increased.

^{11]} Employment only counts those jobs that are 12 hours or more. Besides those, there is a considerable number of jobs for less than 12 hours which aren't included, but which do make labor force participation possible for these people. If these jobs were included in the chart above, the participation at the moment would be higher than during the late 1960s.

^{12]} Central Planning Office, *Macro-Economische Verkenning 1997* (Macro-economic exploration 1997); The Hague, Sdu Uitgeverij, 1996.

various employment-growth scenarios, ranging from 1.5 to 0.5 percent, the Council has calculated the labor market situation for 2015. Table 2.1 shows the results.

Table 2.1 Development of deployment on the basis of alternative growth percentages, 1995-2015

Employment Growth	1995	2005	2015
1.5 percent	6,063	7,036	8,166
1.25 percent	6,063	6,865	7,773
1.0 percent	6,063	6,697	7,398
0.5 percent	6,063	6,373	6,699

Source: Calculations made by WRR

For the development on the supply side, two things are important: population growth and labor force participation per age group and gender. As to population growth, CBS' middle variant has been used ¹³. With respect to labor force participation, two variants have been developed. In the MINUS-variant it is supposed that the labor supply per age group will hardly change, though the labor supply of women will increase in the beginning because of the cohort effect. It is also assumed that the labor supply of older men will not change. The need of this group for pension and social security facilities will thus remain high. The PLUS-variant on the other hand assumes that the labor supply of this group of men can be raised to levels existing before 1980. With respect to the labor supply of women it is supposed that present developments will continue ¹⁴.

On the basis of this information a global calculation has been made of the employment situation until 2015 and of the corresponding unemployment and non-participation. Point of departure is the CBS middle scenario with respect to population growth and a development of the labor force participation according to the PLUS-variant, which is more probable than the MINUS-variant. Employment has then been calculated according to the four percentages: an annual growth of 1.5, 1.25, 1.0 and 0.5 percent. The results for unemployment are indicated in figure 2.2.

In case of a 1.25 percent growth in employment, unemployment will increase slightly until the year 2000, but decline in the following years to become less than 6 percent after 2010. If the growth of employment is more than 1.25 percent, unemployment will start to decrease immediately. At a growth of employment of 1 percent, unemployment will increase more notably in the beginning, but even then it will decrease after the year 2000. In all these cases it seems possible to find new jobs for an increasing labor force. Only if the growth of employment is less, at 0.5 percent, unemployment will increase and reach 15 percent.

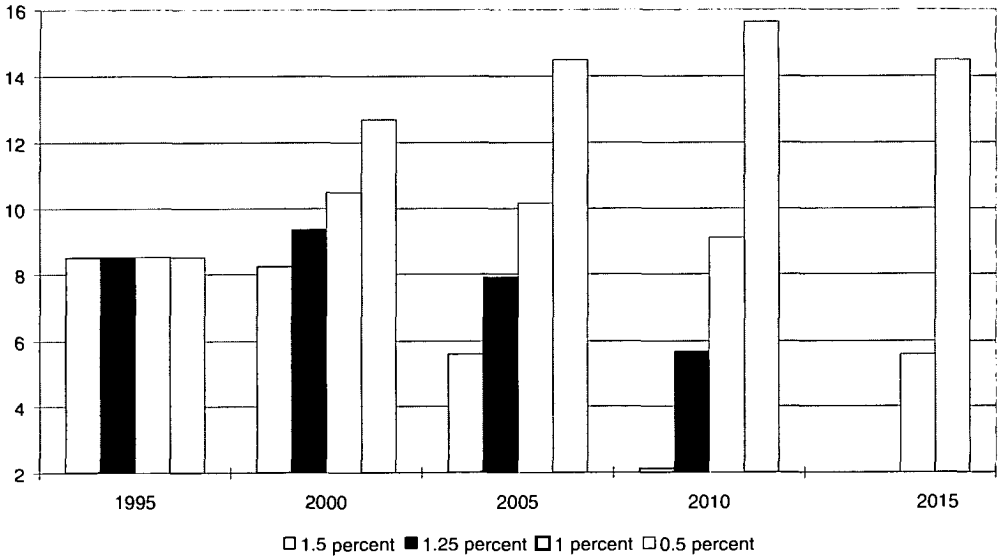
The accessibility of the labor market will increase considerably at a growth of employment of 1.25 percent (see fig. 2.2). This is also true, although to a lesser degree, when employment grows with 1 percent. If the growth rate is higher,

^{13]} Central Bureau of Statistics, *Bevolkings- en Huishoudensprognose 1995* (Population and Household Prognoses 1995); Monthly Statistics for Population, 1996, vol. 44, no. 1, p. 6-9.

^{14]} With respect to the labor force participation data for 2005 and 2015 the results of the PLUS-variant are fairly similar to those by the BG- and Eur-scenarios of the CPB. The percentages for the age group between 45 and 55 is divergent, as the CPB figures are lower. The WRR supposes that the cohort effect will be such that the labor force participation of this group will increase in the coming years. See: Central Planning Office (1992), op. cit., p.150.

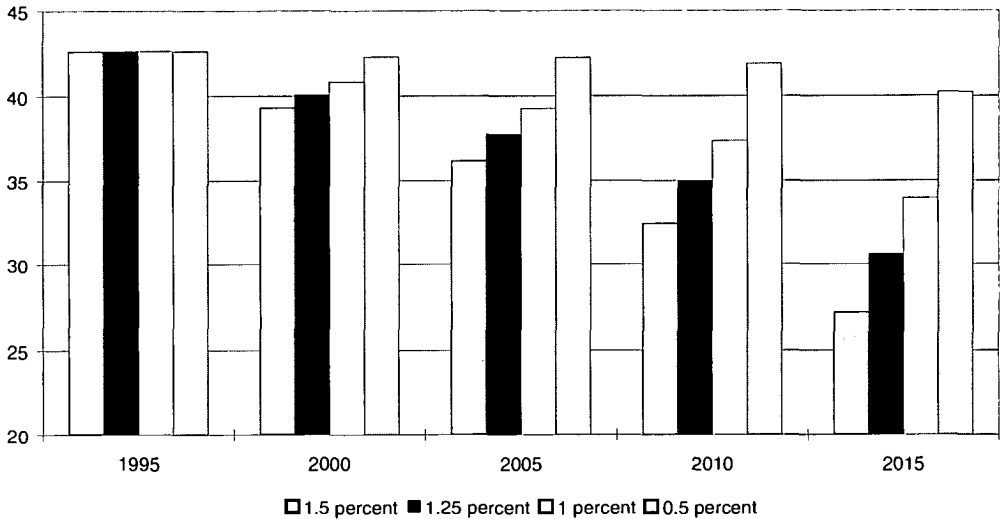
then the perspective becomes more positive. But if the growth of employment is stuck at 0.5 percent annually, non-participation will hardly change over the next couple of years. Especially this last finding emphasizes once more that all attempts at ameliorating the situation on the labor market must be continued.

Figure 2.2 Development of unemployment at different growth rates for employment, 1995-2015



Source: Calculations made by WRR.

Figure 2.3 Extent of non-participation at different growth rates of employment, 1995-2015



Source: Calculations made by WRR.

If the supply of labor would develop according to the MINUS variant, expectations for unemployment are altogether more positive. In this case policy-makers may want to put less emphasis on the growth of employment. However, this would disregard the fact that labor force participation then remains relatively low, and therefore non-participation and the need for social security correspondingly high. Since the object is to limit non-participation,

such a development is less desirable. If the growth of the population were to be higher, then unemployment and non-participation will be higher as well. Still, a decline will set in after 2005. If in that case the annual growth of employment could be raised to 1.5 percent, this would render a relatively positive pattern, with more employment, low unemployment and low non-participation.

It will be just as obvious that the previously mentioned developments are long-term processes. The erosion of the labor market and the growth of social security benefits have gone on for years; recovery will take time. However, we can conclude that a considerable growth of employment is not only necessary, but also possible. Necessary to create enough new jobs for the growing population, necessary also because of the social meaning of labor force participation, the growing pension load, and for the financing of social security. It is possible if the present policy of wage restraint, revision of social security, deregulation and flexibilization is continued. At the same time it cannot be denied that even if labor force participation can be increased considerably and unemployment and non-participation decline, people with little or no education will remain in a weak position on the labor market.

2.2.3 Skewness

Three possible tendencies are distinguished in socio-economic publications concerning the quantitative development of levels within labor. The first relates to an increase of both higher valued and lower valued jobs at the expense of the middle category of jobs, resulting in a *polarization*. The second tendency concerns a general upgrade of jobs at all levels, a *regradation*. Jobs on a lower level disappear and jobs on a higher level increase. The third possibility concerns a general *degradation* of job levels. Unsurprisingly, contrary tendencies can be observed in the job level structure of the working population at one time.

Remarkable shifts can be seen in the Dutch job level structure over the course of time. From 1960 to 1971 there is polarization. The share of the two lowest and the three highest levels increases, that of the levels in between decreases. From 1971 to 1977 there is only degradation: the share of the lowest two job levels increases. After 1977 there is regradation: the share of the lowest two job levels decreases and the share of the higher levels increases. The regradation in the past period is also shown in table 2.2.

Table 2.2 Working population by level of occupation (percentages)

	elementary	lower	middle	higher	academic
1985	7	34	39	15	5
1994	6	27	41	19	7

Source: Central Bureau of Statistics, *Enquête Beroepsbevolking*

Further analysis shows that changes in the job level structure can for the most part be traced back to changes in the sector structure and changes in the occupational structure, the latter carrying more weight. The share of knowledge labor has grown in many sectors, the share of administrative labor has clearly decreased in the sector of banking, insurance and business service, and the share of production labor has gone down in especially the industrial sector. Generally speaking, administrative labor is susceptible to office computerization, and production labor to industrial computerization. The conclusion seems obvious that technological and organizational developments have influenced the job level structure.

Research in the United States, where a comparable tendency of regradation can be observed, has shown that over 40 percent of the variant in the average pay relation between different job levels can be assigned to investments in computers¹⁵. Dutch research indicates that technological progress in general has led to a decline of the demand for unskilled labor compared to the demand for high skilled labor; this both in the *exposed* sector as the *sheltered* sector¹⁶.

The question remains, however, whether the light regradation of jobs is not also an artifact of the discharge of relatively simple unskilled work, for which, given the present regulations, labor costs are no longer equal to productivity. This means regradation would indicate the computerization of unskilled labor rather than an upgrade in non-computerized jobs. For now it seems wise to take this possible cosmetic effect of the regradation suggestion into account. It is undeniable that at the bottom of the present distribution of jobs there is another distribution of informal jobs and activities, for which a low level of skill is usually enough. Especially in the hotel and catering industry and health care the share of official employment is remarkably lower in the Netherlands than in countries with a higher general labor force participation, like the United States and Sweden¹⁷. This could indicate that the lower qualified labor within those sectors in the Netherlands has been 'rationalized' for an important part, and have consequently ended up in the informal circuit.

The confrontation of the remarks about changes in job level made in this section and the labor market projections of the last section prompts further modification. The projections of unemployment in paragraph 2.2.2 gave a rather optimistic picture. Demand and supply of labor were seen as homogeneous quantities, however. Now we can also include the job level in the demand for labor, and it becomes possible to check how well the level of education connects to the supply of labor.

On the demand side the projection shows that employment stagnates on the elementary and lower occupational levels, and grows on the middle, higher and academic levels (table 2.3). On the supply side, the population outside full-time education without degrees goes down (table 2.4) because of a more intensive participation in education and cohort effects. But through the increased participation in education, the population outside full-time education increases with extensive primary education. Finally it is possible to give an impression of the extent in which increasing labor demands will affect different categories of labor. Table 2.5 shows that especially knowledge labor is expected to increase considerably. The less educated will mainly find work in services and production.

Table 2.3 Demand for labor by level of occupation (x 1000 persons)

	elementary	low	middle	high	academic
1995	415	1683	2595	1256	502
2000	448	1665	3009	1606	643
2005	451	1597	3365	1993	804
2010	458	1433	3415	2124	829

Source: Calculations made by WRR.

¹⁵ E. Bergman, J. Bound, Z. Griliches, 'Changes in the Demand for Skilled Labor within U.S. Manufacturing: Evidence from the Annual Survey of Manufactures'; *The Quarterly Journal of economics*, May 1994, p. 365-397.

¹⁶ N. Draper, T. Manders, *Structural Changes in the Demand for Labor*; Central Planning Office, Research Memorandum no. 128, The Hague, 1996.

¹⁷ WRR (1990), op. cit., p. 90.

**Table 2.4 Population outside full-time education, age 15-65
(x 1000 persons)**

	1995	2000	2005	2010
Primary	1368	1221	1117	1043
Extended lower education	885	962	1023	1080
Technical and vocational training for 12-16 year-olds	1861	1881	1875	1871
Secondary education	443	485	521	554
Technical and vocational training for 16-18 year-olds	3130	3202	3236	3222
Semi higher	1273	1392	1490	1563
Higher	537	629	712	782

Source: Department of Education and Sciences, *Referentieraming 1994*
(Estimate of reference 1994).

Table 2.5 Demand for labor by category of labor (x 1000 persons)

	knowledge labor	management	administrative	services	production labor
1995	1384	646	1121	1763	1535
2000	1760	723	1316	2005	1603
2005	2178	801	1442	2161	1667
2010	2303	814	1394	2137	1646

Source: Calculations made by WRR.

These findings qualify the positive image for the development of employment that was given before. The recovery of employment does not accommodate the labor supply evenly. For the time being it is the higher skilled who benefit, and the job market position of the unskilled remains weak. Despite positive economic and labor market developments, unemployment among unskilled workers will remain high.

2.2.4 Openness and mobility

Inter- and intrasectoral shifts on the labor market are expected to continue in the near future. This dynamic makes demands on the adaptability of employees and increases the importance of functional mobility during an occupational career. But how dynamic is labor?

Of all positions that became available through people leaving the job market, one third was filled internally, one third was filled externally, while the remainder of these positions disappeared. Internal mobility in 1994 comprised about 3.1 percent of the number of workers. For companies with a higher average employee age, this internal mobility was significantly lower. Half the external influx that year came from another job, one fifth came from school, one fifth was unemployed, and the remaining part did not previously participate in the labor market. Factors that influence the mobility of employees are their level of education and the technological caliber of the company. Not only is job mobility higher in strongly computerized companies, it also appears that computerization has a positive influence on the upward job mobility. It seems that people in stronger computerized segments have a very strong position on the labor market. It is also found that people in those jobs run a relatively minor risk of becoming unemployed.

We can therefore speak of a considerable degree of job mobility on the Dutch labor market, depending on the level of education. The question is whether job mobility will also grow as a result of an increase in educational participation. The information available on job changes covers too short a period to be conclusive in this area. It does appear that job mobility is very sensitive to economic fluctuations. However, it can also be shown that education contributes to the adaptability of employees, as it is one of the goals of education, besides passing on knowledge, to develop the ability of self-education.

2.2.5 **Work and segmentation: a tentative conclusion**

In the deliberations on future developments in the social distribution area of occupation and work, the most important question is what will happen with the present discrepancy between the volume of employment and the supply of people who want to have a job. It is of the greatest importance to close that gap to counteract social disruption.

The tentative conclusion that can be drawn from the aforementioned is that Dutch society has left the low point behind it by now. The gap between employment and the supply of labor will not only decrease in the period until 2015, but will even take a turn for the positive. The background of this development first and foremost concerns a fortunate union of structural factors. These factors include the international economic situation; the growth of employment in the Netherlands; the socio-cultural developments of a gradually increasing labor supply and the normalization of part time work; and the demographic development of the potential labor force.

But these positive structural developments are not sufficient to solve all problems at the bottom end of the labor market. The analyses performed above show that, despite a certain 'lessening of pressure' which will be the result of a larger demand for labor in the higher regions, the bottom of the labor market generates less of a demand than the supply of labor would need to gain access.

This means the structural developments need to be supported and facilitated by specific policies. The council thinks in the first place of the expansion of the labor demand for the unskilled. Numerous socially useful activities in the care and service sectors are not being fulfilled, while the process of aging will increase the not officially registered demand on the labor market over the next two decades. Everything should be done to formalize an important part of these care responsibilities. This can only be done in accordance with the market if the system of social security including the minimum wage is geared to that situation. It is still of the utmost importance to find ways for social security to support employability *without eroding the level of security* (cf. chapter 4). The way in which the system of social security is now interfering with possibilities of expanding the available employment especially has negative effects on the bottom end of the labor market. Secondly the demand side of the labor market can be supported by stimulating the growth and development of entrepreneurship, e.g. by further fiscal stimuli to corporate investments, preferably aimed at sectors that meet both the growing demand for care and the sizable supply of unskilled laborers.

On the basis of the previous considerations and exercises, the council considers it unwise to close the gap between employment and labor supply *by cutting the supply of labor*. Those observers stating that work is not that important and that society needs to get rid of its fixation on work, productivity and economic growth, are encouraging a situation that could lead to social tensions early on in the twenty-first century. Fortunately the need for individual responsibility, meaningful activity and autonomy has grown just as strong over the past

decades as the new possibilities labor offers. It may even be true that for more and more people the emancipated forms of (paid) activity are closer to the utopian image of the 1970s.

2.3 Education

2.3.1 Nature and meaning

Education has become more and more important as an allocation mechanism. The higher the education, the larger the share in other scarce social goods, such as income, occupation or housing. The impact of social origin as a factor in social allocation is increasingly mediated by education. As a consequence, the discussion about equality and equal opportunities has gradually shifted to the accessibility of education.

The increased social importance of education concentrates on the labor market. Employers choose the highest educated candidates, not because their specific qualities are necessary for that position, but because they expect that this employee, in having obtained the qualification, has proven to have a general ability (in terms of intelligence, diligence and perseverance). This makes it worthwhile for employees to continue their education, even in a loose labor market. Nobody can afford *not* to join in the general process of pushing up the level of education.

A considerable regradation of the labor market is necessary for a good mutual adjustment of the level of education and the job level. This supposes a radical specialization in high value production and provision of services. Although such a perspective is not imaginary, there is every reason to apply alternative ways of employment expansion. After all, it is unlikely that the process of 'releasing pressure' will soon offer unskilled workers adequate relief. It is also unlikely - since it is not in accordance with the distribution of talents - that the phenomenon of low education can be banished altogether. An alternative way, which on balance has the same effect as growth of employment at the top, is expanding the number of positions for unskilled workers at the bottom end of the labor market. Especially with an eye on the aging and the need for care resulting from it, a change in budget from social security expenditures to (minimum) expenditures for health care and other forms of elementary services could offer a solution.

2.3.2 Accessibility

In the past period the Netherlands have known a large educational expansion - for men, but even more for women. In 1958 barely 10 percent of 20-year old men and over 3 percent of 25-year old men took part in full-time education. In 1991 these percentages had risen to 43 and almost 10 percent respectively. For women the percentages in 1958 were 4.5 and less than 1; in 1991 36 and over 6 percent¹⁸. The strongly expanded and prolonged participation in education has obscured the traditional distinctions between forms of education. This too has been the explicit goal of educational policy, to increase the accessibility of interesting education for all layers of society.

The mobility in education is considerable. 17 percent of children with a diploma from a lower vocational education continues on to a middle vocational school, 8 percent graduates from university, or 1 percent obtains their higher vocational diploma and continue their studies at a university. These numbers

^{18]} See: Central Bureau of Statistics, *Vijfennegentig jaar statistiek in tijdreeksen, 1899-1994* (Ninety-five years of statistics in time periods); The Hague, Sdu Uitgeverij.

only concern regular forms of education, meaning: education which is followed at regular types of schools and which is funded by the government. Other kinds of education, like shorter and more specific vocational training, education for a not officially acknowledged certificate et cetera. have not been included. These kinds of education form an important part of the entire educational package however. The extent of this in-company training is considerable and amounted in 1992 to 7.2 billion guilders. In the same year about one in three employees in organizations with more than 5 employees took part in such educational activities. The entire cost of education was on average 2.1 percent of the average earnings. At the same time a trend is noticed that an increasingly larger part of this education takes place in the work environment, and this means supervisors have more educational responsibilities. In the last decade the percentage of average earnings spent on education has risen slightly.

Participation in education grows, and the number of years in education increase as well, although figures indicate that this growth might level off. This levelling off could be reinforced by recent restrictions in mobility and student grants. On the other hand the effect of the gradually growing sector of in-company training cannot be predicted entirely. Data concerning private and/or corporate education can only with difficulty be compared over longer periods of time. It can be assumed that the incidence of short and specific in-company training will increase. That leaves the possibility for general education in the regular educational institutions.

2.3.3 Skewness

Skewness can be discussed in two ways. First of all there is a skewness in educational participation: the distribution of participation in school levels. And secondly there is skewness with respect to the distribution of types of school, and school levels themselves.

To start with the latter: little has changed in the structure or construction of regular education in the Netherlands during the post-war period. Differences between different levels of education have not increased, and neither have entirely new forms of education been introduced at the top of the pyramid. On the contrary: despite the more intensive accents on knowledge in society, the ceiling of regular education has remained at the same level.

The variation in levels of education has decreased. Not only has the course length of a study been shortened, due to government measures the time of study has come closer to the official length of the course. The combination of these two developments has led to a 'compression' of the system of education. At the bottom a continuous lengthening of the duration of study takes place, which means higher results are realized. In the coming decades the percentage of the potential working population in higher education will only increase. This means the relation between lower and higher education becomes more balanced. The question is if such a development is entirely positive for a knowledge-intensive society. After all, a knowledge-intensive society does not only require more people to have a higher education but also that the top of the knowledge pyramid is moved further and further upwards.

