

# New Fronts in Modern Inequality

CONFERENCE REPORT BY KATHERINE NEWMAN



The 9<sup>th</sup> Annual conference "On Solidarity" focused attention on vexing issues of inequality and the variety of institutions that buffer its worst impacts to support the social welfare of citizens. Scholars from Eastern and Western Europe and from the United States converged on the Institute for Human Sciences for three days in June to explore the dilemmas emerging within families, forums for political participation, and the social policies that are intended to cushion citizens against the excesses of markets. With the hindsight of the past few months in which the growing refugee crisis in Syria has engulfed the European Union, the topic of this 9<sup>th</sup> gathering has never seemed more relevant.

Claus Offe, a signal voice for the importance of democratic theory in these debates, reminded the conference that the goal for the state should be less a matter of strict equality and more to emphasize what he called a "sufficiency approach." In his conference keynote address, Offe argued that every member of society should be provided with the minimum means to enable freedom, autonomy and the capacity to participate in the debates that are crucial to a functioning democracy. Devotion to these goals requires accepting a certain level of inequality while focusing attention on the

construction of a floor below which those at the bottom cannot sink. It also trains attention on the need to ensure those at the top are responsive to their obligations, especially taxation. Progressive indirect taxation may be part of the answer, but whatever the policy instruments, preventing the exit of those at the top of the wealth pyramid is critical.

Unfortunately, as Offe reminded the conference, the normative expectations that undergird such a position are far from fully embraced. The poor are routinely the object of suspicion in both the US and Europe, where excessive attention to fraud in social welfare programs and the attempt to tighten rules of eligibility are constant refrains. The flow of migrants into the EU is likely to exacerbate these concerns, with the concomitant danger of segregation from mainstream institutions like the labor market, which only aggravates the problems of inequality besetting advanced economies. Variations within the EU in reactions to the crisis, from extreme right wing xenophobia besetting Hungary, to a more open and sympathetic approach in Germany, where migrant labor would be a welcome antidote to low fertility, will put additional strain on normative precepts that are not fully cemented to begin with.

Generational differences in pov-

erty present additional challenges. The oldest citizens, those over 75, have seen rates of hardship decline in the United States and much of Western Europe over the last thirty years. Those exiting the labor market in the 66–74 age group have also benefited from a history of relatively stable employment and the growth in the value of their property. For all other age groups, the story is reversed. This sets in motion divergent interests and the spectacle of "pulling the ladder up" behind the more fortunate generations who are, as well, more powerful from an electoral point of view.

From the post-war period until the present, these trends have been building while the welfare state has scrambled to adapt. In the decades that followed on the heels of WWII, social justice and the development of a strong safety net was embraced as a cross national imperative in Europe and, in the form of the War on Poverty, the GI Bill of Rights, and the development of Medicare and Medicaid, in the US as well. After 1973, the galloping growth of inequality and the oil shocks that rocked the international markets, put these systems under economic strain on both sides of the Atlantic and under political assault in the US. It took another decade for those strains to surface in the UK. In Germany and

France, as well as elsewhere in the EU, a stronger social compact ensures redistribution through tax and wage systems that guaranteed the social peace.

The discord that surrounded American politics in the Nixon era and beyond, and in the UK, the Thatcher revolution, has spread to inter-state critiques of social spending as cushions to weak labor markets in the EU of the 2010's. The divide that sets Germany and the other rich states of the EU against the poorer periphery nations (Greece, Portugal, and increasingly Spain) has grown into a crisis that threatens everything from the banking system to the institutions of governance.

Against this troubling backdrop, the conference considered the impact these trends have had on institutions a little closer to the ground. Frank Furstenberg and Kathleen Gerson focused attention on the family. They highlighted dramatic changes in the fortunes of generations that have, in turn, put pressures on the private realm visible in forms of "doubling up" (multi-generational households), the slowing of household formation through marriage or cohabitation, declining fertility, and the consequent aging of American and European societies. Yet the macro level inequalities that were at the heart of the conference

surface at the micro- or household level in the form of privileges that can be passed down through families or become entirely off limits among poor and working class households that lack the resources (from financial to cultural) to foster the mobility of youth.

Brigitte Aulenbacher and Mike Hout looked at how employment and wage growth reflects growing inequalities by gender and education. Aulenbacher's emphasis on the role of critical theory leads her to emphasize the discounting of care work and the unpaid labor of women in advanced postindustrial societies. Hout reminded the conference that advantages are increasingly accruing to those at the very highest end of the education spectrum (Master's degrees and beyond), while leaving those not only at the bottom (school drop outs) but even those with high school diplomas in the dust as higher education becomes more ubiquitous.

Henry Brady and Ivan Krastev looked carefully at political participation in the West and the East. Brady noted the substantial inequality in political participation by both socio-economic status and by age in the United States, and he argued that this decreases the legitimacy of the political system—thus leaving it open to the kind of politics that has become increasingly apparent in the last six months of the current U.S. Presidential race. Krastev focused on crises of legitimacy and made it clear that public confidence in Eastern Europe in the promise of democratic institutions is waning in the face of corruption and the apparent inability of government to deliver on economic stability. The wave of protest movements from Occupy Wall Street to street battles in Eastern Europe and North Africa, have laid bare a rising distrust of democratic institutions and open suspicion of the market and the state.

Finally, the focus on social policy in the US and Europe made it clear that the cushioning of free markets by instruments of redistribution and social protection is wearing thin. Jonas Pontusson and Katherine Newman examined the ways in which public support for the welfare state itself is under assault and the fault lines that expose those at the bottom to weaker protections while protecting to a greater degree through systems of insurance, workers and retirees, is opening up new fronts in modern inequality.

The Conference continues to play a critical role in sustaining dialogue across distant points in the academic and policy communities. ◀

Katherine Newman is provost and senior vice chancellor for academic affairs at the University of Massachusetts Amherst. She previously served as a Professor of Sociology at Johns Hopkins University.



**Conference  
On Solidarity IX:  
The Issue of Distribution  
June 11–13, 2015,  
IWM / Albert Schweitzer Haus, Vienna**

**Program**

June 11, 2015

*Welcome and Introduction:*

**János Máttyás Kovács**

*Keynote Speech:*

**Claus Offe**

*Varieties of Inequality:*

**What Can Be Done About Them  
and Why It Must Be Done**

Video on: [www.iwm.at/Video](http://www.iwm.at/Video)

June 12, 2015

**Session I: The Family**

*Introduction:*

**Frank F. Furstenberg**

**Kathleen Gerson**

**Ivan Krastev (Chair)**

**Session II: The Market**

*Introduction:*

**Brigitte Aulenbacher**

**Mike Hout**

**János Máttyás Kovács (Chair)**

**Session III: Citizenship**

*Introduction:*

**Henry Brady**

**Ivan Krastev**

**Katherine Newman (Chair)**

June 13, 2015

**Session IV: Social Policy**

*Introduction:*

**Katherine Newman**

**Jonas Pontusson**

**Claus Offe (Chair)**