An entirely different question is whether the trend of diminishing differences between educational levels will lead to education being less of a source for segmentation in the future. If the differences between levels of education decrease, it seems logical to assume that the discriminating meaning of education will decrease also. On the other hand one could also say that it is not so much the absolute differences but the relative differences which are important. If the distribution pulls together, small differences could become more important. It is suggested that over time the field of study has gained

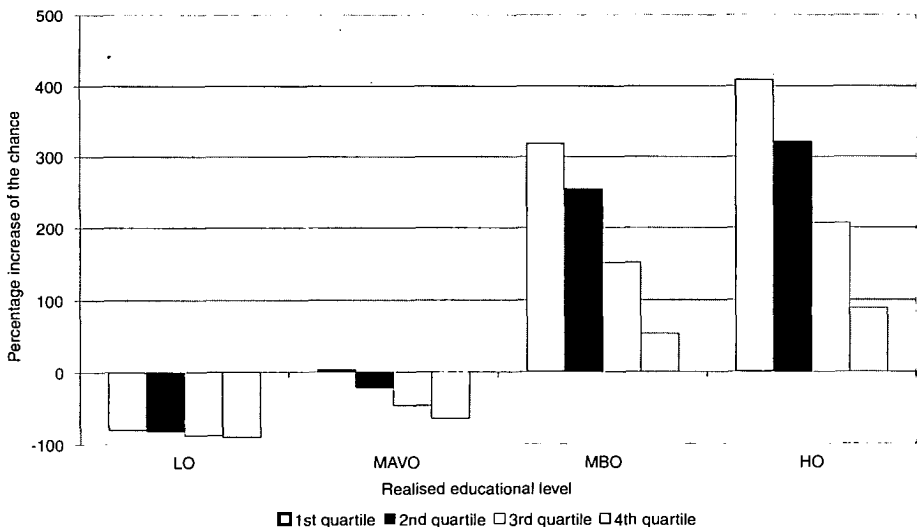
importance, even to the extent that the real hierarchy in education is not expressed in the level, but especially in the field the student has chosen.

2.3.4 Openness and mobility

Now that educational differences as a whole appear to be decreasing, one can ask which factors determine accessibility and moving up in the distribution of education, and in which direction these factors will develop. Diverse elements contribute to this. A lot of attention has been given to factors like gender and social environment and their influence on the level of education and direction of education. For what the past is concerned, a decline in influence of these factors can be noted. Participation of women in higher forms of education has increased enormously, though it is probable that women will continue to choose other directions than men. In that sense a distinction can be made between 'female' and 'male' fields of study. In the past period there has been no convergence on this point, on the contrary: the choices have only become more divergent. Even though the duration of study is the same for women and men, the divergence in the choice of direction will continue to be a disadvantage for women. Only if the economic development would specifically benefit those sectors for which the 'female' studies educate, would this choice have a positive effect.

In the Netherlands, social background has traditionally been a strong factor for the education followed by children and adolescents. The lower the position of the parents in the social hierarchy, the smaller the chance that the children would continue their studies. However, the past decades have seen a tendency towards more equality. Figure 2.4 for example shows how the chances of the cohort 1961-1970 to reach a certain level in education have increased compared to the cohort 1921-1930. For the cohort 1921-1930 the opportunities for the lowest social background quartiles to reach higher levels were relatively low. Now all social background quartiles have a more or less equal chance at the middle vocational level. The increase in educational participation is expressed in the fact that chances of a higher final level have also increased for the highest quartiles. Still the figure also indicates that for the lowest quartiles the chances of only a low level of education is the greatest. A hard core remains for which social background is still an important factor in their educational performance.

Figure 2.4 Increase in education per social background quartile, cohort 1961-1970 compared to cohort 1921-1930



The influence of the social background is strongest where it concerns choices for education at a younger age, like for example the choice for a vocational or general education after primary school. Choices made at a later age, like taking part in tertiary education, are clearly less influenced by the social background. The cause of the increased educational mobility can largely be found in the general expansion of education. Especially for the final level of education reached, the normalization of the longer duration of the study is of great influence in breaking through certain limitations posed by the social background. One could assume that, if mobility in education keeps increasing, the influence of this background on the final level of education could even disappear completely in 50 years. It remains to be seen if such a situation will ever really exist. It cannot be denied that the fruits of education will only ripen if they find nurturing soil outside the educational system as well.

Given the mostly categorical Dutch educational system, the government policy aimed at mobility during the 1970s and 1980s has been a way to adjust the original choice of school-level, inasmuch this was overly determined by traditional factors like gender and socio-economic background. Promoting mobility among different types of schools encouraged pupils and students to 'distance' themselves from their socio-economic background and to bring their choice of school level more in accordance with their talents. These possibilities still exist, but have become more limited as the system of study grants and the way of funding public educational institutions have changed. Given the categorical and therefore relatively sensitive rank and class division of education, one could ask whether the future need for higher trained workers should not lead to a qualification of this line of policy.

2.3.5 Education and segmentation

During the last decades, developments in education have gone in the direction of more participation, more equality of educational opportunities and more educational mobility. Does this mean the future distribution of the scarce good of education does not offer much cause to worry about segmentation and social disruption? It has been said before that things like social dichotomy and social disruption are dependent on both objective and subjective developments, on facts and opinions, including the relation between the two. The relatively positive developments in the distribution of educational opportunities described above underline the fact that the motive of equal opportunity is increasingly explained in a meritocratic way. Such an interpretation of the equal opportunity motive will end up causing new forms of social inequality. Yet the more such opinions are socially accepted (which seems to be increasingly the case in the future), the less the resulting differences are necessarily a source of disruption. Especially if the horizon of social opportunities widens, it will take some time before concern about unequal results will win out over the orientation on equal opportunities.

2.4 Distribution of income

2.4.1 Nature and meaning

After a long period of income-leveling, a breach of this tendency occurred during the 1980s, and differences began to increase again. The Anglo-Saxon countries in particular show a similar development. An internationalizing economy, competition with low-wage countries and technological developments at the expense of unskilled jobs are indicated as the causes for the relative deterioration in income of lower-paid workers. Projections are usually pessimistic for those with low wages and give the impression that a long period of reversal in the equalization of incomes is to come.

Two comments should be made here. In the first place it is remarkable that so much attention is given to static considerations of the distribution of income, and so little to mobility. Yet it is the openness in the distribution of income that has become of even more political importance. Examples of this are the strengthened relation between work performance and income, the transformation of the social security system from a deactivating to a reactivating system and a less rigid attitude in applying the seniority principle in rewarding labor. In the second place many considerations on the distribution of income forget that the number of income earners has increased dramatically over the last two decades.

2.4.2 Accessibility

The number of persons that have come to enjoy an income has increased enormously in the course of time. This growth can be observed in the number of people that earn an income through the labor market and in the number of people receiving benefits. One of the most important causes of this growth is the increase in participation on the labor market by women.

Table 2.6 Share in the overall population of individuals by economic dependency (percentages)

	1960	1970	1980	1990	1994
Persons without an income					
of whom	55	50	43	35	33
younger than 15	30	27	23	18	18
having daytime education	3	5	8	8	8
partner sole wage-earner	22	18	12	9	7
Persons with an income					
of whom	45	50	57	65	67
working men	29	28	26	25	25
working women	8	9	11	13	17
receiving benefits	8	13	20	27	25

Source: Calculating made by WRR, based on data from Central Bureau of Statistics and OECD.

The influx on the labor market and the increase in the number of benefits has had major consequences for the way the distribution of income should be considered. In the first place it is logical that those who did not previously have an income, the former 'zero-incomes', start at the bottom. Naturally this creates a more skew distribution. But concluding that the distribution of income is going through an anti-egalitarian development is incorrect. For was it not the intention of the emancipation policy that women without income would enter the labor market? It is only logical the imbalance would increase. This only becomes a problem if those concerned have to support themselves (and children) on such low wages.

In the past, women without income were not included in the distribution of income since the husband was the provider. But these days economic independence is considered a worthy aspiration by and for women. This socio-cultural change makes the longitudinal study of the distribution of income more complicated. In the socio-cultural normality of post-war household formation it was taken for granted that people without an income would not be included in the distribution of income. That way, based on that same socio-cultural normality, we could speak of full employment in the 1960s, even

though the participation figure was remarkably lower than it is today. After all, women were not included.

In the socio-economic discussion, terms like full employment and unemployment are more and more replaced by gross and net labor force participation because of their socio-cultural dependency. In the same way the notion of distribution of income should be rid of its socio-cultural definition. Such an 'inclusive' or 'gross' distribution of income should encompass all income from potential wage-earners, including that of people who do not earn wages. Only then can the effect of the larger influx be examined for imbalance and mobility. The consequences of this adjusted statistic presentation of incomes and distribution of income are great.

2.4.3 Skewness

The usual statistic distribution of incomes earned or drawn in the Netherlands, called the exclusive distribution above, has been dominated by a continuous leveling process for several decades. The waves of pay increases in the 1960s and broad political attention for an equal distribution of income have contributed to this. In the latter half of the 1980s a change occurred in this leveling trend. Much of the equality that had come to mark the distribution of income has been lost.

The unit of income 'wage-earner' in table 2.7 concerns either a couple or an unmarried individual. Therefore we cannot speak of a truly *individual* distribution of income. The table shows that the exclusive distribution of income on the basis of the disposable income of wage earners is back at the level of imbalance of the early 1970s. This development has been connected with the fact that benefits and income in the public sector are trailing the incomes in the market sector, and with the weak position on the labor market of the unskilled. Another cause for the increase in imbalance might also be found in the increase in the number of wage-earners (double incomes).

Table 2.7 Distribution of income on the basis of the disposable income of wage-earners (percentage share of income)

	1959	1970	1981	1993
1st decile	1.5	2.9	2.9	2.1
2nd decile	3.5	4.8	5.4	4.6
3rd decile	5.1	6.1	6.7	5.8
4th decile	6.8	7.1	7.6	6.9
5th decile	8.1	8.3	8.6	8
6th decile	9.3	9.4	9.6	9.4
7th decile	10.5	10.6	10.8	11
8th decile	12.2	12.2	12.3	12.9
9th decile	15.1	14.9	14.5	15.7
10th decile	27.9	23.7	21.5	23.5

Source: Central Bureau of Statistics.

It is remarkable that the *inclusive* distribution of income, including people without an income, has become more equal between 1977 and 1994, and therefore shows a contrary development. This is shown in table 2.8. The entire population of individuals aged 18 and older in private households, both wage-earners and people without income, has been re-divided in this inclusive distribution in groups of 10 percent. The negative incomes of the first decile include entrepreneurs working at a loss, individuals owing debts, et cetera.

Table 2.8 Inclusive distribution of income on the basis of the disposable income of persons aged 18 and older (percentage share of income)

	1977	1985	1994
1st decile	-0.6	-0.5	-0.7
2nd decile	0	0	1.2
3rd decile	0.1	1.7	4.1
4th decile	3.8	5.2	6.1
5th decile	8.2	8.1	8
6th decile	10.8	10.4	10
7th decile	13	12.5	12
8th decile	15.6	15	14.5
9th decile	19	18.5	17.8
10th decile	30.2	29	27

Source: Central Bureau of Statistics.

This inclusive distribution of income shows a picture which on essential points is contrary to the traditional statistical presentation. There is no longer an increase in skewness on the basis of individual incomes. If the presentation had gone even further back, the picture of increasing equality would have become even more clear. The notion of the poor getting poorer and the rich getting richer, which could easily be concluded from the exclusive distribution of income, makes way here for the idea that more and more people have access to the distribution of income. That poverty can nevertheless exist is a consequence of the fact that an increasing number of 'new' wage-earners also has to earn sufficient income for an independent household.

2.4.4 Mobility

The images of the aforementioned distributions of income (inclusive and exclusive) are static, while the positions in the distribution of income are temporary: a person can be in one of the first two deciles one year, and in a higher decile the next. Usually this mobility is given less attention than the static distribution of income¹⁹. Still it would be logical if considerations about the acceptability of a certain distribution of income would include the aspect of income mobility. After all, differences in income are socially more acceptable the more there is a perspective of gaining a better position through one's own efforts.

Indeed there is a certain mobility of income from year to year. Table 2.9 shows which fractions have moved between different positions for the population of individuals older than 15 from family households. The distinctive positions are those of people without income, the quintiles based on the individual disposable income and the departure from the population through death, migration or moving to a home for the elderly.

^{19]} The total income during a lifetime has regularly been explained in the economic literature. See e.g.: J.H.M. Nelissen, *The Redistributive Impact of Social Security Schemes on Lifetime Labour Income*; Series of Social Security Sciences, Report no. 22, Tilburg, 1993.

Table 2.9 Income mobility from 1992 to 1993 in terms of chances of wage earners (percentages)

from:	zero-income	1st quintile	2nd quintile	3rd quintile	4th quintile	5th quintile
Zero-income	81	7	1	1	0	0
1st quintile	16	74	18	2	0	1
2nd quintile	2	15	64	11	1	0
3rd quintile	0	3	13	70	12	1
4th quintile	0	0	2	13	74	9
5th quintile	0	0	0	1	12	88
Departed from population	1	1	2	2	1	1

Source: Central Bureau of Statistics.

The figures show an upward mobility of income that cannot be neglected. Partly this is a consequence of the fact that individuals disappear from the population and that people without an income start to earn one. This changes the relative position in the distribution of income of those that already had an income. But more important is that opposite this upward mobility is also a downward mobility. A certain symmetry can even be observed in the upward and downward mobility between two income positions.

As mentioned before, the income mobility makes the existence of differences in income socially more acceptable. It is therefore important that there are not any barriers which could prevent movement from the lowest to the highest quintiles. This does not seem to be the case. Rather another situation presents itself: the lower the quintile, the bigger the chance of upward mobility. This means that for large groups of people, a position in the lower deciles of the distribution of income is only temporary.

2.5 Synopsis and conclusion

In this chapter three areas of social distribution have been discussed which are considered to determine social cohesion in the Netherlands. For each of these, the impression in the recent and less recent past has been that a social dichotomy was occurring. However, the analysis in this chapter shows a more positive picture.

However, despite the upgrade of the quality of labor, despite the increased equality of educational opportunities and despite the continuing leveling of the distribution of income, the threat of a social dichotomy is still a real concern. What is happening here?

Apparently the changes in the direction of a larger supply and a more equal distribution, like those in the areas of occupation, income and education have not been sufficient to fulfill the growing need of so many to share in these dimensions. Together with the limited growth of employment during the 1970s and the dramatic drop in the demand for labor in the early 1980s, the socio-cultural change in the relation of women to the labor force caused an absolute low for the extent in which people could fulfill existing socio-economic aspirations. The influx for each of these three dimensions has been so overwhelming that the distribution of the available means could not but cause trouble. These problems came from a redistribution of available means on each of the three dimensions. On the labor market the tightness has manifested itself mostly at the bottom, where the unskilled tried to secure their position. The degree of participation is considerably lower here than for the higher educated, while

the opposite is true for unemployment figures. In education the scarcity of means has mostly manifested itself in higher education. The increased participation in education has not been able to find its logical continuation in the stretching of the educational ceiling. In the area of income the influx has meant a strong increase in low incomes, caused by new workers on the labor market, or an increase of the number of benefits. The phenomenon arises here that while participation has increased enormously in each of these three areas, the new situation is considered a loss rather than a gain.

It is nevertheless conceivable that despite this qualification the concern about social dichotomy is still justified because the increased socio-economic dynamic makes it more and more difficult for certain weak groups to manage. Since we have talked about averages, these groups may have been left out of the picture. The next chapter will therefore deal more specifically with the social position of groups that can be considered vulnerable.

3.1 Thinking in categories

The analysis in the last chapter was mostly aimed at the macro-level. The risk of such an approach is that underlying patterns and developments as well as sectoral differences remain invisible. This chapter therefore focuses on those groups that in the recent past have been prevalent in the public discussion on neglect, poverty and social dichotomy. Income, occupation and education are seen as essential elements for their social participation. Three groups have been selected: women, ethnic minorities and elderly people. For each group will be considered to what extent the lack of opportunities in work, education and income put pressure on their social participation.

The social distribution of occupation also has a spatial dimension. There are richer and poorer regions, thriving communities as well as areas with an accumulation of social problems. Differences in affluence and in social participation are most significant in the big cities. That is why a separate section will deal with problems in the big cities.

3.2 Women

3.2.1 Job market

The emancipation of women in the Netherlands since 1970 can be called a schoolbook example of a relatively quick and successful breakthrough to larger social participation. Especially on the labor market, the position of women has changed drastically. Until 1970 the labor force participation of women in the Netherlands was very low, particularly for married women with children. Since then, there has been an enormous increase. While the employment of men increased by 9 percent between 1970 and 1995 (from 3.5 to 3.8 million persons), that of women grew by a stunning 90 percent (from 1.2 to over 2.2 million). This increase happened by cohort, which means that every new group contained more women who went to work and kept working than the group before.

Table 3.1 Net labor force participation in persons of men and women by age, 1972-1995

	Women				Men			
	1972	1980	1988	1995	1972	1980	1988	1995
15-24	51.7	42.7	40.9	37.2	60.2	46.1	42.3	39.9
25-34	25.5	37.5	48.3	60.8	92.2	91.3	84.9	86.3
35-44	23.8	31.0	38.9	50.1	94.9	92.3	88.7	89.8
45-54	22.2	26.1	30.7	42.4	91.3	86.7	81.1	85.1
55-64	14.8	14.0	10.5	13.0	76.9	61.1	42.3	38.8
15-64	30.3	32.4	36.3	43.5	83.2	75.6	69.7	71.6

Source: Calculations by WRR, based on OECD, *Labour Force Statistics*, several volumes; and CBS, *Enquête Beroepsbevolking 1995*, Voorburg, 1996.

Table 3.1 shows the development of the net labor force participation in persons between 1972 and 1995. The cohort effect for women is clearly noticeable. The net labor force participation of men and women together in 1995 is about the same as in 1972. We can roughly state that the decrease in participation of men was equal to the increase for women. As the age-groups that are now

between 25 and 44 move up to the older age-groups, it is to be expected that the participation of older women will also increase significantly in the near future. The labor force participation of men decreased substantially, especially for the age-group 55-64. Since 1988 there has been a slight recovery in the age-groups between 25-64. Table 3.2 clearly shows the influence of the level of education. The younger, or the higher the education, the higher the labor force participation.

Table 3.2 Net labor force participation of men and women by level of education and age, 1995

	Women			Men		
	Low	Middle	High	Low	Middle	High
25-34	38.7	65.7	78.2	80.7	90.2	86.1
35-44	35.4	52.8	71.6	82.7	92.3	94
45-54	30.6	49.4	69.6	76	88.6	92.6
55-64	8.5	18.3	28.2	32.8	40.3	50
15-64	26.7	53.5	66.7	58.9	77.9	82.1

Explanation: Low = (extended) primary education
 Middle = secondary education
 High = higher education

Source: Calculations by WRR, based on CBS, *Enquête Beroepsbevolking 1995*, Voorburg, 1996.

At the moment a large majority of women has a part-time job. This means the development of labor force participation of women expressed in years has increased less than the participation in persons. In 1970 the labor force participation in years was 25 percent, at the moment it is 32 percent. The connection between the level of education and labor force participation is much stronger for women than it is for men. In coherence with the continuous rapid increase of the educational level (see section 3.2.2), it is to be expected that this increase will not decline as yet. Here too it is a matter of the cohort effect: as women are better educated, they will participate more on the labor market. At the same time the number of unskilled, not working women in the overall population declines. Both effects create an increasing labor force participation by women.

The labor force participation of Dutch women has moved closer to the European average, especially when calculated in persons. The Netherlands have more part-time jobs than any other OECD-country, both for men (15%) and for women (65%). Part-time work has proven to be an attractive option for both employers and employees. The growth of employment by women has been a consequence of developments on the supply side of the labor market - an increasingly higher level of education, aiming for economic independence, the decreasing number of children, etc. - and on the demand side, where we can point out the strong growth of service sectors, where women have a better chance of finding work, and the aim for more flexibility through part-time work. Women's employment is for the greater part in the service 'industry' (88%).

3.2.2 Education

At present, the participation in education shows a practically complete equalization of the differences between boys (men) and girls (women). In 1950 there was still a considerable difference in both participation and level of education between men and women. Table 3.3 shows that the differences between men and women aged between 25 and 34 have now disappeared, and are also very

small in the next higher age-group. As time progresses, these year-groups will also penetrate the age-groups over 45. This means that in the foreseeable future, women over 45 will have a level of education comparable to men.

Table 3.3 Men and women by level of education and age, 1995

	Women			Men		
	Low	Middle	High	Low	Middle	High
25-34	29.3	46.5	24.2	30	45.2	24.9
35-44	39.6	38.8	21.5	29.9	42.2	27.9
45-54	53.2	30.7	16	35.2	39.1	25.7
55-64	66.3	24	9.8	41.7	39.6	18.7
15-64	45.8	37	17.1	37.9	40.5	21.6

Explanation: The total adds up to 100

Low = (extended) primary education

Middle = secondary education

High = higher education

Source: Calculations by WRR based on CBS (1996), *Enquête Beroepsbevolking 1995*.

Where differences in educational level and participation have declined and are expected to continue to secondary education do so, differences in why men and women choose their fields of education turn out to be more persistent. Although SCP calculations show that there too the differences have decreased considerably between 1950 and today, there now seems to be a tendency towards stabilization¹. Men dominate all levels within the technical fields of study, women dominate within the medical care and social studies, and in humanities.

This divergence in field of study has consequences for occupational opportunities later on. The choice of the field of study is important because of the ensuing distribution by occupation and position. Women appear to be less spread out over occupations than men, which means they are also more vulnerable as a group. Typical 'women's jobs' develop, which are generally paid less than men's jobs. Fields of study preferred by women are also often less favorable from the perspective of job opportunities.

3.2.3 Unpaid (social service) labor

Up to the present day the distribution of paid and unpaid work is not independent from sex. Paid labor is still mainly done by men, and unpaid labor mostly by women. This distribution has changed slightly between 1975 and 1995, as can be seen in table 3.5. Men have taken up more household tasks, women have performed more paid labor. When we compare the way in which working men and women spend their time, there seem to be less differences. But here too we see that women spend about twice as much time on house-keeping than men do.

¹ See Social and Cultural Planning Office, *Sociaal en Cultureel Rapport 1994* (Social and Cultural report 1994); Rijswijk, 1994, p. 335.

Table 3.5 Distribution of paid and unpaid labor by women and men, 1975 and 1995

	Women				Men			
	1975	1985	1995	1995 working	1975	1985	1995	1995 working
Labor and education	41.4	41.6	41.6	54.6	39.9	39.8	43.7	54.8
Paid labor	6.1	6.1	9.7	35.2	23.7	21.6	25.4	44.0
Education and development	5.9	6.6	5.8	1.8	7.6	7.9	7.0	1.4
Household and family tasks	29.5	28.3	26.2	17.7	8.6	10.3	11.3	9.4

Source: Social and Cultural Planning Office, *Sociaal en Cultureel Rapport 1996*; Rijswijk, 1996, table B8.1, p. 411.

Besides the influence of socialization, an important explanation is that the distribution of tasks is mostly determined by the level of education: the higher the education, the higher the earnings on the labor market. Since men had a higher education until now, it was obvious that they would be considered for paid work before women. The women took care of the unpaid domestic work. Now that more and more women have a comparable level of education, this could lead to a different distribution of household tasks. It is to be expected that the amount of time spent on domestic activities will go down, that the distribution of paid and unpaid work will become more equally divided between men and women, and that more than at present such tasks will be contracted out.

3.2.4 Income

The changing position of women in society can also be observed in income. While 60 percent of women did not have their own source of income in 1977, that percentage went down to 39 percent in 1989. Labor is the most important source of income. Hereby can be noted that the average hourly wage of women is lower than that of men, even when corrected for differences in education and jobs, and for sectoral differences. Moreover, women do not qualify for extra wage elements as often as men do, and relatively many more women receive minimum wage than men. Hooghiemstra and Niphuis-Nell state that women are being discriminated against through job rating and reward ². Given the large number of part-time jobs and the lower income per worked hour, it is hardly surprising that the gross income earned per person working is significantly lower for women than for men. This disadvantage in income of women has hardly changed in the past years, but it is less significant for younger women, which could be an indication that over time, with a steady inflow of better educated women, the disadvantage could become less.

The relative disadvantage in income in labor is reflected in social security: both in the single-parent families (98%) and singles (82%) on welfare, women at minimum wage are strongly over-represented. A recent Dutch study ³ also makes clear that these groups - single-parent families and single women - run a higher risk of sinking below the poverty line. The risks are especially high for the unskilled and for those dependent on welfare.

^{2]} B.T.J. Hooghiemstra and M.J. Niphuis-Nell, *Sociale atlas van de vrouw. Deel 2: Arbeid, inkomen en faciliteiten om werken en de zorg voor kinderen te combineren* (The social atlas of women. Part 2: Labor, income and facilities to combine work with the care of children); Rijswijk, Social and Cultural Planning Office, 1993, p. 142-146.

^{3]} *Arm Nederland - het eerste jaarrapport armoede en sociale uitsluiting* (Poor Netherlands - the first annual report on poverty and social exclusion); by G. Engbersen, J.C. Vrooman and E. Snel (ed.), The Hague, VUGA, 1996; special chapter 2.

3.2.5 The position of women until 2015

When we now look at the period until 2015, the expectation is that the labor force participation of women will continue to increase. There are several reasons for this. As for duration, the educational participation of women is practically comparable to that of men at the moment. It is also to be expected that the high participation in education of these cohorts will be reflected in a high degree of labor force participation, which will at least be comparable to the labor force participation of the present generation aged between 25 and 40. As time progresses, the labor force participation of women will also start to increase in older age-groups. This development does not seem to be contrary to demographic expectations. No breaches in trends are foreseen as to if and when people get married, the age at which they have their first child, and the total number of children they have. At a socio-cultural level hindrances for a further increase of the labor force participation of women also seem surmountable.

Even though social participation of women will increase further, some women will drop out, particularly among the unskilled. The opportunities of those with little education for labor force participation are significantly lower, also because they have more traditional views on the distribution of paid and unpaid work. And if they perform paid labor at all, the income earned is modest. If a distinction is made between the lower, middle, and higher educated, the net labor force participation in persons for women appears to be at a serious disadvantage for those with little education. This is true for the entire group aged between 15 and 64, but also for the group aged between 25 and 34. If the social participation of unskilled women is to be raised, additional measures will need to be taken. We will return to this at the end of the chapter.

3.3 Immigrants

3.3.1 Introduction ⁴

Since the 1960s the share of immigrants in the population has increased considerably. According to the broadest definition there were 2.6 million immigrants in the Netherlands on January 1, 1995. The definition of immigrant here holds that someone is born abroad, or that one or both parents were born abroad. Children with Dutch parents who were born abroad are also included, as are children from mixed marriages. If the immigrants from OECD-countries are not included, there remain 1.3 million immigrants in the Netherlands who were either not born in an OECD-country themselves, or of whom at least one parent was not.

Among this group Turks, Moroccans, Surinamese and Antilleans form the most important subgroups as far as numbers are concerned ⁵. They number over 850,000 people, of whom about 35 percent belongs to the second generation ⁶. The people from the second generation are almost all younger than 30, while the first generation is usually older than 30. This means they were raised and educated in their country of origin. Most of these immigrants are not or hardly prepared for a job market career in a highly developed society like the Netherlands. They are often in disadvantaged positions with respect

^{4]} See also P.T.M. Tesser, F.A. van Dugteren and A. Merens, *Rapportage minderheden 1996. Bevolking, arbeid, onderwijs, huisvesting* (Report immigrants 1996. Population, labor, education, housing); Rijswijk, SCP, 1996.

^{5]} Needless to say, further differentiation of these groups, by ethnicity and area of origin, should be aimed for.

^{6]} See Central Bureau of Statistics, *Allochtonen in Nederland 1996* (Immigrants in the Netherlands); Voorburg, CBS, 1996, p. 27.

to occupation, income and education. Separate attention in a report on segmentation and social dichotomy therefore seems appropriate ⁷.

3.3.2 Labor market

The labor force participation of immigrants is low in comparison with that of indigenous Dutch people, as table 3.6 shows. At the same time this table shows that the differences have decreased slightly between 1987 and 1995. The growth of employment for this group, 7 percent annually, was significantly above that of the entire population. It also indicates that differences among immigrants, by level and development, have increased over time. Turks and Moroccans have a very low and stagnating labor force participation, whereas Antilleans and Surinamese have a higher and increasing labor force participation. Especially the Surinamese show a strong increase. The labor force participation of Surinamese women is even higher than that of indigenous Dutch women. In contrast, the lower labor force participation of Turks and Moroccans can for a large part be explained by the very low labor force participation of women - 15 and 12 percent respectively in 1995. This low labor force participation of Turkish and Moroccan women has much to do with the negative opinions on working women in this group, the extremely low levels of education of these women and the often large families which make participation on the labor market more difficult.

Table 3.6 Net labor force participation for different groups, 1987-1995

	1987	1989	1991	1993	1995	1995 M	1995 F
Indigenous Dutch	53.3	54.9	57.6	58.4	59.4	74	45
Immigrants	32.5	33.2	35.6	35.5	39.2	54	34
of wh.							
Turks	33.7	28.7	31.0	31.0	30.3	44	15
Moroccans	25.4	22.0	26.1	18.8	28.6	41	12
Surinamese	36.4	41.1	41.5	47.0	51.1	56	46
Antilleans	40.0	39.3	47.1	46.7	44.4	60	35

Source: Department of Social Affairs and Employment (1995), *Sociale Nota 1996*; appendix 3, and CBS (1996), *Enquête Beroepsbevolking 1995*.

Immigrants also show a clear connection between labor force participation and the level of education. Table 3.7 shows that for the gross labor force participation the results per level of education for immigrants and indigenous Dutch people are practically the same. However, since the number of unskilled is so high among immigrants, the average for this group is low. If the level of education among immigrants can be improved, a broader perspective would be possible here as well. For the net labor force participation the differences are bigger. This has to do with the much higher and barely declining level of unemployment of immigrants. Within this group again the Turks and Moroccans are at noticeable disadvantages. The situation of the Surinamese is better: for them the level of unemployment is lower, and clearly declining. Not unexpectedly, the share of long-term unemployed among Turks and Moroccans is considerably higher than for the other immigrants or for indigenous Dutch people. All in all we can conclude that immigrants show both a lower labor force participation and a higher unemployment level, as well as a longer duration of unemployment. In the period between 1987 and 1995 the Turks and Moroccans have seen their disadvantages grow even further,

⁷ The WRR has extensively investigated immigrant problems before. See WRR, *Etnische minderheden* (Ethnic minorities); Reports to the Government no. 17, The Hague, Staatsuitgeverij, 1979; and WRR, *Allochtonenbeleid* (Immigrant policy, available in English); Reports to the Government no. 36, The Hague, Sdu Uitgeverij, 1989.

whereas for the Surinamese there is a continuous improvement, both in an absolute and relative sense.

Table 3.7 Labor force participation of immigrants and indigenous Dutch people by level of education, 1995

	Gross-labor participation			Net-labor participation		
	Low	Middle	High	Low	Middle	High
Indigenous Dutch	47.4	71.6	81.1	43	67.4	76.7
Immigrants	43.3	72.4	77.8	30.6	59.2	69.4

Explanation: Immigrants here indicates Surinamese, Antilleans, Turks en Moroccans.

Low = (extended) primary education

Middle = secondary education

High = higher education

Source: Calculations by WRR, based on CBS (1996), *Enquête Beroepsbevolking 1995*.

Traditionally, the labor supply's level of education is the first place to look for an explanation for the bad position immigrants have on the labor market. We already concluded that immigrants have a much lower level of education, and that this is not likely to change for now. However, other factors than education play a part here: knowledge of the Dutch language, having a social network, and of course the selection processes among employers. As for the latter, social-normative criteria (compared to the technical-instrumental criterion of actual competence) seem to become more important. Experience shows this is to the disadvantage of immigrants. More direct forms of discrimination also play a part.

Still it would be unwise to end the consideration on a negative note. First of all it is apparent that certain groups of minorities, in particular the Surinamese and, all be it to a lesser degree, Antilleans and Arubans, show a clear progress in labor force participation. But even for Turks and Moroccans signs of improvement can be observed. The better immigrants are educated, the better their chances are to find work. The first signs of improvement on the labor market can be detected. Compared to 1990 the level of education of immigrants has increased substantially, even a little more than for indigenous Dutch people. This is true for the entire group of the population aged between 15 and 65, and even more for the employed. In other words, although this group still has little education, there is improvement: the disadvantage compared to the rest of the population is starting to decrease modestly. In the third place the meaning of ethnic entrepreneurship and informal work for immigrant groups should be taken into account. Especially for immigrants the available official data on labor force participation should be considered with the necessary reserve.

3.3.3 Education

The level of education of immigrants seems to stay far behind that of indigenous Dutch people. Table 3.8 shows that particularly Turks and Moroccans have a very low level of education. Even though the level of education of Surinamese and Antilleans is a lot higher, they too remain well behind the indigenous Dutch people⁸. Compared to 1990 the situation did improve, however. The distinction between the first and second generation immigrants is especially important for the level of education realized. In general the first

⁸⁾ These results are similar to those of the EBB 1995. In the latter the data cannot be calculated for each separate group of the population.

generation is marked by a very low level of education and a clear increase can be seen for the second generation, in particular of those who went to school in the Netherlands. Participation also increases, there is a better flow to higher (vocational) education, the age difference at the end of primary school is less, and drop-out figures are declining.

Table 3.8 Attained levels of education of the population aged between 15 and 65, 1990 and 1995

	max. basic education		lbo/-mavo		mbo/-havo/-vwo		hbo/-wo	
	1990	1995	1990	1995	1990	1995	1990	1995
Indigenous Dutch	17	13	30	27	37	40	16	20
Immigrants	54	45	24	27	17	20	5	8
of wh. Turks	69	61	21	23	..	14	..	..
Moroccans	73	64	16	19	..	..	..	..
Surinamese	36	27	31	34	25	27	8	12
Antileans	21	18	..	29	..	..	..	..

Explanation: .. indicates no figures are published by CBS.

Source: Calculations by WRR based on CBS (1996), *Enquête Beroepsbevolking 1995*.

At the same time Veenman⁹ concludes that the disadvantage in education has increased compared to indigenous Dutch people. Indigenous Dutch youths have made even more progress. As a result, the disadvantage of young immigrants compared to their indigenous Dutch peers is even bigger than that of their parents. Veenman brings forth different causes: migration symptoms (insufficient knowledge of the Dutch language, but also for example the expectation pattern with respect to education) that only disappear after a number of generations, the low socio-economic position which makes for a difficult start and, to a much lesser degree, the characteristics of the schools attended by immigrants.

Against this opinion - namely that the disadvantage of immigrants has increased rather than decreased - Diederer and Dronkers state that migrant students on primary schools between 1982 and 1989 did not drop any further behind in comparison to indigenous Dutch pupils¹⁰. Even though the differences have not decreased, Diederer and Dronkers still consider improvement a possibility in time: migrant status or a diverging ethnic culture do not irrevocably lead to a disadvantage in education.

3.3.4 Income

With a low level of education and a relatively limited labor force participation, and then mostly in lower positions, it is not surprising that the income of immigrants is also lower than that of indigenous Dutch people¹¹. The net monthly income of those with a 35 to 45 hour work week turns out to be much lower for immigrants than for indigenous Dutch people. While 78 percent of the latter group earns over 1900 Dutch guilders net in 1991, that percentage was about 55 for immigrants. If only a net income of over 2700 guilders was considered, 33 percent of all indigenous Dutch people made at least this

^{9]} See J. Veenman, *Participatie in perspectief. Ontwikkelingen in de sociaal-economische positie van zes allochtone groepen in Nederland* (Participation in perspective. Developments in the socio-economic position of six immigrant groups in the Netherlands); Houten, Bohn Strafleu Van Loghem, 1994, p. 69.

^{10]} See H.M.N. Diederer and J. Dronkers, 'Achterblijven, inhalen of voorbijstreven? De verbetering van de onderwijskansen van kinderen van migranten gedurende de jaren tachtig in vergelijking met die van autochtone kinderen'; *Migrant studies* (Migrant studies), 1996, vol. 1, no. 3, p. 118-135.

^{11]} Possible income from informal labor cannot be found in these statistics.

amount. For the Antilleans this percentage was 20, for Surinamese 11, for Moroccans 5, and for Turks no more than 2. The fact that the disposable income of immigrants was smaller also related to the large number of benefits. Besides the unemployment benefits these are welfare (for Surinamese and Antilleans) and disablement insurance benefits (for Turks and Moroccans). Since a benefit is considerably lower than income from labor, this also creates a downward effect. Veenman has to conclude that the income position of the four main immigrant groups differs unfavorably from that of the indigenous Dutch people ¹².

3.3.5 Housing

The immigrants that are central in this consideration, i.e. the Turks, Moroccans, Surinamese and Antilleans, are not spread out evenly over the country. On the contrary, there is an obvious concentration in the big cities ¹³. Immigrants live mainly in the Randstad (12% of the population), within that especially in the big cities (27% of the population) and in those cities especially in certain neighborhoods (sometimes more than 50% of the population). For all of the Netherlands the percentage of immigrants at the moment is 7. The spatial segregation between immigrants and indigenous Dutch people in the big cities, makes the group and their social problems clearly visible. We should also point out that this segregation takes place among immigrants themselves as well: Moroccans and Turks usually live in other neighborhoods than Surinamese and Antilleans, and within neighborhoods different groups live in different streets or blocks of houses. Even within one group of population there can be significant differences, especially because of differences in origin, for example from the city or the country.

The neighborhoods in the big cities, where 20 percent or more of the population is immigrant, are certainly not only neighborhoods with pre-war houses. On the contrary, immigrants relatively often live in neighborhoods with recently or newly built houses. In that, the Dutch situation is positively different from that in other countries. This relatively positive housing situation has been an important factor in preventing the formation of ghettos and social exclusion. This situation could develop because of the substantial efforts in urban renewal in the older neighborhoods in the big cities.

Generally speaking neighborhoods with a high percentage of immigrants contain a lot of rented houses, apartments and relatively low living expenses. The housing situation of immigrants has improved in the last years, with direct consequences for the costs of housing. These neighborhoods are also characterized by a more than average presence of households without a paying job, many unemployed and other welfare recipients and with a relatively low income ¹⁴. If a distinction is made between the different immigrant groups it is again the Surinamese and Antilleans who are better off than Turks and Moroccans.

Tesser and Van Praag state that these neighborhoods tend to become gathering places of underprivileged immigrants who are little oriented on the Dutch society, and indigenous Dutch people who earn relatively low wages, but are

^{12]} Veenman, op. cit., p. 76.

^{13]} Possibly this concentration could decrease in the near future, because of the placement procedures for asylum seekers. These are housed especially outside the big cities. At the moment this is not clear however. See H.C. van der Wouden, *De bekleemde stad. Grootstedelijke problemen in demografisch en sociaal-economisch perspectief* (The oppressed city. Big city problems in a demographic and socio-economic perspective); Rijswijk, SCP, 1996.

^{14]} See Van der Wouden, op. cit., p. 92-95.

much better educated ¹⁵. That could indicate the development of a situation in which such neighborhoods turn into ghettos, with a culture of unemployment that shuts people off from society and does not lead to social integration. Tesser and Van Praag indicate that it is especially due to the housing policy that this has not happened already, but that risk factors for deterioration are in fact there, like the high level of unemployment, the poor school results in these neighborhoods and the development of crime.

The high unemployment in the big cities can be traced back to important spatial and economic processes of transformation. Employment in the big cities has dropped significantly over the past years. New employment developed in the surrounding areas or in regions further away. The kind of work that remains in the big cities usually requires a good education for which better educated commuters from surrounding areas qualify, rather than the less educated immigrants in the cities. The result is a high level of unemployment for this group.

Some observers are less gloomy about employment developments. However bad the situation is, there are still a number of positive signals, in the formal but also in the informal circuit. In sectors like retail and the hotel and catering industry, but also in the care sector numerous new jobs have been created. Ethnic entrepreneurship has increased rapidly over the last years. There is less clarity about activities in the informal circuit, but here too there is a lot of new employment. The prospects are not unfavorable, especially in the light of the deregulation which makes it easier for minorities to start their own business. These initiatives can also serve as an example for others. At the same time it remains true that a better education will contribute to taking sensible decisions; at the moment only too often investments are made in businesses which do not offer enough perspective.

3.3.6 The position of immigrants until 2015

For the future social participation of immigrants the following five developments are important: the demographic development, including the immigration, the housing situation, especially the degree of concentration, the future level of education, the economic development and the degree to which these groups will still be found at the bottom of the social ladder.

In the population projections of the CBS the scale of net immigration is one of the most decisive factors for the development of the population in the near future ¹⁶. The estimates for net immigration in the period until 2015 vary from 0 annually in CBS-low to a positive immigration balance of 70,000 people annually in CBS-high. It is obvious that these diverse estimates also affect the number of immigrants that can be expected in the Netherlands in 2015 on the basis of this projection. Table 3.9 shows a projection until 2015. It can be concluded that the number of immigrants in 2015 could reach between 1.8 and 3.1 million, or between 11.3 and 17 percent of the entire population. In all cases we can see an increase compared to the share in 1994, which was about 7.6 percent. In the case of the high population projection there would even be more than double the number compared to the 1995 situation.

¹⁵] See P.T.M. Tesser and C.A. van Praag, 'Ruimtelijke segregatie en maatschappelijke integratie van allochtonen'; *Migrantenstudies* (Migrant studies), 1996, vol. 12, no. 2, p. 60-71.

¹⁶] See J. de Beer, 'Bevolkings- en huishoudprognose 1995'; *Maandstatistiek van de Bevolking* (Monthly Statistics of the Population), 1996, vol. 44, no. 1 p. 6-9. The definition of immigrants used here by the CBS is very similar to the definition used in this report.

Table 3.9 Extent of the immigrant population in 2015

	Low	Middle	High
Immigrants in 1994	1165	1165	1165
Excesss of births over deaths 1994-2014	459	459	459
Positive balance of migration 1994-2014	158	748	1336
Births as a result of the positive migr. bal.	28	85	152
Immigrants in 2015	1800	2457	3112
Entire population in 2015	15890	17064	18260
Share immigrants in 2015 (%)	11.3	14.4	17.0

Source: Calculations by WRR, based on *CBS-bevolkingsprognose 1994* and *Sociaal Cultureel Rapport 1994*, p. 46.

If nothing else changes in the present patterns of immigration, or in domestic migration, which is mainly determined by work, housing and group contacts, then the consequences of this development may be noticeable in all of the Netherlands, but most of all in the Randstad, even more in the four big cities, and within those especially in certain neighborhoods.

Regardless whether or not there is suburbanization among immigrants, a judgment on this situation also depends on the extent of the immigration. If there is little immigration, and the population growth is mainly a result of births, the situation can be assessed more positively from the point of social participation than if immigration were responsible for that growth. The social integration of immigrants in Dutch society seems to be most difficult for those born abroad, who have not learned the Dutch language, and who have not had enough education to enter the labor market. For those born in the Netherlands the situation may not be without problems, but in general their social integration is facilitated by education and their knowledge of the Dutch language. As the flow of immigration is smaller, the share of those born here will increase faster and with that the chance to integrate in Dutch society. From analyses done by Butzelaar we can conclude that for the group of immigrants discerned here, about 25 percent was born in the Netherlands or can be considered second generation at the moment¹⁷. Our own calculations using the CBS-low projection indicate that this percentage would arrive at 41 percent in 2015. In the CBS-high projection the share of those born here would be considerably lower, namely 27 percent. In that case it is to be expected that the social integration of these groups in Dutch society in 2015 will have made less progress.

In 2015 the majority of immigrants will still belong to the first generation. However valuable the efforts at educating immigrant children are, that only reaches a part of this group of the population. Then, as now, a majority will not have attended school here, with all the resulting problems in adaptation. This alone is sufficient reason to applaud the recent change in course of immigrant policy: striving for a better naturalization of all minorities present here. Through a better social resilience, through a better knowledge of the Dutch language and society, the chances of social integration, through work, housing, and/or marriage also increase. However promising the perspectives for the labor market are, as described in chapter 2, the position of the unskilled and therefore also of most immigrants will *ceteris paribus* also remain problematic in the foreseeable future. This implies that the problems will not be solved if the full emphasis is placed on improving individual qualifications. Structural changes will also have to be made on the demand side of the labor market. That is why we will return to this problem at the end of the chapter.

¹⁷ See E. Butzelaar, *Prognose eerste en tweede generatie allochtonen* (Prognoses first and second generation immigrants); Doctoraalscriptie, University of Amsterdam, 1995.

3.4 The elderly

3.4.1 Introduction

Future developments are usually uncertain, but for demographic developments this is less true. After all, the elderly of 2015 are already here, they are the generations aged 40 and over. As has been indicated in numerous publications, one thing is clear: there will be many more elderly and, in close connection with this, without adaptations in many policy areas, also many more problems¹⁸. While at the moment over 13 percent of the population is older than 65, this percentage will grow to over 14 in 2005, and to almost 17 in 2015¹⁹. In those years the post-war baby boom will join the ranks of senior citizens. The share of elderly in the entire population will then start to increase even faster, to about 23 percent in 2035.

3.4.2 Labor market

It may seem strange to start with the labor market here as well. Generally speaking people do not work after their sixty-fifth year of life. This is especially true for employees, for that is when their regular employment contract ends. It is not forbidden to enter into a new agreement, but neither employees nor employers have shown much gusto for this possibility. Working after 65 is more common for the self-employed. Indeed there are elderly who work after 65, but their number is limited. A comparison with other OECD-countries shows that the labor force participation in this age category in the Netherlands was already very low in 1986. Where percentages could then be observed of 3 for men and 1 for women²⁰, in 1990 the percentage was over 8 percent for men in 11 countries and for women in 4 countries²¹. Japan was an exception, but also such different countries as the United States, Norway and Portugal showed a relatively high labor force participation by the elderly.

The lack of jobs, the divergence between the demand for highly educated employees and the relatively low education of the elderly, their lower productivity and their relatively high reward make for a labor market with more push than pull factors for the elderly. Add the existence of all kinds of regulations - like the Disablement Insurance Act and early retirement - which make leaving the labor market well before reaching 65 very attractive, and the low labor force participation will be no surprise. From an international perspective the labor force participation of the age-group 55-65 is also fairly low with its 40 percent. This low labor force participation is a fairly recent development for that matter: for the age-group 55 to 65 it was at almost 80 percent in 1972, and for senior citizens still at 10 percent.

Similar to the dramatic decline of labor force participation of the elderly since then, a return to the previous situation should not be excluded. The necessity of such a correction is growing. The discrepancy between supply and demand on the labor market seems to start decreasing in the beginning of the next century. Of course the market for the unskilled, for the less productive will be cleared less quickly than for the others. However, older employees often also have more experience, which can be appealing to employers. And gradually

^{18]} See for example WRR, *Ouderen voor ouderen; Demografische ontwikkelingen en beleid* (Demographic developments and policy); Reports to the Government no. 43, The Hague, Sdu Uitgeverij, 1993; and R.M.A. Jansweijer, *Gouden bergen, diepe dalen; De inkomensgevolgen van een betaalbare oudedogsvoorziening* (Golden mountains, deep valleys; The consequences for income of an affordable old age pension); WRR, Preliminary and Background Studies no. 92, The Hague, Sdu Uitgeverij, 1996.

^{19]} The percentages are higher for women, and lower for men.

^{20]} Later data is not available.

^{21]} See A.A.M. de Kemp, *Ouderen tussen pensioen en bijstand* (The elderly between pension and welfare); Rijswijk, SCP, 1992, p. 98.

the first post-war generations, who are much better educated, have come to be elderly. Thanks to their better training their chances on the labor market have improved. Furthermore these new groups of elderly are generally healthier and therefore more productive. The conclusion can be that the supply of jobs for this group could begin to grow again. On the other hand there are or will be important changes in social security - especially in the Disablement Insurance Act and early retirement - which will moderate the efflux from the labor market.

3.4.3 Income

The income development of elderly people shows an improvement of their relative position in the 1970s, and a relative deterioration after that ²². The income of elderly consists of a pension, possibly supplemented with company pensions, income from capital or income subsidies like the individual housing benefit. Supplementary pensions and income from capital are a little more common for couples and men than for women. Apart from that the impression exists that there is a considerable group of elderly, especially single women, who have no other income than an old-age pension. Even if single women qualify for a supplementing pension, their benefit is significantly lower. Timmermans shows that about 20 percent of single senior citizens, mostly women, and 8 percent of the couples has a disposable income up to 105 percent of the social minimum. This chance increases with age.

Recently, CBS published data on the meaning of supplementary income for pensioners ²³. On a total of 1.32 million elderly households, 41,000 had no supplementary income, and 134,000 (about 10% of the entire population) had a supplementary income up to a maximum of 200 guilders a month. Young elderly have a higher disposable income than seniors. Single women qualify relatively often for a housing benefit.

3.4.4 Housing ²⁴

In discussing their income position it has already been indicated that the elderly have relatively high living expenses, given the disposable income. This is especially true for tenants. The older one becomes, the higher the living expenses. People who own their house have lower costs, which decrease as they get older. Elderly people are generally content with their housing situation. If they move, it is usually for health or age reasons. Although the number of specially adapted houses has grown over the past years, the supply is still not meeting the demand. Particularly for seniors, those over 80, the need for these houses is great.

3.4.5 The position of elderly until 2015

The previous has made it clear that the prospects for social participation for elderly until 2015 are fairly positive. This estimate can mostly be traced back to the observation that the composition of the group of elderly, when considering the aspect of income-acquiring, will change drastically. In the coming years we can expect an inflow of people who are much better educated and who generally have had a more favorable career on the job market than those who

^{22]} See J.A.M. Timmermans, *Rapportage ouderen 1993* (Report on elderly 1993); Rijswijk, SCP, 1993, p. 15 and 16.

^{23]} See W. Bos, 'Inkomen van AOW-ers, 1994'; *Sociaal-Economische Maandstatistiek* (Socio-economic monthly statistics), 1996, vol. 13, no. 8, p. 20-23.

^{24]} This section is based on Timmermans, op. cit., p. 32-43.

reached 65 in the past years ²⁵. These people had to work in a time of economic crisis (1930s) and of the second World War, or they were involved in the reconstruction period immediately after the war. In those days wages were relatively low and company pensions fairly scarce. Working women were very uncommon. For the cohorts that are now approaching 65 many of these things have been much more favorable. Of course there are still many people in this group with little training and with a high chance of social security (unemployment, disablement and early retirement benefits), but in general the picture is more positive. The same goes for health and for quality of housing. Given these lines of development the council supports a specific policy to support the income development of those who have hardly or no income to supplement their pension.

3.5 The position of the big cities

Developments have been taking place in the big cities over the last 20, 30 years that have adversely influenced the position of the unskilled. While employment in the big cities hardly changed in size, employment in the outskirts grew tremendously. In the competition between the big cities and their outskirts, it appeared the latter areas were increasingly becoming more attractive as places of business because of their accessibility - for the transportation of (intermediary) goods and for personnel and customers - and the availability of (spacious) premises.

The development of employment in the big cities was the result of a relatively large decline in the traditional sectors (agriculture, industry, building trade, public welfare, transportation and communication), a relatively slow increase in commercial services (trade, hotel and catering industry, banking and insurance, commercial services, other service industries) and an increase of the non-commercial services (public administration, education, health care, social care, etc.). These changes have led to a labor market with a post-industrial character ²⁶. About 80 percent of employment is in the services sector. Similar changes have taken place in the structure of occupations.

Compared to the areas surrounding the big cities and to the rest of the Netherlands, the working population in the big cities is characterized by a relatively larger supply of women, youths, singles, immigrants, unskilled and highly educated people. This is partly determined by the presence of many educational institutions in the big cities, which in their turn supply an influx of youths. Those that graduate and then stay in the big city will often be relatively young, unmarried and highly educated.

Although for very different reasons, immigrants are also strongly oriented on the big cities. More problematic is the group of unskilled workers, often but not always immigrant. This group grows as well. Both these groups in the entire country mostly find work in the traditional sectors. In the big cities, with their emphasis on services, this means that these groups have less opportunities. This divergence would explain about half the unemployment problem in the big cities. At the same time the increase in the number of jobs which require a high level of education is for an important part being filled by commuters.

^{25]} An indication for the forming of capital is also the extent of home-ownership. This is increasing steadily. A distinction in age shows that the age-categories between 40 and 55 have the highest share of home-owners. In that perspective too the prospects for the elderly of tomorrow are not unfavorable. See Central Bureau of Statistics, *Inkomen en consumptie 1994* (Income and consumption 1994); Voorburg, 1994, figures 4.3.1 and 4.3.2, p. 80.

^{26]} Only Rotterdam still shows a high share for the traditional sectors.

The result of all these developments is that the big city compared to the rest of the country, and especially compared to the surrounding areas, has relatively more unskilled people, more unemployed and other welfare recipients, who live fairly concentrated in neighborhoods with a low social status.

What policy opportunities are there to improve the structural position of the urban unskilled? In the first place improving the level of education of these people is an obvious one. This was and is happening, and has certainly led to an improvement of the position on the labor market for a number of people. So-called citizenship training programs can contribute to this. However, for unskilled immigrants an improvement of their situation along these lines requires a lot of patience. At the same time we should wonder about the effectiveness of such efforts: as the number of unskilled workers keeps decreasing, it will become increasingly difficult to educate the people that remain in this category. The question is therefore whether the improvements that can be reached outweigh the cost.

A second possibility is to influence the chances of this group through housing. This entails a larger migration from the big cities to the surrounding areas, or to other regions, where more employment for unskilled workers exists. On the one hand this probably means an adaptation of the house-building program in the receiving areas, on the other hand more willingness than has been perceptible until now of the unskilled in the big cities to move for the sake of the labor market. The question is also how big the social pressure has to be. Given the present patterns of settlement, the preference for the big city is considerable. If such a policy has any effect, it will only be in the long run. Housing should be available first. At the same time it should be considered that the employment opportunities for unskilled workers in those regions will also deteriorate rather than improve.

The third possibility is to increase the offer of unskilled work in the big cities, which could improve the chances of finding employment. This line of policy has received much attention in the past as well, namely through the creation of so-called additional labor, aimed especially at creating work for the unskilled. In the somewhat further past this has led to specific projects (like 'Jeugd Werk Garantieplannen'). In the past years four other forms of additional labor have been added, known for short as Melkert I through Melkert IV, named after the current minister of Social Affairs and Employment. The intention is that in 1998 about 200,000 long-term unemployed will hold such additional jobs, an increase of about 75,000 compared to the situation in 1994. That could cut back long-term unemployment with about a third.

This way, the creation of new jobs, adapted to the educational qualifications of the present unemployment pool, is probably the best. More than has been the case until now the starting point should be that in a modern, urban society there is need for a substantial package of labor-intensive, but also relatively easily rendered services, for which consumers are willing to pay, and which can create the appropriate employment for unskilled workers. This approach is widely divergent from the policy presently pursued. The council has made it plausible before that the development of employment in this country is marked by a negative spiral: high labor costs encouraged improvement of productivity, which was not infrequently done by making the less-productive, unskilled employees disappear in some social security regulation. This caused the premiums to increase, and with that the labor cost²⁷. The result was that the labor productivity in the Netherlands was very high, but the labor force

²⁷ WRR (1990), section 1.4.

participation and the GNP per capita were on the low side. Furthermore it was indicated that the employment in numerous sectors, measured per 100 inhabitants, was considerably lower in the Netherlands than in countries like Sweden and the United States.

Chapter 2 pointed out that the development of employment over the last years has made a turn for the better, and that the prospects are not unfavorable. At the same time it is clear that the position of the unskilled on the labor market will as yet remain bad. Increasing their level of education or decreasing their labor cost do not seem to be sufficiently effective to improve this situation. This means that other options should be considered as well. Given the high unemployment of unskilled in the big cities and the observation that that is exactly where many tasks are unfulfilled, it is desirable to find out what options there are to create structural new jobs, with which socially relevant work can be done. The expenses for social security for this group will only decline if government spending for these activities is increased. The final chapter will come back to this.

3.6 The common factor: little education

This chapter explored the emancipation of a number of underprivileged groups. The extent of, and social attention for these groups were determining for their selection. We discussed women, immigrants and elderly respectively. It became clear that the process of emancipation has had positive results for many in these groups. At the same time, however, it also became clear that this very process of emancipation has not been able to prevent that people within these groups stayed behind in this development and sometimes even lost ground. A common factor was the degree of training. Every time it was the unskilled who could not sufficiently participate, especially (also) on the labor market.

The previous chapter explored how the labor market would develop until 2015, on the basis of expectations concerning supply and demand. On the whole the conclusions were not in minor key. Judging by a moderate growth of employment - moderate in comparison with the actual development in the past years - and taking into account the demographic developments, it is anticipated that from 2005 a structural decline of unemployment could take place. This is certainly true if the labor supply would stabilize at its present level. But even if the labor supply were to grow even further, the prospects are not unfavorable. The analysis in this chapter also showed that the expectations for most groups are not negative. This has to do with developments that are already taking place, which have adjusted the structural characteristics of the distinctive groups in a positive direction, like the degree of education and labor force participation. The growth in these areas will have a positive effect on the chances of finding a job, a reasonable income during and after an industrious life, and on social participation in general. This positive look ahead applies especially to women and elderly.

The least bright are the prospects for immigrant groups. Their insufficient education, the increased disadvantage in education of the second generation compared to the indigenous Dutch people, the chance of a new inflow of unskilled - and with that underprivileged - workers, as well as their housing situation are as many indications that the chances of social participation of this group, given the present situation, should be considered problematic. This could lead to social segmentation. Whether this situation will occur depends to an important extent on the developments of the labor market. If the market does not 'clear', if many will remain unemployed or the chances of work for unskilled people should be assessed gloomily, then a process of social segmentation cannot be ruled out. If however the socio-economic development follows

another pattern, with better chances of work for this group, the prospects are different. The analysis in the previous chapter also contributed that chances of a better perspective do exist.

The considerations in this chapter then end up in the conclusion that an analysis of the phenomenon social dichotomy should not aim at such general categories as women, immigrants and elderly, but will have to take a much closer look at the social participation of the unskilled. It is the unskilled who are put in an impossible situation. Either they have to try to improve their level of knowledge, but given the distribution of skills there will always be a group of people that is incapable of pursuing more than a basic education. Or their social participation is blocked on the basis of an equation of their labor cost and productivity. What remains is a welfare benefit. It becomes clearer and clearer that such benefits (or money in general) are not a sufficient condition for adequate social participation. The question arises if there are any other possible ways to provide the unskilled with more opportunities for more social participation. Chapter four deals with the possible options in this direction.

About the quality of the future

4

4.1 About dimensions and groups; a first balance

The previous analyses showed that the traditionally high level of formal inactivity in the Netherlands is more and more being seen in terms of exclusion, and less in terms of protection. The development of employment could not keep pace with this socio-cultural change in the 1970s and 1980s, which put the social cohesion to the test.

However, it was also concluded that the socio-economic opportunities or pre-conditions for a cohesive social development in the next twenty years are more favorable now than before. Compared to the past two decades, a more harmonious development seems possible. This is closely related to the fact that the labor market is slowly catching up with the growing labor supply. If this development continues, it could even lead to labor shortages in certain knowledge-intensive sectors in the immediate future. The effects of such a development on both other areas of distribution (education and income) cannot be neglected. The educational system can prepare itself for a situation in which going to school pays off again (or: even more than now); the debate on over-education and degree-inflation will retreat into the background ¹. The imbalances that have ruled the relation between education and the labor market over the past years will make way for a stronger emphasis on training, which will make a more flexible connection with the labor market possible. It will also enable a growing number of people to earn an income through the labor market.

Still, some reserves remain. The favorable development of the labor market will probably have only limited positive effect for those with little education. The bottom of the labor market will experience some relief, but it will not be sufficient ². In light of the original question this report poses, this offers serious grounds for social friction. It is important to discuss this further in this chapter.

Chapter three discussed groups or categories (women, immigrants, the elderly) who receive a lot of attention in the discussion on social dichotomy. A comparable sequence was found here. The distinctive groups or categories turned out to differ internally to such an extent regarding social opportunities and attained results, that it no longer serves any policy purpose to consider all women, all immigrants, all elderly or all city-dwellers as one group. On the contrary, even though this policy orientation on defined groups was certainly useful in the past, it could have unintended discriminating effects if such categories are maintained for policy purposes ³.

But that is not all. Women, elderly and immigrants may pose less of a problem as a category, that does not mean all problems for individual women, elderly and immigrants have disappeared. Besides ethnic, sex, age or environmental factors, it is mostly the combination of little education and being excluded from the labor market that matters. Almost every time women, immigrants, elderly or city-dwellers (but also men, indigenous Dutch people, youths and people in the

^{1]} Cf. chapter 2, section 2.3.1.

^{2]} Cf. chapter 2, section 2.3.

^{3]} Cf. J. Burgers et al., *Burgers als ieder ander; een advies inzake lokaal beleid en minderheden* (Citizens like any other; an advice on local policy and immigrants); Utrecht, University of Utrecht, 1996.

country) have problems, the combination of little education and being dependent on a benefit - due to forced unemployment, disablement or care tasks -, is at the background of it. The extent to which the education and experience of each individual match the demands of the labor market has become the most elementary condition for a cohesive socio-cultural development. The individual *fit* of education and the labor market has become more important; the possible *misfit* has become the most important cause for social disadvantage and exclusion.

This is a fairly new phenomenon in the post-war period. For an important part of the population, not participating in paid labor was completely normal. Indeed, adult women were not even supposed to take part in it. Their connection with the world of labor went through the breadwinner. This has changed with the processes of emancipation and individualization in the last three decades. This was not an easy transition, since the available space on the labor market had diminished as a result of consecutive economic crises. No wonder the opinions of a large part of the population (and their political leaders) went in a different direction. For the conservative group, the socio-cultural *normality* of the breadwinner family had become the *norm*; a norm which, once threatened, was defended stubbornly. For the more progressive part of the population the *fit* had disappeared for another reason: for them the labor society was on its last legs. Both sets of opinions are failing or have already failed. For the next 20 years it can therefore be assumed that the socio-cultural cohesion and diversity of our society will only then flourish when education and labor market are connected again, also at an individual level.

This final chapter outlines a number of developments that the council considers *possible* in the present area of tension between education and the labor market. This careful wording was chosen on purpose, since the focus is on the present and future interaction of actual developments *and* developments in opinion. Empirical and teleological ways of contemplation necessarily alternate. It partially concerns developments of facts and opinions which are already taking shape; these have a more or less empirical basis. But it is as important to check what the consequences of these developments will/can be. This is what is meant by teleological or functional ways of consideration. For example: if the need for labor participation continues, and it becomes increasingly important to have a job, what does this mean for the esteem of those who cannot find a job? Will people at the bottom of the educational and labor market for whom there is barely or no place be excluded even more than at present? And what would this mean for the organization of the labor market and for the organization of the social (security) system? Another example: if the importance of education and training in a knowledge intensive society is expected to increase, what does this mean for those who cannot keep pace with that, or for those who do not even get the *opportunity* to learn by experience? Will this lead to an even sharper division of insiders and outsiders, or will the negative opinion on the unskilled and semi-skilled in a knowledge-intensive society perhaps be adjusted? Such considerations concern the interaction of facts and opinions, and therefore are not simply empirical considerations. They reflect the main problem of a socio-cultural exploration of the future: the difficulty to trace the dynamics of how facts change opinions, and how changed opinions bring different facts to the attention.

A comparison was made in chapter one of a socio-cultural exploration of the future with shooting clay pigeons from a roller-coaster: the course of the clay-pigeon can be calculated, as might possibly the movement of the roller-coaster, but the way in which the two go together can make the life of the marksman pretty difficult. The parallel with the socio-cultural world was obvious: actual developments can be discovered (even though this is not as simple as people often make it seem, judging by the socio-cultural definition of the concepts which precede the 'facts'); shifts in opinion can also be documented and classi-

fied. But it is a lot more difficult to do so for their mutual relation. For the past, some things could be *hineininterpretiert*, but for the future the empirical basis for scientific statements on the relation between facts and opinions is lost per definition.

Yet this complex relation of facts and opinions is at the same time the essence and the challenge of every socio-cultural exploration of the future. Recognizing this, the council has brought together a number of considerations which it expects to determine the future to a considerable extent, given the previous analyses.

Four themes will be elaborated upon, the first more methodological and theoretical, the others mostly concerning content. The first theme aims right at the heart of this study (see chapter 1), and gives at least a partial explanation for the large discrepancy between the rather gloomy socio-cultural expectations this report referred to, and the rather favorable possibilities that came from its own analyses. The section in question (section 4.2), discusses the *socio-cultural and socio-historical adequacy of the concepts* with which the world of man and society is studied. It is argued that the mentioned discrepancy can partially be traced back to the use of concepts which were adequate in an earlier socio-cultural period, but are now much less so ⁴.

The second theme treats the *emancipation of labor*, meaning: the gradual, by now century long process of change in the quality in labor. This theme builds on section 2.2 and the suggestions made there. Only a few years ago have we become convinced of the meaning of this process of change, and has it become clear how the emancipation of labor has fundamentally changed the face of society and is still doing so. To gain insight in this process is of the utmost importance for a policy aimed at the future. The consequences for the socio-economic order and for the organization of the social security system have only barely been fathomed. Section 4.3 draws the outline of a social system that builds on this process of labor emancipation. It will only be an outline. In its next report the council will discuss the demands that should be made of a social security system if the expansion of the labor participation is chosen as one of its main goals ⁵.

The third theme of the *emancipation of talent* (which means *all* talent) offers an elaboration on one of the main questions of social cohesion in the (near) future: the relation between meritocracy, human dignity, social equality, the role of education and training and the position of the unskilled. In section 2.3 we already discussed the meaning of education in realizing social equality, also pointing out its limitations. Section 4.4 further deals with this matter. It is argued here that the identification of intellectual or cognitive skill with human dignity leads to a form of social inequality that in essence is no different than when social inequality was primarily based on social origin. This recognition is also difficult, but could lead to breaking up this identification, which would create more room both at the top and bottom of the distribution of talents. Undoubtedly, future expectations and wishful thinking lie very close here, but the council assumes that a meritocracy which makes human equality and dignity dependent on intellectual competence will clash with our culture's concern for social equality ⁶. Continuing on that thought, this section ends with a plea for the emancipation of the unskilled and semi-skilled.

⁴] Besides this there are many other factors which help explain the discrepancy. The fact that a lot of research is aimed at problem identification and that once a problem is identified it receives a lot of attention in the media is undoubtedly of influence. It should also not be forgotten that in the 1950s the notion of a 'crisis' dominated the social discourse.

⁵] Report on the future of social security, will appear in the spring of 1997.

⁶] W. Th. M. Frijhoff, *Eigenzinnig Nederland; het verleden in de toekomst van een cultuurnatie* (Wayward Netherlands; the past in the future of a culture nation); NWO-O.K. and W. spring lecture, 8 May 1996, The Hague, K.L. Pollstichting, NWO, 1996.

Finally the council discusses the key question of socio-cultural cohesion in the 21st century: is solidarity possible in a fragmented or individualized society, and if so, what does it look like? The past decades have been a time of continuous de-pillarization. The vertical or pillar-wise division of society has therefore become less important. As the criterion of religious affiliation retreated into the background as a social criterion of division, the emphasis in the 1970s and 1980s came to be more and more on social inequality of socio-economic layers. The question is now whether this horizontal structure of layers will also become less relevant for the organization of society. Will individualization of social problems not also mean that besides de-pillarization, de-stratification will eventually also persist as a social process? And if this form of group solidarity starts to erode as well, what will keep an increasingly amorphous society together? Section 4.5 will go into that.

Finally, in section 4.6, the balance is made up and the main thoughts of this final chapter are translated into policy terms.

4.2 The 'Seinsverbundenheit des Wissens' ⁷

One of the most remarkable phenomena in current socio-cultural expectations is the discrepancy of the development in facts and opinions. The high level of gloominess and pessimism that can often be heard in expected developments is in contrast with the future perspective outlined in the previous analyses. Pointing this out at the beginning of this study prevented one-dimensional and mechanistic projections determining the view of the future. Two movements of thought are at the foundation of this.

In the first place it is possible that actual developments are identified as disastrous, leading to a call for government policy to avert the feared results. The wall of opinions turns the ship of developments as it were, by adequately performing course corrections, although this should not be considered too mechanically either. After all, 'objective' developments are often only identified as disastrous once external factors have already made them less calamitous. For example: even though the 1950s were the high tide of sex-inequality, there was little discussion about the discrimination of women. This was only identified as a problem when the obviousness of the traditional gender roles started to unravel and a limited number of women escaped from it ⁸. Another more recent example is age discrimination. For a long time protection of the elderly has been considered an asset rather than a social problem. Here too it only became an issue when the beginning of a new solution was there.

But it is also possible that the same, once considered negative development can get a more positive meaning. In this case too, ideology follows reality. There are plenty of examples. When the serious decline of industrial labor started, the thinking in terms of a leisure society launched earlier by Fourastié began to find an audience in the Netherlands as well ⁹. Different sides have pointed out that the ideological 'good' of our social system is a result of the

^{7]} Contextuality of knowledge. Cf. Karl Mannheim, 'Wissenssoziologie'; in: Alfred Vierkandt, *Handwörterbuch der Soziologie*; Stuttgart, Enke, 1939; later included as chapter V in: *Ideology and Utopia; An Introduction to the Sociology of Knowledge*; London, Kegan Paul, 1936, p. 237-280.

^{8]} In the same line it was noted that the recognition of environmental catastrophes became stronger when politics were making progress in reducing environmental problems; cf. Volker von Prittwitz, *Das Katastrophenparadox; Elemente einer Theorie der Umweltpolitik*; Opladen, Leske & Budrich, 1990.

^{9]} J. Fourastié, *40.000 uur. De mens in het perspectief van een verkorte arbeidstijd (40.000 hours, man in perspective of a shorter working week)*; Hilversum/Antwerpen, 1966; Bart van Steenberghe, *In de proeftuin van de samenleving; de postmaterialistische maatschappij als voorbeeld van ontwerpsociologie, deel II (In society's experimental garden; the post-materialistic society as an example of a constructive sociology, part II)*; Amersfoort, De Horstink, 1983.

economic necessity to keep people going ¹⁰. Only two years ago the plea for more jobs between the official minimum wage and the lowest wage-scales of the collective branch agreements did not do very well; now it is a fully accepted policy goal. Even more concrete is the example of flexibilization, where the discussion is currently concentrating on the question whether it should be considered a positive or a negative development.

The recognition of this complex interaction of facts and opinions qualifies both the one-dimensional projections of so-called objective developments and the tendencies sometimes claimed to be observed in opinion-polls. Certainly in a socio-cultural exploration of the future it is important to try and see beyond these superficial realities

4.2.1 The exclusive and inclusive calculus

In the interaction between facts and opinions and the divergence between them, one phenomenon plays an important part: the contrast between the 'exclusive' and the 'inclusive' vocabulary. Prevailing socio-economic research and policy generally use a calculus which has much in common with the socio-cultural reality of the post-war decades. Unemployment for example is measured by the working population, not the potential working population. After all, for a long time it was considered that others, in this case women, did not belong to the working population. The fact that there is still a conceptual difference between the working population and the potential working population, reflects the normality experienced in post-war household settings. The same can be said for other important socio-economic concepts. Labor productivity is usually measured in proportion to the number of employees or the number of hours worked; if the average labor productivity would go down due to an *increase* in relatively low-productive jobs (increasing production and thereby the national income), this is often seen as a sign of deterioration. Distribution of income and movements in skewness and mobility are also often simply related to those who earn an income; those who do not or not yet are not included. Examples of this *exclusive calculus* can be found in numerous other fields.

As long as the participation on the labor market really was an affair of family men, there was not much wrong with this calculus. With the major socio-cultural changes of the past decades, as well as the changes that occurred in the quality of labor itself, the natural basis of these concepts has disappeared. Earlier, the council noticed this with respect to the concepts of unemployment and full employment ¹¹. It was suggested then to use a more 'inclusive' term, unrelated to the question which part of the potential working population *was supposed* to belong to the actual labor supply. It would be better - was the advice - to speak in terms of *labor force participation* in the future.

The analysis of chapter two has made it clear that the predominantly 'exclusive' vocabulary in which the socio-economic reality is cast, is an independent cause of the distortion of reality. These distortions manifest themselves in terms of both *naive optimism* and *naive pessimism*. However, they are rarely recognized as such, since they seem to be based on facts, data and official statistics. Even though especially naive pessimism is worth further discussion at the moment, it is necessary to work out the structure of naive optimism first for a better understanding.

^{10]} Cf. Abram de Swaan, *Zorg en de Staat; welzijn, onderwijs en gezondheidszorg in Europa en de Verenigde Staten in de nieuwe tijd*. (Care and the State; welfare, education and health care in a new time in Europe and the United States), Amsterdam, Bert Bakker, 1988.

^{11]} WRR, *Een werkend perspectief; arbeidsparticipatie in de jaren '90* (Work in perspective, available in English); Reports to the Government no. 38, The Hague, Sdu Uitgeverij, 1990.

This is easiest to discuss using the term 'full employment'. In the 1960s, employment was so full that new jobs had to be filled by immigrant workers. In the conviction that there was no more labor capacity to be found in the Netherlands, large groups of people were brought here from Mediterranean countries. Of course this also had to do with the kind of jobs, but it is still remarkable that the possibility of a higher labor participation of women was not even considered. After all, this did not agree with the protection from labor that was traditionally offered to women. For this was the socio-cultural foundation on which the full employment of the 1960s was based: women - literally and figuratively - did not count. If women did enter the labor market, it was for the most part only temporarily; besides, it was normal that their wages were lower. Men however received a salary which included a family-allowance, even if they had yet to become providers. Minimum wage even included an allowance for two children. The result was that the so-called full employment of the 1960s was reached at a labor force participation which - regarding the percentage of people employed - was no higher than today ¹².

Apparently both social science and policy so completely accepted the formal inactivity of women that they could not conceive of other possibilities. The paradigmatic character of this socio-cultural pattern is underlined by the fact that the terms and categories in which the socio-economic reality was captured were also filled with this socio-cultural matter-of-factness. Employment was 'full' as long as the market for the *male* working population was fully cleared. In the course of time this has changed somewhat, but employment and unemployment are still related to the *registered* labor supply. It is therefore still completely normal that not everyone of the potential working population claims a spot on the labor market.

This also explains much of the socio-economic policy of the 1970s and 1980s. The problem of the employment shortage was solved by excluding as many potential workers as possible. Some social scientists even predicted the end of labor in society. This can certainly be seen as one of the reasons why many women are still not included, why disablement was considered a legitimate way out for a long time, and also why long-term unemployed aged 57 and over were considered redundant. As a consequence the unemployment figure these days does not give much information. It is about one fourth of what it would be if it did not reflect the percentage of the registered labor supply, but the percentage of the potential working population ¹³. Hereby should be considered that if this 'inclusive' calculus were projected on the period of full employment, the unemployment figures then would have been about as high.

In light of current opinions, the full employment of the 1960s and the present unemployment figures are reflections of naive optimism. The same goes for the high figures of labor productivity. The Netherlands is proud of its high labor productivity, and competes on this point with the United States, Canada and Japan. But here too the exclusive calculus plays tricks on us. After all, the labor productivity is measured per worker. Eventually this makes it even seem attractive to reorganize low-productive labor out of existence, and thus keep people who can only supply low-productive labor out of the average labor productivity figure by giving them a benefit. This way the figure remains high. Would however the labor productivity be measured per head of the population, a less flattering image would be the result. From the top four, the Netherlands would go down a considerable number of places on the OECD-ladder, all be it less than it would have several years ago ¹⁴.

^{12]} If all forms of formally paid labor are included, even when they are less than 12 hours a week, labor force participation today is even a few percentage points higher than in the 1960s; but not when measured in labor years.

^{13]} OECD, *Economic Survey. The Netherlands*; Paris, 1996, table 3, p. 41.

^{14]} *Miljoenennota 1997* (The budget 1997); Tweede Kamer 1996/1997 (Lower House), 25000, graph 2.3.4, p. 2.

The conventional image of reality as reflected in statistic presentations generally entails a distortion. Unfortunately science and policy do not always realize this sufficiently. As a consequence developments that are in themselves positive and emancipatory (like the growth of the number of jobs and incomes) can easily give an impression of downfall and degeneration. The ensuing pessimism therefore deserves the addition naive. Such distortions can be explained on the basis of the discussion on the distribution of income.

Regularly reports show that the skewness of the distribution of income has increased, and that the wages in this country have come to lie further apart. This relates to measures that have been taken over the last years with respect to social security; undoubtedly a correct referral. But for the most part the increase in the skewness of the distribution of income is the result of a generally considered positive and emancipatory phenomenon: *the increase in the number of wage-earners*. Since however the category of 'zero-incomes' does not exist in the *exclusive* distribution of income, the flow of the 'zero-incomes' into this distribution does not play a part in appreciating the shifts within it. If many people without income join the distribution of income - and as is usually the case, start at the bottom -, it will per definition become less balanced. Concluding that what we observe is an anti-egalitarian movement is incorrect. After all, had the people without income been included from the beginning, we would be observing the opposite: egalitarian tendencies.

The phenomenon we notice here could be an important factor in (the continuation of) current future pessimism¹⁵. It comes down to *an in itself more inclusive reality being measured by a predominantly exclusive array of terminology*. This creates the impression that movements towards larger equality - which emancipatory movements are - have the opposite effect. In this case the inflow of new wage-earners leads to the suggestion of larger inequality, the inflow of new workers to the suggestion of lower productivity, et cetera.

When the available statistical material is used in this way, people start to think that there is a continuous abandoning of labor whereas they have no knowledge of the (larger) inflow of labor. Or they think the distribution of income is becoming more and more skew, while they do not realize that this is related to the enormous growth of the number of wage-earners. The remarkable thing is that it is *the end* of the 'exclusive' calculus that seems to be the first suggestion of exclusion for many; before that, the situation - seen objectively - was perhaps more problematic, but people were not or less aware of it.

4.2.2 The future as sensitizing concept

Good research is research that is aware of the socio-cultural context in which its terminology comes into being. This goes *a fortiori* for the social sciences. Their context is inevitably a political one, filled with intentions, plans, ideologies and taboos. Like a Baron von Münchhausen who pulls himself out of the swamp by his own hair, they have to examine this context with instruments that are inevitably marked by that same context. The task of the social sciences is therefore realizing a responsible balance of distance and proximity. The concepts, questions and answers that characterize the social sciences are part of the same historical process that has to be studied with those concepts, questions and answers. Research, like policy, is embedded in the flow of history.

In research aiming at (the history of) man and society, concepts should have heuristic value. A problem is that the flow of history does not offer a definite hold, no Archimedian point from which adequate and reliable knowledge can

^{15]} Social and Cultural Planning Office (SCP), *Sociaal en cultureel rapport 1996* (Social and cultural report); Rijswijk, 1996.

be gained from man and society. There are after all many points of view which can provide relevant information. This does not just depend on the quality of the point of view, but also on the question what it is we are actually looking for. If we want to gain insight into the course of the Dutch coastline, we should not walk along the beach, but rent a plane. From an airplane however, it is impossible to judge the level of pollution of the coastal water or the quality of the dunes. Who is interested in the story of the religious and political pillarization of the Netherlands, or the vicissitudes of a welfare mother with two young children, is too high at an altitude of 10 kilometers. That does not mean that we should always be right in front of things. We certainly have not mentioned everything about the social consequences of pillarization if we limit ourselves to participant observation in church communities. Not all is told about welfare if we only relate the story of the people involved. Research therefore continuously has to deal with the question of balance between distance and proximity, and every time that balance is filled in differently, depending on what it is we want to know, what kind of knowledge we want to obtain and what we would like to do with that specific knowledge.

The message enclosed in the above is twofold. First of all it should be clear that the scientific method has no other function than to support the imagination. Recognizing this makes it possible to understand that methods of research and concepts used have sometimes become so incompatible to the object of research, that they rather obstruct than enhance the production of relevant knowledge.

At the same time it should be clear that without concepts, the reality of man, culture and society remains a closed book. It is therefore important to continuously evaluate the concepts we use to study man and society on their heuristic value, and to keep realizing that these concepts are relative in the most literal sense of the word. The main hazard of the institutionalization of (social) sciences is that its concepts and other scientific instruments often are tied too long to a socio-cultural context which is outdated itself. Of course there is no other solution than to institutionalize the scientific search process. Nevertheless it is best to build in mechanisms that can continuously test existing concepts in research. In this respect more emphasis on future studies can be of importance, since that is mostly where the customary instruments and the usual policy concepts are checked. In researching the future we are confronted with the myths of today, even more than in empirical study alone¹⁶. That is why it is unfortunate that the in itself useful and necessary empirical orientation of social science research points so one-sidedly to present and past. Supplementation with a future oriented, more teleological and/or functionalistic approach in which the interaction of facts and opinions plays a major part, could bring the balance of distance and proximity so necessary for the imagination closer.

4.2.3 Conclusion

If there is a lesson to be learned from the above, it is not the lesson of relativism. The thought that the terms with which we capture reality are *seinsverbunden* (i.e. context-related) does not mean that anything goes. The lesson is that each historical period brings its own socio-cultural reality; that this socio-cultural reality is captured in opinions and concepts; and that the institutionalization of such opinions and concepts in due time can lead to

¹⁶ Cf. I.J. Schoonenboom, *Tussen Utopie en Dystopie* (Between Utopia and Dystopia); inaugural lecture, Agricultural University Wageningen, 21 June 190. Here the term 'future image' is used as a whole of implicit, matter of fact expectations, which are often so logical they take away the view from diverting empirical developments. Researching the future can then be liberating or widening.

friction between actual developments and perceived reality. It also means that many discussions on 'right' or 'wrong' are not only a paradigmatic distortion, but can also lapse through time. The forming of political and moral opinions is an attempt to give fundamental views with respect to humanity, justice and solidarity a contemporary expression. Not infrequently the concrete form of institutionalization is mistaken for the deeper lying value of the fundamental principle. It seems obvious in retrospect that colonialism and apartheid belong to the moral category 'wrong', but in the socio-cultural reality of the beginning of this century, they could also be considered adequate interpretations of centrally cherished - and even now adhered to - values. The same goes for views with respect to the forming of households, and in particular with respect to the role of women, and the place of the breadwinner. The normality of a past period is too easily dismissed as 'wrong' by the protagonists of a new time, just like the growing normality of that new period can only mean moral decay to the defenders of the existing period, without there actually being a difference of opinion about the values behind it all.

To find the concepts in which the present can be adequately captured, it is necessary to 'think together' the future. Like a stay abroad offers a view on the social and cultural peculiarities of that country, an exploration of the future offers the possibility to think about the question whether the institutionalized concepts and practices of research and policy are still able to get to the contemporary reality. It has been argued above that at least a part of the discrepancy between the gloomy expectations for the future held by a large part of the Dutch population¹⁷ and the - by present views certainly not unfavorable - prospects which the Dutch economy seems to offer for social cohesion in the near future, can be explained by the inadequacy of the concepts with which this reality is portrayed. That does not mean the other 'inclusive' perspective will be able to portray the complete truth. It is in the confrontation of both these approaches that it can become clear which interaction of facts and opinions is taking place now or will take place in the future. An unconditional judgment on the presence or absence of a social dichotomy, now or in the future, does not fit in.

4.3 The emancipation of labor

The council thinks the friction that occurred both in socio-economic and socio-cultural respect during the past two decades marks an important change, that may even be considered a change of paradigm. In a period of twenty years, one 'natural' way of thinking and acting (i.e. a paradigm) is slowly replaced by another in the public discourse. That we are not just dealing with a shift in the area of political opinions (e.g. from socio-democrat to neo-liberal) can be concluded from the fact that *all* important political groups wrestle with the succession of these paradigms. To get a clearer idea of the nature of this change, and to understand the meaning of it for the immediate future, it is necessary to typify these overlapping paradigms. This will be done by giving a short history of (the emancipation of) labor.

4.3.1 The protection paradigm

The development *and* the success of the welfare state are based on the thought that social life has to be protected from the unlimited dynamic of economic production. In extremity the relation between both domains of social organization were even seen as opposites, judging by the recurring warning that the 'life-world' was at risk of being colonized by 'the system'¹⁸, that the 'Gemeinschaft'

^{17]} SCP (1996), op. cit.

^{18]} Cf. J. Habermas, *Theorie des kommunikativen Handelns*; 1981.

was being snowed under by the 'Gesellschaft' ¹⁹, or that 'substantial rationality' was being pushed aside by 'functional rationality' ²⁰. Activities in politics and social sciences were mostly aimed at softening this contradiction. The welfare state was seen as the ultimate bridge within that paradigm. The concept or philosophy behind the welfare state is therefore one of *protection*: protecting the social from the aberrations of the economical. Both questions and answers of research and politics are highly colored by this paradigm.

This protection paradigm originates in the transition to the industrial era. In the latter part of the nineteenth century only few could fail to notice the contradiction between the demands of the economic production on one side and the elementary forms of social well-being on the other. Karl Marx's theories and the novels of Charles Dickens speak volumes on that matter. No wonder the first attempts to make this contradiction bearable can be found in the sphere of labor law.

Protection was offered by increasing state power with respect to the market, in the beginning mostly through public support to organizations of private initiative, but eventually for a large part by government organizations themselves. The state duty outgrew the sphere of regulation alone; the state started to act in numerous other domains as well. The social state is an indication for a state held to achievement on the social level. The contradiction between state and market or between plan and market thus became an essential part of the protection paradigm.

It cannot be stressed enough that this paradigm has been very successful. The Dutch welfare state was praised far and wide. However, did the last section already indicate that singular concepts are overtaken by the flow of history, here we see a similar development with a complex system of opinions and regulations. The protection philosophy and its institutions (together forming the protection paradigm) became less and less appropriate for the newer developments in economics and the socio-cultural domain.

4.3.2 From alienation to self-realization

What were those developments? Firstly the gradual change in the economic production. Chapter two already pointed out that in the course of this century the share of the industrial and agricultural sectors in the overall economic production has got smaller and smaller. Instead the private and public services started to provide the major share of the Gross National Product. This is even more true for the level of employment, which brought about a major change in the nature and quality of an increasingly larger part of labor. The 'energy-intensive' nature of much industrial labor gradually made way for a much more 'knowledge-intensive' and 'care-intensive' ²¹ emphasis in the modern forms of (formal) labor. Labor slowly started to lose the intrinsic alienation which was so characteristic for the (pre-)industrial period, and developed into an essential part of personal growth ²². This development of economic production hereby led to a first breach in the very foundation of the protection

^{19]} Cf. F. Tönnies, *Gemeinschaft und Gesellschaft, Abhandlung des Communismus und des Socialismus als empirischer Culturformen*; Leipzig, 1887.

^{20]} Cf. Karl Mannheim, *Man and society in an age of reconstruction; studies in modern social structure*; London, Routledge and Kegan Paul, 1940; Anton C. Zijderveld, *The abstract society; a cultural analysis of our time*; New York, Doubleday, Garden City, 1970.

^{21]} See among others Robert B. Reich, *The work of nations; preparing ourselves for 21st century capitalism*; London, Simon and Schuster, 1993.

^{22]} In this respect the conceptual triplet of Hannah Arendt in *The Human Condition* (labor, work and action) could perform good service. Cf. H. Arendt, *The Human Condition; a study of the central dilemma's facing modern man*; Garden City, N.Y., Anchor books, 1959.

paradigm: as labor itself started to 'protect' people (bring to development, make self-realization possible, etc.), the necessity to protect people from labor decreased.

In connection with this qualitative development of economic production, on the social and cultural level a development could be noticed towards more responsibility, individual independence and self-reliance. Emancipatory movements followed the same pattern: they attacked the traditional arrangements which were supposed to protect them from labor, and started to see them as instruments of social exclusion. This was true for women in the 1970s, immigrants in the 1980s, and elderly in the 1990s. In all these cases it was *the same* arrangements in the sphere of social security which had been set up several decades earlier for protection that were now being dismissed as discriminatory. Individualization meant first and foremost the growing need to partake in social processes that were considered essential, not through an intermediary or breadwinner, but in person. After all, the enormous growth of the labor supply in the 1970s, 80s and 90s cannot be explained by necessity alone. The change in the quality of labor has obviously worked as a pull-factor.

Because of this double movement the protection philosophy is less and less appropriate as the foundation for a modern society. However, the friction resulting from this growing discrepancy is not always recognized as such. Generally people try to label such friction with old party-political epithets. This is not only incorrect, but also leads to concrete measures which in fact reconfirm the old schemes.

Just like the span of the protection paradigm covered many different societal areas, so too the decreasing adequacy did not limit itself to the area of labor alone. It also affected the area of social security for example, where it was recognized that although the system might guarantee a minimum income, it did not do anything to prevent people from social exclusion. Besides, in endangering the level and duration of the benefits, it risked the protection of those who really needed it. This gradual change of opinion runs parallel to the introduction of a new element in the foundation of social security, namely the participation element. Did social security mostly guarantee income and did it carry little to no specific measures to encourage a return to the labor market, from the beginning of the 1980s the emphasis came to be on the activating or empowering effect that should stem from social security²³. However, this emphasis easily clashed with the traditional views about the purity (or, in terms of the previous section: exclusiveness) of the labor market. Utterances on distortion of competition, on artificial jobs, etcetera, underline the exclusiveness of the labor market. This discussion is still not resolved, and represents a dilemma that cannot really be solved within the protection paradigm²⁴.

Such dilemmas also appear in numerous other domains of life. It will not do to elaborate on all of these dilemmas in light of the waning influence of the protection paradigm. Suffice it to conclude that similar friction can be recognized in the area of culture, education and many other areas which of old had to be protected from the dangers of economic production. In the jargon of this day and age we say that market principles are gaining influence and pushing government intervention into the background. In the area of the state duty, friction and dilemmas may be most noticeable. Yet even in the discussion on the extent of state matters the idea is slowly taking root that state and market

^{23]} Cf. WRR, *Activerend arbeidsmarktbeleid* (An activating labor market policy); Reports to the Government no. 33, The Hague, Sdu Uitgeverij, 1987; and WRR, *Een werkend perspectief* (Available in English: *Work in perspective*), op. cit.

^{24]} Cf. The discussion on Melkert-jobs a.o., e.g. in *Bestuursforum*, March 1995; *Binnenlands Bestuur*, 29-11-1996; *Intermediair*, 10-5-1996 and 13-9-1996; *FEM*, 8-6-1996; *Vrij Nederland*, 16-11-1996.

are not relating as communicating vessels. In this respect traditional zero-sum thinking (where a strong government leads to a weak market, and a strong market automatically implies a weak government) is giving way to thinking in terms of synergy (where only a strong government can provide a strong and dynamic market).

Of course this should not be understood to mean that protection by way of welfare state arrangements is outdated. The welfare state first served as a check on the sharp edges of an unbridled economic development: very long working hours, child labor, dangerous working conditions, et cetera. Later the protection of income became more and more important. Although the welfare state brought about vast improvements in these areas, this does not mean that protection arrangements have become superfluous. Nor is it true that participation in modern labor automatically means that workers get opportunities for self-realization. There will always be jobs that lag behind in quality. Protection and guidance will still be needed then. All the same, the participation in formal labor can now more than ever, and for more people than ever before, be considered an important opportunity for social participation and integration.

4.3.3 The participation paradigm

If labor should no longer be seen as something people need protection from, but can also be seen as 'protector' in itself, the complex institutional structure, which is based on the old principle of projection, gradually becomes outdated. This becomes most obvious in the discussion on participation and exclusion. The traditional forms of protection were mostly oriented at income, from the implicit view that with a reasonable income social participation would be preserved. After all, the Netherlands had a long tradition of accepted (formal) inactivity and income-dependency. Besides, the labor that was abandoned and caused unemployment was mostly the kind that had gradually come to be seen as inferior; a benefit could therefore also be seen as a deserved reward for years of hard labor. As for participation, an extensive system of volunteer work was thought to provide plenty of opportunities to stay involved in society.

However, several developments distorted this view. When unemployment also started to reach the higher regions, the thought that not working was mostly 'enjoying' a benefit quickly disappeared. The general opinion these days is that lacking the opportunity to take part in central processes of society - and labor has gained a key position within the whole of those processes - leads to exclusion and neglect. The traditional forms of protection therefore became inadequate. People started to feel impaired in their opportunities to develop, since the chances of finding another job elsewhere became smaller, and the relative height of the benefit left much to be desired. The benefit, once a reward for years of hard labor, now turned into a pay-off, particularly since several of the activities to be performed in order to qualify again for the labor market were inaccessible to people receiving benefits. For this would imply unfair competition and endanger the positions of those who did still participate on the labor market. In these circumstances a number of phenomena developed which could only be understood from the segmentation along departmental lines within the government budget, like the anomaly of teachers who were either unemployed or overworked, and a shortage in care despite the enormous unemployment in nursing. These anomalies showed once again that the incongruent shape of the economic and social systems led to major injustices. In any case it created more problems than it could solve.

In the meantime these peculiarities have stirred the realization that there must be ways to mitigate the contradiction of the economic and the social and - in full compliance with the emancipation of labor - leave space for a parallel connection between the two. This is not just a wish. Something like this is

already happening when the traditional opponents - employers and employees - start to encourage entrepreneurship together from the shared opinion that this is the only way to favor employment and economic dynamic. It happens when employers and employees start looking for possibilities to create new jobs between the lowest scales of the collective branch agreements and the legal minimum wage. It happens when (trade) unions start looking for possibilities to not only consider the more flexible forms of economic production a violation of dignity, but at the same time try to fit them into new systems of *employability* and *flexsecurity*. And it also happens when something that should actually not be allowed within the paradigm (like moonlighting in welfare, working while receiving a benefit, studying with a benefit, etc.) is more or less officially tolerated because the actual line of policy has apparently become unreasonable in light of the new participation philosophy. The best example of the effects of this change of paradigm - from protection to participation - can however be found in the recent discussion on the organization of social security.

4.3.4 Towards an inclusive labor market and an inclusive social security

Even though the quantitative development of the labor market for the medium-long term seems to offer some relief for the social security system ²⁵, that is no reason not to bring up extra measures at the bottom of the labor market. The social security system plays an important part in that. Previously it has been argued that when labor is more and more emphasized as a central form of social participation, the inaccessibility of the labor market for people with little education could develop into a serious source of social disruption. Measures to be taken in this respect cannot be seen as separate from the organization of the social security system and the division of government bureaucracy. These measures will not only have to call a halt to the abandonment of simple work, but even reverse the process. Therefore it is necessary that the participation principle is implemented seriously, and that the - abounding - work is organized in jobs. 'De-segmentation' of departmental budgets would be helpful. Where for example the lion share of the foreseen increase in health care costs has to do with the costs of *care* rather than *cure*, much of the forced (and still paid through benefits and separation allowances) inactivity could be employed in that sector. The same goes for numerous other forms of care-intensive services, like education, in which the positive effects of professionalization are limited by a too large and long-term disregard of the importance of a small-scale - and therefore labor intensive - educational context ²⁶.

Two much-heard and connected forms of criticism on the participation philosophy should not remain undiscussed here. The first concerns the reproach that although the emancipation of labor has reached the higher regions of the labor market, there are still many kinds of work at the bottom from which people still need protection. The second reproach is that there just is not enough work, and that this alone will cause the emphasis of labor participation to lead to more frustration.

Indeed there is still a lot of 'unemancipated' work at the bottom of the labor market. The counter-argument that much of this uninteresting work is considered more interesting by many than forced unemployment may not be untrue, but neither is it very convincing. More important in this case is the conclusion that the ongoing care-intensification of the economic production ²⁷ was no longer be taken in by the formal labor market as it was in the 1960s

²⁵] In 1996 for the first time a decrease of the benefit volume under 65.

²⁶] Cf. Staatssecretaris Netelenbos and Advies commissie Van Eindhoven, *Groepsgrootte in het onderwijs* (The size of groups in primary education); Tweede Kamer 1996/1997 (Lower House).

²⁷] Cf. Robert B. Reich, op. cit.

and early 1970s. While the 20th century labor market has shown an enormous increase of care and service activities and jobs in its first 75 years, the process of incorporating care-tasks in the formal labor market has stagnated in the last quarter of the century. This certainly has nothing to do with a possible decrease in the social need for care, but mostly with the way in which the welfare state has started to hamper itself with its own regulations. The increasing demand for care will make it possible again in the future to not only rightly estimate the social values of the incorporation of care-tasks in the formal labor market, but its economic values as well.

This leads directly to the second reproach, there not being enough jobs for people with little education. It makes sense to refer here to the so-called 'Law of Baumol'. According to Baumol there is a clear distinction between sectors in growth of productivity²⁸. In sectors in which technological development and investment play a crucial role, labor can relatively easily be replaced by other production factors. The productivity of the other labor can therefore increase quickly. This mostly affects sectors which are open to international competition, like agriculture, industry and certain service sectors. Opposite these are sectors in which such possibilities do not or hardly exist in the short or medium-long term, like the public service sector²⁹: education, social care, sections of health care, supervision, and such like. The result is that wage-increases in the first group can relatively easily be paid from improvements in productivity, but the second group is confronted with the necessity of increasing the price or find other solutions to keep up with wage-developments. Furthermore the demand for products from this second group shows a high elasticity of income: as the income increases, the demand for these products also (relatively) increases.

Both developments: a trailing development of productivity and a high income-elasticity, result in a growing share of these activities in the Gross National Product and in employment. Where these activities were mostly financed through public expenditure in a country like the Netherlands, they increased the collective burden. Based on the existing social demand and social appreciation, this did not have to be a problem either.

However, public expenditure did not only increase for these (service and care) activities alone, but even more for social security. The high level of non-participation expressed itself in a high expenditure and high social premiums. In the past years, numerous measures have been taken to reduce the expenditure for collectively financed low-productive activities: by lowering the labor costs - either through a trailing wage development of civil servants and the semi-public sector, or through subsidized forms of labor (e.g. jobpools and specific plans for youth employment) -; by introducing or raising personal contributions; by privatizing the execution of various laws and regulations; and by lessening the volume of this low-productive production³⁰. Experience has taught that the first option, a diverging wage-development, has slowly ceased to work. The second and third option may have lowered *public* expenditure, but did not

^{28]} See W. Baumol, 'Maroeconomics of Unbalanced Growth: The Anatomy of Urban Crisis'; *American Economic Review*, vol. 57, 1967, p. 415-426.

^{29]} Besides inherent factors, like emphasized here by Baumol, this trailing productivity development could also be caused by the behavior of participants in the collective decision-making process. Hazeu distinguishes four possibilities: absence of market incentives, way of decision-making, transferring 'productivity-failures', and the special position of the government, whereby quality is preferred over productivity. See C.A. Hazeu, 'Het aanbod van collectieve voorzieningen'; *Economisch-Statistische Berichten*, 1980, vol. 65, p. 16-21. Even if one would successfully eliminate all deficient behavior of all actors in this case, the development of productivity in the public service sector would still be structurally lower than in the afore-mentioned sectors.

^{30]} See M. Wilke, 'De wet van Baumol en de collectieve lastendruk' (Baumol's law and the collective burden of regular expenses); *Economisch-Statistische Berichten*, 1996, vol. 80, p. 86-88.

lower the *overall* costs of these products. And now the fourth option has also come under more pressure. The remarkable change that took place in the fall of 1996 in the discussion on the size of classes in primary education speaks for itself. Apparently people are no longer willing to accept a lower quality. Other signals - discussions on the increase in scale in education and health care, the conductor back on the tram -, indicate that people experience an increasingly larger discrepancy between what they expect in quality and quantity, and what is actually offered. Many, it seems, find this discrepancy too large.

It could be concluded that people are also prepared to pay the higher price which comes with good facilities. However, until now a clear discussion on this matter has not been possible, also because all public expenditure was considered as one. In politics, the people wanting to lower those expenses hardly made any distinction by group of expenses. Yet the council thinks this discussion should be held. After all, the social price that is paid to push back the volume of expenses is higher than the efficiency gained. The non-participation of low-educated people can also be seen as resulting from this policy. To retain as much as possible from the original product supply, functions were upgraded, which meant unskilled workers had to leave even sooner. Within the given frameworks this development took place in a completely rational way ³¹. With constant, sometimes even receding budgets, other choices were not or hardly possible. The consequences for society indicated here were not included in the deliberation ³².

If this consideration is made, different perspectives appear. Of course, whenever possible productivity improvement should be strived for, also in the public service sector. Wherever possible public expenditure should be cut. It has been mentioned before that there are indeed opportunities to do so, given the perspectives of more labor participation and the declining chances of non-participation. But at the same time it should be clear that a price will have to be paid for the preservation and above all creation of new employment in the public service sector, with many more job opportunities for low-educated people. We are speaking of a more labor intensive offer of public services, from education to upkeep of public gardens, from health care to safety in the street.

The starting point that a new social system can in no way contribute to the exclusion of people from the labor process can sooner or later also lead to a rephrasing of the guarantee function of social security - or rather, of the 'good' to be guaranteed or insured by social security. Thereby the distinction between the two ways in which social security can be accessed, namely through exemption from labor or forced unemployment, will be accentuated. There is already some movement in this direction; the large scale re-examination of disablement cases serves to make the difference clear once again between disablement as a form of labor exemption and forced unemployment. Nothing will change under the participation regime for the first criterion of access: the category of disabled could be extended to encompass all those categories that are not expected to provide for themselves through labor for various reasons (pregnancy, care-tasks, study, old age, etc.), but who do depend on that income. In this case the guarantee function remains aimed at providing income. If the participation philosophy is carried through, matters will gradually change for forced unemployment. The first signs are unmistakably there. As labor

^{31]} Comparable processes also occurred in the private sector. See WRR (1990), section 1.4.

^{32]} See in that respect the recent publications concerning the consequences of the breakdown in employment in Rotterdam and The Hague, and the necessity to create new employment. E.g. *Naar een nieuw economisch klimaat: innovatiekracht en ondernemerschap als sleutelfactoren in de Rotterdamse regio in de 21e eeuw*; Ontwikkelingsbedrijf en havenbedrijf Rotterdam (Rotterdam Harbour), 1996; and *Discrepancie tussen vraag en aanbod op de arbeidsmarkt*; The City of The Hague, department of Social Affairs, 1996.

becomes more important as an instrument towards social participation, the guarantee function for those who are not exempt from labor will *in the first place* concern obtaining a new place on the labor market. That (temporary and/or partial) benefits are necessary is obvious, but such a benefit will more than at present be in function of a renewed entrance into the labor process.

The gradual introduction of the participation principle into social security has many, as yet barely researched, consequences. The council hopes to discuss the main issues soon in a report on the future of social security. In that respect the development in what is to be guaranteed by social security is cast in three ideal types. This way a clearer view can be obtained of the implications of this shift, and of the not always easy political choices that accompany the implementation of the relatively new participation principle.

4.3.5 Conclusion

To let the expected favorable developments of economy and employment benefit the bottom of both the educational and labor market, it is necessary to draw the obvious conclusion from the emancipation of labor and thus from the shift from protection to participation. This shift has put the participative elements of labor more in the limelight than its hardships. With that, labor has become more than ever what Durkheim (already) anticipated in 1893: an essential element in the social cohesion of an individualized society. The organization of the socio-economic order will have to take this particular aspect of labor seriously, and put as little in its way as possible. The social pressure on and the need for labor force participation, as well as the recognition that further roadblocks on this point will lead to the social exclusion it was supposed to prevent, will play an important part in the reorganization of the social system over the decades to come. In the area of social security these developments will, and have to be most noticeable. Chapter two concluded that especially the higher and middle regions of the labor market will benefit from the expected positive employment developments, and the council therefore thinks a special policy is still necessary that attends to the needs of the bottom of the educational and labor market. Baumol's thought that we should be more careful with the term 'public expenditure' could be helpful. A policy that takes these notions into account could help prevent a situation in which the top of the labor market does clear without problems, but where the stigma and frustration of forced unemployment would still exist or even increase at the bottom.

4.4 The emancipation of talent

A bad connection between education and the lower regions of the labor market was seen above as the core of a possible increase of social tensions. It was foreseen that relatively positive labor market perspectives would ensure the clearing of the labor supply for the higher and middle regions, which would also create room for a less forced relation between education and the labor market. Education would more than before orient itself on offering an educational context in which pupils and students learn to deal with the fast changing need for knowledge in society. 'Learning to learn', 'platform knowledge', 'analytical ingenuity', 'methodical profundity' and 'communicative skills' express a movement in education that wants to emphasize cognitive skills rather than the accumulation of concrete knowledge. This also means there is more room for differentiation in levels, for tailored education, and that differences in levels are accepted within and perhaps also between schools. A stronger *meritocratic* emphasis already seems to be developing slowly in this area.

However, this does not offer any (labor market) relief to the bottom of the educational market. On the contrary, the combination of a stronger meritocratic

emphasis in society as a whole with the absence of opportunities at the bottom of the labor market could lead to mounting frustrations. The problem is that there are not enough jobs at the unskilled level. The previous section argued that these jobs have more or less been pushed or kept off the labor market by holding on to the ideology of protection too long, and under pressure of budget cuts. It has also been stated that a new system of social security should draw the obvious conclusion from the new participation ideology, so that such jobs can become part of the labor market again without the development of a category of 'working poor' like in the United States.

Many inhibitions will have to be overcome before such a development can take place, most of which are rooted deeply in our cultural tradition. One of these inhibitions is the view that there are low-valued jobs, some even so low-valued that people have to be protected from them. This is often the case if the productivity is too low to pay a minimum wage for it. Until now the answer to little education has been to protect people by giving them benefits or to educate people. A third answer, namely: accept the unskilled for who they are, and make sure they can feel a part of society through labor is easily discredited with a referral to the unattractiveness of jobs at the bottom. Reports on the knowledge-intensification of economic production seem to make it even harder to keep a place open for people with little education. Still it is not unlikely that developments in this respect will head in a direction that will essentially change the relation between human dignity on one hand and educational and occupational level on the other. The growing need to offer extra room both at the top and at the bottom of the labor and educational market more or less forces to let go of the hidden connection between human dignity and the level of education or job. In this respect 'emancipation of talent' therefore also means a true recognition of the fundamental equality of each person's human dignity.

4.4.1 Equality and education

From the second half of the 1960s on, education was clearly drawn into the Dutch attention for social equality. By distributing educational opportunities more equally over the different social strata, it was hoped that the social inequality based on differences in origin would eventually decrease. Education thus became an instrument of emancipation. Educational policy and educational research had to contribute to the softening of social inequality. The so-called talent project of Van Heek and co. was therefore more about the emancipation of *groups* whose talent could not be developed due to their low social background than about the emancipation of *talent*³³. It fought the distribution of educational opportunities on the basis of social background, but by making social equality so dependent on educational opportunities, another problem would develop in time. The problem for the educational innovators in the 1960s and 1970s was the new inequality that would develop as soon as the role of social background in educational opportunities had been cut back, and talent could develop without restriction. Although much would have been gained, the problem would then be 'equal opportunities for inequality'³⁴.

This brings both the preoccupation with and the faulty realization of social equality in focus. Social equality apparently needs to be proven over and over again. That is not just typical for our country, it is true for most countries in Western Europe. Herein lies the important difference with the way in which the United States handle equality. Equality is mostly an *axiom* there, not

^{33]} F. Van Heek, *Het verborgen talent* (The hidden talent); Meppel, Boom, 1968.

^{34]} Cf. D.E. Vervoort, 'Onderwijs en beleid' (Education and policy); in: *Gelijkheid en ongelijkheid in Nederland; analyse en beleid* (Equality and inequality in the Netherlands, analysis and policy); by J. Van den Doel and A. Hoogerwerf (ed.), Alphen aan de Rijn, Samsom Uitgeverij, 1975, p. 168.

something that needs to be proven all the time. As a result, the skewness in numerous areas of distribution is considerably larger. The often enormous differences in wealth, education et cetera, paradoxically spring from the importance of the equality axiom, of which meritocracy, competition, and free market seem to be fitting expressions. It is this indisputable character of human equality in the United States that takes away the need to judge social equality by the results of social processes of distribution.

Of course it is difficult for us to learn something with respect to equality from a system that leads to such extensive differences between people. Yet there have been European authors - and not the least - who found aspects in the contrast between the European and the American way of dealing with equality issues that can be of interest for our equality thinking. Famous is the amazement of that French notable Alexis de Tocqueville when describing the American democracy. The contrast with his own post-revolutionary France permeated both the content and the tone of his descriptions. He begins his travel report thus:

'Il est un fait qui plus que tout le reste attire l'attention de l'Européen à son arrivée sur les rivages du nouveau monde. Une égalité surprenante y régné parmi les fortunes; au premier abord les intelligences elles-mêmes semblent égales. Je fus frappé, comme les autres, à la vue de cette extrême égalité des conditions et je découvris sans peine l'influence prodigieuse qu'exerce ce premier fait sur la marche de la société; il donne à l'esprit public une certaine direction, un certain tour aux lois; aux gouvernants des maximes nouvelles, et des habitudes particulières aux gouvernés.'³⁵

The quote shows that Tocqueville is interested in the 'conditions des égalités'. Buiks throws a light on that with the following quote he translated from Tocqueville:

In short, both here and in America people are categorized during their social existence; common habits, education and especially wealth determine the classification; but these rules are not absolute, nor inflexible, nor permanent. They determine differences of a passing nature, and do not really form classes; they give no man superiority, not even in opinion, over another, so that even though these two individuals never meet each other in the same salons, when they meet each other in public, one views the other without pride, and the other regards the one without smirking. In the end they feel equal, and so they are.³⁶

The at least equally sharp American observations of Johan Huizinga show the same contrast. At the beginning of his well-known study *Mensch en meenigte in Amerika* he wonders why he fails to get a better picture of America. He then replies that his terminology comes from the old world and its old contradictions, like that of tradition versus renewal, standardization versus differentiation, individualism versus collectivism, development versus force³⁷. Huizinga emphasizes that things that seem to be mutually exclusive from a European point of view, presuppose and mutually strengthen each other in America³⁸.

^{35]} Alexis de Tocqueville, *De la démocratie en Amérique, première édition historico-critique, revue et augmentée par E. Nolla*; Tome I, Paris, Librairie philosophique J. Vrin, 1990, Introduction, p. 3 (original manuscript version).

^{36]} P.E.J. Buiks, *Alexis de Tocqueville en de democratische revolutie; een cultuursociologische interpretatie* (Alexis de Tocqueville and the democratic revolution; a socio-cultural interpretation); Assen, Van Gorcum, 1979, p. 59-60. Continuing his argument, Buiks points out that Tocqueville used an idea-typical method, and that he was not interested in the appearance of a concrete phenomenon, but in the 'pure' (or 'ideal') type of it. *Ibid.*, p. 147-151.

^{37]} J. Huizinga, 'Mensch en Meenigte in Amerika' (Man and multitude in the United States); included in *Verzamelde werken* (Collected works); Haarlem, H.D. Tjeenk Willink en Zn, 1950, p. 251.

^{38]} For the more recent period there are also many authors who - implicitly or explicitly - use the indicated contrast as starting point for their deliberations.

Such comparisons of the Occident with the anti-aristocratic democracy of America show time and again that our egalitarianism is aimed at the *results* of the social process. As long as these do not differ too widely, the role of social origin (or of intelligence, education or sex) is proven to have become negligibly small. Not that social background has disappeared as a criterion of distinction; on the contrary, it plays an important part when it comes to trying to offer equal social opportunities to people of a humbler social background. Our egalitarianism tries to keep the results of the social distribution process within a certain range, and views the limits of that range as evidence of the equality of people.

Discrediting social background as a provider of educational opportunities therefore does not neutralize the result-orientation which is set in the Dutch definition of social inequality. Only now the torch has been taken over by intellectual skill or cognitive competence. More and more these seem to be the criteria by which social inequality is layered. For now this new threat to the equality ideal is handled rather clumsily. On the one hand the victory on the social origin criterion cannot be spurned, on the other hand the new criterion of intellectual competence should not be played too high, since that would result in social inequality again. This leads to numerous compromises which stand midway between two movements: the aversion for forms of education which favor those with the most talent, *and* the unrealistic need to endlessly continue educating the unskilled. After all, the range cannot become too wide. We could speak of the *Procrustean-thesis*, which explains why, despite the enormous expansion of higher education in our country, the ceiling of that education rather went down than up during the 1970s and 1980s³⁹. This thesis could help explain the enormous flight special education took in that same period, the efficiency measures, the large merger movements, cutting short the length of study, et cetera.

The confrontation with the American variant of egalitarianism could offer the occasion of a next step in the talent project of old. This sequel to the project should no longer deal with the realization of equal educational opportunities for people of different social backgrounds, but with the *emancipation of talent* as a whole. The goal would hereby be to judge each talent on its own merits and by the extent of development possible. Such a movement is carefully beginning to manifest itself at both the bottom and the top of the distribution of talent. Education is gradually being seen again as 'cherishing talent', regardless of the question whether that talent scores high or low on the intellectual ladder and regardless of how much this stretches the range of results. For the first time in years, people openly discuss the way top talent should be treated, and at the same time the acknowledgment grows that people with little education should also have an opportunity on the labor market. It is a centrifugal movement which as a matter of course puts pressure on the traditional result-based views on social equality, thereby raising the question of how this should be dealt with.

The movement in the direction of a larger range is justifiable if and as far as a full position in society becomes available to those at the bottom of the educational distribution. In our culture of social equality, a meritocracy that passes over the merits of the unskilled would be considered an unlucky heir within a tradition that should have been reckoned with. The only possibility in this respect is in the *unconditional* acknowledgment of human dignity as a foundation of social equality, without linking this dignity to, or making it dependent on other elements like social background or intellectual potential.

^{39]} Cf. chapter 2, section 2.3.

The fact alone that this opportunity exists does not mean it will be used. Such teleological reasoning has gone out of style in the era of empirical study. Yet the *actual* development towards a larger inequality of results can only be legitimized by an ideology which no longer only has to prove human equality, but also takes it as an axiom. It is beyond dispute that the need for such legitimization will develop. Whether it will take the shape that is suggested here remains to be seen. Given the heritage of our welfare state, we can hopefully assume that - unlike e.g. in the United States - the diversity of results will never sink below a humane level.

4.4.2 The emancipation of the unskilled

One of the consequences of a line of thinking as the one just indicated is that the unskilled can also be accepted as they are without pressuring them into more education. For a long time the only way to approach unskilled workers was to encourage them to further education, or exclude them from participation in the labor process. All kinds of considerations on the knowledge intensification of society only confirmed this tendency: after all, full participation would only be possible at an increasingly higher minimum in intellectual competence. It has been mentioned before that this knowledge intensification leads to one-sidedness. Besides knowledge intensification of economic production, the care intensification of it is possibly an even more noticeable characteristic of the emancipation of labor.

In this respect it has already been pointed out that especially in the care intensive sectors of society the need for formal entry is considerably higher than what the labor market has to offer in job openings at the moment. Particularly in the highly professionalized sectors of services, like education and health care, the need for workers is substantial, and the formal possibility to hire people poor. This has a self-enhancing effect: the care or service in question is more than necessary judged on large-scale efficiency, and less on small-scale 'context'. No wonder the mostly small-scale context of volunteer work with respect to involvement, warmth and emotionality contrasts sharply with the largely anonymous and bureaucratic structure of professional and 'paid' care. Which is also why the same type of work when done by volunteers is considered noble Florence Nightingale-work, but once included in the formal or professional circuit (for which Florence Nightingale laid the foundations by the way) is considered 'low-valued' or even seen as an unworthy 'hamburger job'. The highly exaggerated contrast between 'money' and 'meaning' of paid work and volunteer work respectively, can be traced back to this self-enhancing dynamic.

As mentioned earlier, the area of non-profit services offers many possibilities to change benefits into paid labor, which would serve society as a whole, but would also offer relief right at the bottom of the educational market. Division of functions, aimed in particular at offering professional yet small-scale educational and care contexts, could result in a considerable improvement in quality in both education and health care. The many millions that will be needed could be furnished from the Social Affairs and Employment budget, and mostly concern an activation of social security benefits.

4.4.3 Conclusion

The emancipation of talent is a movement in which actual developments and shifts in opinion interact. With the ongoing knowledge-intensification of society and the economic production, the risk exists that space would develop only at the top of the talent distribution. Although in itself this is of great importance for the dynamic development of society, it is not enough. Especially a knowledge intensive society only offers a good home when the bottom of the

talent distribution can be involved in it. The social emancipation of talent in this sense is therefore an important condition for the integration of now often excluded groups and individuals. Whether this condition will be met in the near future is of course not certain. However, if it does not happen, chances of a social dichotomy increase.

4.5 The social cohesion of an individualized society

Changes in society influence the debate on social cohesion. The pressure on existing institutions mounts, and social cohesion can become an 'issue'. Reactions usually vary. Obstructing, denying and condemning the changes, while manfully holding up the threatened institutions is one possibility; attempting to adapt these institutions to the new circumstances, without taking elements into account that may be valuable for the future another. The first reaction runs the risk of confusing the forms and institutions of society with the deeper values that are at the foundation of it; the second reaction risks extreme 'flexibility' in the interpretation of the essential goals of society. The latter case has the extra difficulty of having to assess the changes correctly.

Sociologist Emile Durkheim classically phrased the changes in the nature and shape of social cohesion in his 1893 study *De la Division du Travail Social*. He argued that the upcoming industrial society did not only put the old forms and institutions of social cohesion under pressure, but was also the starting point for a development towards a new form of expression for social cohesion. The 'cement' of this new society - which he called solidarity - would from now on be mostly 'organic' in nature. With that he meant to say that the development in the direction of differentiation as it was occurring in the distribution of labor did not necessarily have to lead to the loss of social cohesion. He resisted the pessimistic voices that could be heard (already) at the end of the 19th century. Especially in this distribution of labor between the different divisions, individuals or 'organs' and in the mutual dependency resulting from that, institutions would develop that would ensure cohesion in society. This was unlike the pre-modern society, in which it was not the differentiation of tasks and individuals but rather their segmentation in groups which procured social cohesion. The different segments of such a pre-modern society were essentially equal. There the social cohesion was based on the *absence* of differentiation and specialization. In the modern society, however, the self-sufficiency of those segments was dismantled under influence of an international process of differentiation and specialization. The old *conscience collective* came into a centrifugal movement, which emphasized both the relative autonomy of the individual and the fact that this individual was absorbed in a much larger - perhaps more abstract - cohesion⁴⁰. This paradox of individualization and globalization became the heart of modern 'solidarity' to Durkheim.

Durkheim was fully aware that this change brought some problems with it as well. In fact, aberrations and imbalances were the most important themes in his study. In *Le Suicide* (1897) for example, he discussed the conditions under which the balance of this new order would be disrupted based on a comparative study of the level of suicides. But foremost was still the recognition that the new industrial form of economic production and the corresponding distribution of labor also meant a new kind of social cohesion or solidarity. The thought that all cohesion would automatically disappear because of these new developments certainly did not meet with Durkheim's approval.

^{40]} See also Johan Huizinga, 'Mensch en meenigte in Amerika'; op. cit. p. 329:

There is still a lot to learn from Durkheim for the current discussion on social exclusion and individualization. Of course, much has changed in the century that separates us from Durkheim's work, yet in the participation philosophy of this moment we can hear the essence of Durkheim's argument: labor as an instrument for social integration. The paradox of increasing individual autonomy and the absorption of that same individual in larger and more impersonal systems is also very topical in the discussion on social cohesion. The developments that have accelerated the emancipation of labor since the end of World War II have meant that Durkheim's foresight can now be shared by many. The emancipation of labor caused the participation philosophy to manifest itself more and more clearly through a strong growth of the labor supply. Expectations are that this thinking will continue for now. The once so mechanical link of labor with the world of hardship and chores is nearing its end. *That is why social inclusion can be put more and more emphatically in terms of labor force participation (i.e. without reminiscence of a 19th century industrial past) and why the growing demand for a market-expanding policy will make the traditional incongruence between the economic and social system disappear even further.* The previous contributions on the emancipation of labor, the inclusive social security and the emancipation of talent underline this expectation. One aspect however deserves separate attention, namely the question if and to what extent an individualizing society can reach a serious level of solidarity, of social cohesion.

4.5.1 Individualization and solidarity

It is not surprising that the political support for a reassessment of the foundations of the welfare state is rather hesitant. Almost all parties that play a part in the political and socio-economic area are rooted in the once so successful construction of the welfare state as representatives of relevant collectivities and categories. At first it seems that people only have things to lose in a reassessment. The gain in the long run is not or not sufficiently recognized. A sober analysis of the process of individualization is not easily started in such a context, which is why this in itself neutral term got into the political moral battle of the 1980s. As a consequence individualization was considered a political goal, to be pursued or not, instead of an empirically perceptible phenomenon that could not be pushed back by condemning it. That is why a few misgivings about the term individualization should be clarified first.

First of all there is the misunderstanding that the process of individualization is the opposite of solidarity or social cohesion. From that point of view individualization is too easily held responsible for the 'erosion of society'⁴¹. Individualization is often associated with the law of the jungle, hedonism, fragmentation, the relentlessness of the market mechanism, breaking with a culture of consensus, in short, with everything that was harming the existing society. Individualization thus becomes the ax at the root of society. It has been indicated above that such a line of thought supposes an all too specific form of individualization and individualism, and that Tocqueville, Durkheim and Huizinga respectively have pointed out a form of associative individualism that certainly is compatible with a high degree of solidarity and social cohesion. Recently the German sociologist Ulrich Beck rephrased all this in current terminology. Under the meaningful title *Ohne Ich kein Wir*⁴² he also resisted the obviousness with which individualization is considered the opposite of a *Sozialmoral*:

^{41]} H.P.M. Adriaansens and A.C. Zijderveld, *Vrijwillig initiatief en de verzorgingsstaat, cultuursociologische analyse van een beleidsprobleem* (Voluntary initiative and the welfare state, cultural sociological analysis of a policy problem); Deventer, Van Loghum Slaterus, 1981.

^{42]} Ulrich Beck, *Die Zeit*; no. 53, 23 August 1996, p. 10 Politik.

Die Moral des eigenen Lebens bejaht, was öffentlich beklagt wird: ohne Ich kein Wir. Wir nur als selbstbestimmtes Wir, nicht als Vorgabe, nicht als Summe, nur als Zustimmung der Individuen. Die Ethik des eigenen Lebens leistet damit zunächst eine Kritik der herrschenden Wir-definition - Klasse, Stand, Familie, Geschlechtsrollen, Gemeinwohl, Partei, Nation und so weiter.

To be able to understand what this new form of solidarity stands for, Beck thinks two misunderstandings have to be cleared up: the market misunderstanding, and the traditionalist misunderstanding ⁴³. Both suggest an identification of individualization with selfishness. The market misunderstanding puts the new individual down as a potential profiteer or rentseeker, only out for his own gain. But this, says Beck, confuses autonomy with selfishness:

Das eigene und globale Leben musz sich grenzübergreifend orientieren. Will es als eigenes Leben Überleben, musz es sich Fremdes zu eigen machen. In einer Welt der Widersprüche musz der einzelne ein hohes Masz an *Autonomie* anstreben und herstellen. Autonomie bedeutet aber nicht Egoismus. (...) Es ist daher ein schwerwiegender Denkfehler, die Frage nach neuen Solidaritäten zu verwechseln mit der Frage, wie die Markt egoismen gezügelt, gezähmt, zusammengeschweiszt werden können. Diese Frage lautet vielmehr so: Wie kann man Autonomie, soziale Bindung, eigenes Leben und Verantwortung in einer sich selbst gefährdenden Zivilisation neu aufeinander abstimmen - und zwar in den verschieenene Sphären des sozialen Lebens, einschlieszlich der Wirtschaft?

The traditional misunderstanding suggests that the decline in membership of all kinds of traditional organizations can also be seen as evidence of selfishness:

Man unterstellt ein Kriterium, zum Beispiel Mitgliedschaft in Parteien, Gewerkschaften und Kirchen. Die Flucht aus einer solchen Mitgliedschaft setzt man dann mit Egoismus gleich. Das ist pure Dogmatik, die herrschende Maszstäbe verabsolutiert. Jugendliche, beispielsweise, hassen Vereine. Sie sind aber für alles mögliche zu engagieren: für Umweltfragen sowieso, aber auch gegen Obdachlosigkeit, für Betreuung von Drogenabhängigen, Aids-Kranken und so weiter. Stünde heute Greenpeace zur Wahl, wohl über neunzig Prozent der Jugendlichen würden diese 'Partei' wählen.

Beck's conclusion is clear: individualization does not exclude solidarity and social cohesion, but brings a new form of solidarity, as long as we do not forcefully attempt to keep traditional institutes and institutions as synecdoches for solidarity.

In this sense the individualization process is as old as western cultural history: when Paul stated you did not absolutely have to be a Jew to become a Christian, that was a little noted, but nevertheless important step in individualism: this disconnected ethnic and religious identities; people could be Christian and Athenian at the same time. This double identity made people less dependent on one and the same collectivity; the ties within the Christian community could become more loose, a new form of solidarity developed, more abstract, and leaving more room for the individual. If that had not happened, Christianity would not have been able to spread over the Western world to the extent that it actually has ⁴⁴. The history of religion knows many of these instances of individualization. The Reformation in the 15th and 16th century

⁴³] See for similar misunderstandings also the 'rationally calculating' and 'traditional conception of society' in: WRR, *Eigentijds Burgerschap* (Contemporary Citizenship); WRR-Publication edited by H. R. Van Gunsteren, The Hague, Sdu Uitgeverij, 1992, p. 13-16.

⁴⁴] Cf. A.D. Nock, *St. Paul*; New York, Harper, 1938.

was another clear jump towards individualization: however insignificant, the individual received a direct line with God, without a 'sacred canopy'⁴⁵, without interference of angels and priests, without the possibility to hide in a collectivity. This led to new forms of organization, and to what Max Weber called a 'rational religion'⁴⁶.

The fact that solidarity is individualizing therefore does not mean that solidarity is disappearing. In the first place because this individualization has only been able to take place *on the basis of* an increasingly general framework of solidarity, which gradually arose in the development of the welfare state. We cannot forget that the government's responsibility to make society possible - for example by guaranteeing labor force participation - is a precondition for solidarity. In the second place individualization of solidarity does not mean these new forms of solidarity will be established without problems. The fact alone that they are no longer 'given facts' but develop on the basis of individual responsibility creates an entirely new problem, as the next section will show.

This clarification of terminology also has consequences for policy. As the automatism that considers individualization and solidarity each other's opposites disappears, there is room for a new interpretation of socially cohesive connections and arrangements. That seems to be happening in a socio-economic respect under headers like flexibilization, *flexsecurity* (as a new combination of flexibility and security) and *employability*.

4.5.2 Individualization and the de-categorization of society

It was argued in chapter three that it becomes more and more difficult to divide society into categories. The traditional denominational pillars have undergone a process of de-pillarization and secularization since the 1970s. Even though many organizations in society still keep the memories of that period alive (the broadcasting system, political parties, trade unions, organizations in the care-sector), the ideological focus and social organizing power have disappeared from this distinction. With that a unique form of social cohesion disappeared in which the strong vertical integration per 'pillar' prevented unmanageable social problems because of institutionalized consultation at the top of the pillar construction⁴⁷. When this form of vertical integration and cohesion disappeared under influence of secularization, social organization became more and more dependent on forms of horizontal integration, i.e. in socio-economic layers or 'classes'. Notwithstanding the continued existence of many of the (neo-)corporatist arrangements made in that time to tie diverging interests together (PBO⁴⁸), the 1970s and 1980s became the years of polarization. The socio-economic dimension became indicative for the allocation of social solidarity. Societal organizations gradually adjusted to this.

The emancipation movements of women, immigrants and elderly that have been discussed in chapter 3 match this view of polarization and of superior and inferior layers or strata. But even there it was established that an approach of emancipation questions in terms of categories offers less and less perspective. Although not all problems disappeared when women entered the labor market, the problems have less to do with the category than with specific characteristics that also lead to disadvantages in other groups, like a low level of

^{45]} Peter Berger, *The Sacred Canopy; elements of a sociological theory of religion*; Garden City, N.J., Doubleday, 1967.

^{46]} Max Weber, 'Die protestantische Ethik und der 'Geist' des Kapitalismus'; in: *Gesammelte Aufsätze zur Religionssoziologie*; Tübingen, Mohr, 1920-1921.

^{47]} Cf. A. Lijphart, *Verzuiling, pacificatie en kentering in de Nederlandse politiek* (Pillarization, pacification and change in Dutch politics); Amsterdam, De Bussy, 1968.

^{48]} The statutory industrial organization.

education and lack of working experience. The same goes for most other categories. It appears that by now the preponderance of thinking in (socio-economic) layers, collectivities or categories is on the way down; that after the de-pillarization of society there is now also a kind of de-stratification going on. Unions are dealing with the growing complexity of the economic production process; widely diverging and increasingly flexible interests. The distinction between employer and employee is starting to lose the sharpness of the industrialization heyday. Political parties distinguish themselves less by their traditional political ideology, and on a socio-economic level differences run through parties rather than between them. The new complexity of households and the enormous growth of the number and kinds of households makes it increasingly less attractive and less possible for a government to use its own norms on that 'market'. In general the predictability for both people and policies that came with living in categories has yielded to the unpredictability of an individual that may be embedded in numerous smaller and larger systems, but has taken a more and more independent stance in each of these systems.

What does all this mean for the immediate future? Individualization in the above sense, i.e. breaking through preformed, pillarized or layered organizations and institutions on the basis of growing individual responsibility, supposes an area in which the old institutions can be adapted to new circumstances, and new links and associations can develop. Once again in the words of Ulrich Beck: 'Wir nur als selbstbestimmtes Wir, nicht als Vorgabe, nicht als Summe, nur als Zustimmung der Individuen.' This means that we should take new forms of voluntary and private initiative into account in the future, both within and without the system of labor. In actuality this development is already taking place.

The conclusion of a re-evaluation of private initiative may seem strange, and contrary to the experiences in and around the welfare state. Some will even suspect a nostalgia for days gone by, but that is not the case. The voluntary and private initiative of the future will be less preformed, less directed from above than was the case in the post-war era of pillarization and polarization. But even if such a development is relatively new for the Dutch situation, here too the cultural history of the West has a much discussed example. For when the English *dissenters* traveled to America, they brought an implicit organizational model with them that was characteristic of the Anglican Low Church, namely the congregational model. The predominantly episcopalian organizational model that the Anglican High Church had in common with the Catholic and Lutheran church remained characteristic for many organizational patterns on the mainland of Europe. The enormous fanning out of the American voluntarism shows how much this congregationalist model matched the individual responsibility to cooperate. Benjamin Franklin's autobiography therefore is a model for *do-gooders* who associated for numerous reasons ⁴⁹.

In short: the history of the West in a socio-cultural sense is a history of the individualization of solidarity and of the opportunities for globalization accompanying it. No doubt the current processes of individualization will lead to reinforcement of both dependency and responsibility again. In the America of those days interpersonal dependency and responsibility were mainly organized around church and religion. If the emancipation of labor continues, and labor therefore more than ever becomes a mechanism of solidarity, labor itself could in the future become the axis around which individualization and solidarity start to take shape. It cannot be predicted what kind of effects this will have on other areas of living, like for example personal relations. Besides, these effects will undoubtedly be limited in the next two decades - the period covered by this exploration of the future.

⁴⁹] Benjamin Franklin, *The Autobiography and Other Writings*; New York, N.Y., 1961.

4.5.3 Individualization, the role of government and social organizations

When the categorization of collectivization of solidarity has to compete with more individual forms of solidarity and social cohesion, this has consequences for the role of the government as well. In general, such a pattern of growing individual responsibility goes with a government that makes as much room as possible for the implementation of that responsibility. This means the highly interventionist character of a government retreats more into the background. Not that the role of government becomes less important; its stimulating or pre-conditioning task will be emphasized. This is unlike the often heard opinion that a strong government leads to a weak market and a strong market to a weak government; as if we are dealing with a zero sum game, a fixed power vacuum to be divided between market and government⁵⁰. It passes by the fact that the power or effectiveness of both market and government can increase at the same time. That way the growth of the market and the expansion of the preconditions keep up with each other. Or: it takes a *highly stimulating government* to let the 'free game of social forces' run its course. After all, markets, societies and activities of responsible individuals (entrepreneurship) suppose a framework of preconditions without which they would not be able to function.⁵¹

We can also point at what is sometimes called the untwining of relations between government and social interest groups. After all, in the heyday of pillarization and corporatism, the government practically fulfilled the role of 'Crown-appointed member' in organized consultation. It thereby obtained tasks the separate parties did not trust each other with. The government was also approached as the organ that could keep the 'divided national community' together. In particular the broadening of suffrage in 1917, along with the expansion of social security arrangements (and thus also the burden for the business community) in surrounding countries, especially Great Britain, Belgium and Germany, contributed to a similar expansion of the role of government in our own country. The corresponding increase in national legislation facilitated the additional function of the national government as a platform and meeting point for the leadership of the pillars; social interests were represented on all sides in political parties and parliament, in departments (e.g. agriculture) and in large advisory bodies; the leaders of the pillars were also party-leaders. The corporatism from the end of the 1930s institutionalized the collective bargaining process from the central level as top of the pyramid down to the decentralized level as its basis.

Contrary to what some expected in the 1970s, the transition from pillarization to polarization did not mean the end of many corporate arrangements⁵². Around 1980 the term neo-corporatism was coined to indicate that there had been a revival of mutual decision-making by government, employees and employers; now considered 'social partners' to indicate their mutual equality⁵³. However, the real challenge of the traditional corporative structure did not come until the end of the 1980s with the individualization and the desire to

^{50]} In 1995, *The Economist* spoke of the myth of the powerless state in this respect, 'The myth of the powerless state'; *The Economist*, 7-10-1995, p. 13-14.

^{51]} Karl Polanyi, *The great transformation*; with an introduction by R.M. McIver, Boston, Beacon Press, 1944. In this book Polanyi shows the connection between market development and development of preconditions, using the transformation of society in the 19th century.

^{52]} WRR, *De komende vijfentwintig jaar; een toekomstverkenning* (The next twenty-five years, an exploration of the future); Reports to the Government no. 15, The Hague, Staatsuitgeverij, 1977, in particular chapter three.

^{53]} Cf. W. Albeda and M.D. Ten Hoe, *Neo-corporatisme, evolutie van een gedachte, verandering van een patroon* (Neo-corporatism, evolution of a thought, change of a pattern); Kampen, Kok, 1986; and Anton Hemerijck, *The historical contingencies of Dutch corporatism*; Oxford, 1992 (chapter 8 et seq.).

untwine the interests of state and organized business. Then we can also notice a change in the function of central consultation - into a framework for decentralized bargaining.

The untwining takes place in particular in the socio-economic area, and is enhanced there by the rise of the participation philosophy. A consequence of this philosophy is that social security is deployed more to facilitate, and if necessary to guarantee labor force participation. This requires a different set up of the organization of social security, as the parliamentary inquiry into this matter made clear (Buurmeijer Committee, September 1993). Against this background, the government now strives to break through monopolies in the service sector, wants to make more use of a concession system for contracting out implementation activities, and tries to create such preconditions that markets for services develop. Well-known examples are the new market for employment-finding, where employment agencies and public employment-finding both operate, as well as the recent proposals to create a similar possibility for the implementation of social security regulations.

The entwinement from the past was made possible by the existence of a relatively closely organized social basis. As indicated, major changes have taken place on this point in particular because of individualization. The consequences also affect the political field in the Netherlands, where coalitions have come into being that were considered impossible for a long time. The social support for the government with its segmentation between the main parties, and definite patterns of coalition seems replaced by a much less orderly system of 'individuelle Zustimmung'. Which party can form a coalition with another party depends on this individual permission in retrospect; in retrospect can be seen whether the party has chosen a combination that the voters support. There is therefore a transition from a pre-structured support for government actions to a support that is much more dependent on individual permission. In extreme: autonomous citizens grant the government the space, while this government sets preconditions for the many markets on which these citizens operate.

Taking it one step further, one can also suppose that this behavior is connected to the developments in the sphere of labor, like the intensification of knowledge and care activities, extending to the knowledge of and care for the preconditions of labor. This can clearly be observed in a case of the imminent closing of a business; all 'parties' try to acquaint themselves as much as possible with the political, administrative and legal preconditions, and devote time to 'supervising' the process of recording and maintaining these preconditions.

This also leads to the paradoxical conclusion that the moment the consensual structures weaken, the economical involvement in politics does not have to narrow, but rather increases. This is obscured at times because participation in political parties is sometimes taken for political participation in general, but the declining membership of political parties has to do with specific circumstances, like decreasing differences between the parties, more differences within parties, and the fact that they are becoming governmental in their work and orientation⁵⁴.

To prevent any misunderstandings: the fact that traditional consensual structures of corporations are falling apart does not automatically mean this is the end for interest groups and their relations with government. On the contrary,

⁵⁴ Cf. Peter Mair, 'Politieke partijen en hun privileges' (Political parties and their privileges); *S&D*, no. 9, 1995, p. 395-401; Furthermore F. Becker et al., 'Over de toekomst van politieke partijen' (On the future of political parties); Special issue of *Beleid en Maatschappij*, 1995, vol. 22, no. 3.

in a changed environment in which it becomes more difficult to address government due to the complex of decentralized, emancipated and privatized organs, where consultative bodies are discontinued, and where advisory boards are put together with experts only, the function of national social institutions changes. On the one hand they increasingly have to define and maintain frameworks of decision-making; as a counterweight for the continuous threat of fragmentation of this decision-making and against the negative consequences this has for the effectiveness and the esteem of the Netherlands internationally. On the other hand their activities change from consultation to lobbying. Social organizations combine their forces (e.g. by mergers) and attempt to develop more efficient and professional activities to influence the government. On the whole the national system of influencing policy is starting to resemble the system known in the European Union, and - further away - that of the United States⁵⁵. If we look at the whole of decision-making from an international perspective, national social organizations often act in unison with national governments, for example when they 'assist' and advise the national government in the negotiations in Brussels.

4.6 A final balance: opportunities, threats and policy

This exploration of the future for social dichotomy, or for opportunities and threats to social cohesion has produced a number of insights that can be of importance for the evaluation of current policy as well as for the future discussion of policy. It did so by combining empirical data on important trends with more functionalist considerations on the consequences these developments could have for sets of opinions. Naturally this method can have no more of a claim to truth than other customary ways of exploring the socio-cultural future.

4.6.1 The low of the 1970s and 1980s

Based on empirical data, a reasonable case has been made of the Dutch society experiencing a low in the 1970s and 1980s from the perspective of social participation. Those were the decades of major socio-cultural change, in which the flow of women into the labor market started to take serious shape at a time the consecutive economical crises of 1973 and 1979 had considerably narrowed room for new developments. The socio-cultural development of growing personal independence, educational expansion and women's emancipation were accelerated at a time of stagnation in socio-economic development of the labor market and income. The consequences were painful, even though the population was not that aware of them at first. For the moment the system of social security was functioning as an adequate safety net, and many could keep thinking that this was exactly what it was intended for. On balance this meant an ongoing decline in the level of labor force participation, a figure that had already been low because of the socio-cultural normality of women not working in the Netherlands. Inasmuch as women could enter the labor market under those circumstances, this was equal to a significant efflux of male employees, a category that, unlike the women entering the labor market, did depend on social security. In short: increasing independence of especially women and young people created a new labor supply, which in a stagnating economy could only be - partially - accommodated by dismissing other categories. The resulting social pressure increased the polarization, which in turn did not contribute much to solving these socio-cultural and socio-economic problems.

⁵⁵] In the Netherlands the political attention for lobbying only seems to develop recently, after having been concentrated on advisory boards before; cf. H. Van der Sluis, and P. Den Hoed, 'Adviesstelsel herzien: politiek primaat hersteld?' (Advisory system revised: political primacy restored!); *Openbaar bestuur*, november 1996, p. 2-9; P.C.M. van Schendelen has written much about lobbies, a.o. 'De fictie van de formele staat' (The fiction of the formal state); *Intermediair*, 26 July 1996.

The net labor participation reached a low of 51 percent in the middle of the 1980s, which was even lower than when the non-participation of the female part of the population was socially and culturally accepted. The pressure on social security mounted. Benefits based on social security became a 'normal' way of obtaining an income. Nevertheless, for a long time the official policy kept trying to remedy a situation that belonged to the past. In retrospect we can conclude that the socio-cultural development was so limited by the socio-economic framework that people were bound to look for guilty parties and scapegoats.

4.6.2 Past the socio-economic low

Even though the development since then shows some (and at times considerable) improvement in the most important socio-economic areas of distribution, in the meantime the public debate on social dichotomy, social disruption and poverty is well on its way. 'Poverty' is back on the political agenda⁵⁶. The fact that intensification of the poverty problem concerns a shrinking part of the population can be considered positive and negative. The positive side is that economic improvement is apparently also going to affect the bottom of the labor market. Negative is that the people at a disadvantage in this development lose even more ground. The suggestion of social dichotomy concerns the distance between the top and the bottom rather than the relative extent of those at the bottom.

The road ahead is therefore mostly one of difficult but coherent policy of improving people's chances on the labor market, together with limiting the accessibility of social security and increasing the check on abuse of it. If it is successful it will no longer be necessary to cut the means of existence for those citizens who cannot provide for themselves due to care responsibilities, handicaps or forced unemployment. This does mean the government should see guaranteeing work as a high priority.

4.6.3 The socio-economic perspective for the future: opportunities and threats with respect to cohesion

The previous showed that the socio-economic framework for social development can develop relatively positively over the next two decades. However, the paradox is that this positive development could lead to intensification of socio-cultural problems, particularly if the complicated interaction of facts and opinions is lost track of. In that case it would be impossible to create a policy that could prevent this threat.

The nature of the problem is clear. If the labor force participation motive keeps getting more and more important as the grounds for social integration, those who cannot partake in the labor process for other than legitimate reasons for leave will experience this even more as a form of exclusion. Since this forced inactivity, more exclusive than it already is, will affect those with little skills, the frustration of exclusion will be made worse by the stigma of inadequate intellectual competence. In the rhetoric of the knowledge intensification of society a group could thus develop that, in the eyes of the large majority 'just cannot keep up'. This would provide the main ingredients for a situation that could have been prevented by seeing through this interaction of actual developments on one side, and opinions on the other.

⁵⁶ Cf. Minister Melkert of Social Affairs at the Social conference, Zwolle, 31-10-1996. Published in the *Staatscourant*, 31-10-1996, p. 6.

The more the emancipation of labor will continue in the future (and thus also affect the bottom of the labor market), the more it will become attractive to find a place on the labor market. The projections of employment for the next decades make it seem probable that the labor supply can be accommodated better than in the past two decades. This will at least be true for the middle and higher regions of the labor market. However, this also means that forced unemployment will become even more a problem of the lower regions of the labor market alone, and that the frustrations of the 1970s will return, when the first family men were excluded from the labor process. The social isolation that comes with forced unemployment (and cannot be solved so easily by the combination of family tasks and volunteer work as in the 1950s and 1960s) could increase.

For policy this means that the new socio-economic developments should especially be used for a stronger movement towards guaranteeing work. If work is going to be the most important means of realizing conditions for social integration, then that is what the government should focus on. If we presume the task of government as a whole can be characterized as *making society possible*⁵⁷, then it is now becoming clear that financial means alone are not sufficient for real social participation, which means the guarantee of work will get an increasingly important function in social security. It is even possible that such a guarantee will become the primary function of the security system in the 21st century. Only in those cases where the guarantee of work does not serve a social goal (e.g. in case of disablement, illness, performing care and nurturing tasks, study), the financial guarantee, for example through a Law on General Leave, has to remain a priority. In all other cases the financial guarantee is - literally - secondary to the guarantee of work. The council judges this to be an important touch-stone for future social policy.

A second danger that could threaten the future social cohesion despite the favorable opportunities is the continued implementation of a narrowed idea of social equality and human dignity. Although less obvious than the movement described above as the emancipation of labor, there are also signs that indicate a careful *emancipation of talent*. This movement got its first - categorical - form of expression when the attack on the unequal distribution of educational opportunities was started. However, then too it was recognized that there would be a time in which the success of this attack would lead to 'equal opportunities for inequality'. People have not really known what to do with that last problem recently. Many of the discussions held on the system of education nowadays are indicative of how difficult it is to compromise between the thought of 'tailored education' and the usual way of measuring social equality by a variation of educational *results* that is as small as possible.

To give all talent the opportunity to make itself useful in society and to underline the fundamental social equality of people it is necessary that all regulations that suggest there is no socially relevant work at the bottom of the educational market (especially for the elementary and basic levels) are reviewed and abolished. Furthermore the labor intensity that accompanies the creation of an adequate care or educational context could make the knife cut both ways.

Policy should therefore concentrate on these two issues. In the first place it should comply with the development that has made labor and labor force participation the main instrument for social integration⁵⁸. This means the guarantee of work will not only become a central responsibility for government, but will also become the grounds on which the social security system is based.

^{57]} Cf. WRR-project on core business of government, as mentioned earlier.

^{58]} Cf. Lately Gerard Dekker, *Van roeping naar baan; arbeid in godsdienstig perspectief* (From calling to job; labor in a religious perspective); Baarn, Ten Have.

Consequently we should look for methods to make the social system congruous to the labor market and the system of economic production. This can only be successful if a major reevaluation of the social function of talent - including unskilled - is set in. Both movements of emancipation are processes of long breath and will possibly not be received well right away. Nevertheless, they should also become the ruler for the immediate future by which proposed policy can be measured for its socio-cohesive potential.

As for the question of chances and threats of social dichotomy in our society, the main theme of this report, we may conclude the following: If there was any social dichotomy and major social pressure in the post-war era, it was mostly present in the 1970s and 1980s. The prospects are relatively favorable for the immediate future, provided the socio-cultural and the socio-economic policy take the need for further emancipation of labor and talent into account. Hereby it is essential to gain insight into the contextuality of the formation of terminology and moral judgment. This also offers the opportunity in an era of individualization to evaluate the opportunity for social cohesion. On that condition the future of social cohesion offers a favorable perspective.

The Council has published the following Reports to the Government

First term of office

- 1 Europese Unie (European Union), 1974.
- 2 Structuur van de Nederlandse economie (Structure of the Netherlands Economy), 1974.
- 3 Energiebeleid op langere termijn (Long-term Energy Policy), 1974. Reports 1 to 3 have been published in one volume.
- 4 Milieubeleid (Environment Policy), 1974.
- 5 Bevolkingsprognoses (Population Forecasts), 1974.
- 6 De organisatie van het openbaar bestuur (The Organization of Public Administration), 1975.
- 7 Buitenlandse invloeden op Nederland: Internationale migratie (Foreign Influence on the Netherlands: International Migration), 1976.
- 8 Buitenlandse invloeden op Nederland: Beschikbaarheid van wetenschappelijke en technische kennis (Foreign Influence on the Netherlands: Availability of Scientific and Technical Knowledge), 1976.
- 9 Commentaar op de Discussienota Sectorraden Wetenschapsbeleid (Comments on the discussion Paper on Sectoral Council of Science Policy), 1976.
- 10 Commentaar op de nota Contouren van een toekomstig onderwijsbestel (Comments on the White Paper on the Contours of the Future Education System), 1976.
- 11 Overzicht externe adviesorganen van de centrale overheid (Survey of External Advisory Bodies of the Central Government), 1976.
- 12 Externe adviesorganen van de centrale overheid, beschrijving, ontwikkelingen, aanbevelingen (External Advisory Bodies of the Central Government: Description, Developments, Recommendations), 1977.
- 13 'Maken wij er werk van?' Verkenningen omtrent de verhouding tussen actieven en niet-actieven ('Do we make Work our Business?' An Exploratory Study of the Relations between Economically Active and Inactive Persons), 1977.
- 14 Overzicht interne adviesorganen van de centrale overheid (Survey of Internal Advisory Bodies of the Central Government), 1977.
- 15 De komende vijftig jaar, een toekomstverkenning voor Nederland (The Next Twenty-Five Years: a Survey of Future Developments in the Netherlands), 1977.
- 16 Over sociale ongelijkheid, een beleidsgerichte probleemverkenning (On Social Inequality: a Policy-oriented Study), 1977.

Second term of office

- 17 Etnische minderheden – A. Rapport aan de Regering; B. Naar een algemeen etnisch minderhedenbeleid? (Ethnic minorities – A. Report to the Government; B. Towards an Overall Ethnic Minorities Policy?), 1979.
- 18 Plaats en toekomst van de Nederlandse industrie (Industry in the Netherlands: its Place and Future), 1980.
- 19 Beleidsgerichte toekomstverkenning: deel I. Een poging tot uitdocking (A Policy-oriented Survey of the Future: Part I. An Attempt to Challenge), 1980.
- 20 Democratie en geweld – Probleemanalyse naar aanleiding van de gebeurtenissen in Amsterdam op 30 april 1980 (Democracy and Violence – an Analysis of Problems in Connection with the Events in Amsterdam on April 30, 1980), 1980.

- 21 Vernieuwing in het arbeidsbestel (Prospects for Reforming the Labour System), 1981.
- 22 Herwaardering van welzijnsbeleid (A Reappraisal of Welfare Policy), 1982.
- 23 Onder invloed van Duitsland. Een onderzoek naar gevoeligheid en kwetsbaarheid in de betrekkingen tussen Nederland en de Bondsrepubliek (The German Factor, A Survey of Sensitivity and Vulnerability in the Relationship between the Netherlands and the Federal Republic), 1982.
- 24 Samenhangend mediabeleid (A Coherent Media Policy), 1982.

Third term of office

- 25 Beleidsgerichte toekomstverkenning: deel 2; Een verruiming van perspectief (A Policy-oriented Survey of the Future: Part 2: Towards a Broader Perspective), 1983.
- 26 Waarborgen voor zekerheid; een nieuw stelsel van sociale zekerheid in hoofdlijnen (Safeguarding Social Security), 1985.
- 27 Basisvorming in het onderwijs (Basic Education), 1986.
- 28 De onvoltooide Europese integratie (The Unfinished European Integration), 1986.
- 29 Ruimte voor groei (Scope for Growth), 1987.
- 30 Op maat van het midden- en kleinbedrijf (Tailoring Policy to the Needs of the Small and Medium-sized Business), 1987.
- 31 Cultuur zonder grenzen (Culture and Diplomacy), 1987.
- 32 De financiering van de Europese Gemeenschap (Financing the European Community), 1987.
- 33 Activerend arbeidsmarktbeleid (An Active Labour Market Policy), 1987.
- 34 Overheid en toekomstonderzoek (Government and Future Research), 1988.

Fourth term of office

- 35 Rechtshandhaving (Law Enforcement), 1989.
- 36 Alloctonenbeleid (Immigrant Policy), 1989.
- 37 Van de stad en de rand (Institutions and Cities; the Dutch Experience), 1990.
- 38 Een werkend perspectief (Work in Perspective), 1990.
- 39 Technologie en overheid (Technology and Policy), 1991.
- 40 De onderwijsverzorging in de toekomst (Educational Support in the Future), 1991.
- 41 Milieubeleid; strategie, instrumenten en handhaafbaarheid, (Environment Policy: Strategy, Instruments and Enforcement), 1992.
- 42 Grond voor keuzen; vier perspectieven voor de landelijke gebieden in de Europese Gemeenschap (Ground for Choices), 1992.
- 43 Ouderen voor Ouderen; demografische ontwikkelingen en beleid (Demographic Developments and Policy), 1993.

Fifth Term of office

- 44 Duurzame risico's: een blijvend gegeven (Sustained Risks: a Lasting Phenomenon), 1994.
- 45 Belang en beleid; naar een verantwoorde uitvoering van de werknemersverzekeringen (Interest and Policy; to a Responsible Implementation of Employee Insurances), 1994.
- 46 Besluiten over grote projecten (Decision-making on Complex Projects), 1994.
- 47 Hoger onderwijs in fasen (Higher Education in Stages), 1995.
- 48 Stabiliteit en veiligheid in Europa; het veranderende krachtenveld voor het buitenlands beleid (Stability and Security in Europe), 1995.
- 49 Orde in het binnenlands bestuur (On the Organisation of Public Administration), 1995.
- 50 Tweedeling in perspectief (Social Dichotomy in Perspective), 1996.
- 51 Van verdelen naar verdienen; afwegingen voor de sociale zekerheid in de 21e eeuw (Considerations about the social security system in the 21st century), 1997.
- 52 Volksgezondheidszorg (Public Health Care), 1997.

Reports nos. 13, 15, 17, 18, 28, 31, 32, 42, 44 and 48 have been translated into English; English summaries are available of Reports nos. 16, 18, 19, 20, 25, 26, 27, 29, 30, 33, 34, 37, 38, 41, 47 and 50; Report no. 23 has been translated into German. Of Report no. 42 a German and a Spanish Summary is available, as well as a full French translation.

The Council has published the following Preliminary and Background Studies (in Dutch)

First term of office

- V1 W.A.W. van Walstijn, Kansen op onderwijs; een literatuurstudie over ongelijkheid in het Nederlandse onderwijs (Educational Opportunities: a Literature Study of Inequality in the Netherlands Educational System) (1975)
- V2 I.J. Schoonenboom en H.M. In 't Veld-Langeveld, De emancipatie van de vrouw (Women's Emancipation) (1976)
- V3 G.R. Muster, Van dubbelrijtjes en kwartjes, een literatuurstudie over ongelijkheid in de Nederlandse inkomstenverdeling (Dimes and Quarters: a Literature Study on Inequality in the Distribution of Income in the Netherlands) (1976)
- V4 J.A.M. van Weezel a.o., De verdeling en de waardering van arbeid (The Distribution and Appreciation of Work) (1976)
- V5 A.Ch.M. Rijnen a.o., Adviseren aan de overheid (Advising the Government) (1977)
- V6 Verslag Eerste Raadsperiode 1972-1977 (Report on the First Term of Office) (1972-1977)*

Second term of office

- V7 J.J.C. Voorhoeve, Internationale Macht en Interne Autonomie International Power and Internal Autonomy) (1978)
- V8 W.M. de Jong, Techniek en wetenschap als basis voor industriële innovatie – Verslag van een reeks van interviews (Technology and Science as a base for Industrial Innovation) (1978)
- V9 R. Gerritse, Instituut voor Onderzoek van Overheidsuitgaven: De publieke sector: ontwikkeling en waardevorming – Een vooronderzoek (The Public Sector: Development and Valuation) (1979)
- V10 Vakgroep Planning en Beleid/Sociologisch Instituut Rijksuniversiteit Utrecht: Konsumptieverandering in maatschappelijk perspectief (Shifts in Consumption in a Social Perspective) (1979)
- V11 R. Penninx, Naar een algemeen etnisch minderhedenbeleid? Opgenomen in rapport nr. 17 (Towards an Overall Ethnic Minorities Policy? Attached to Report nr. 17) (1979)
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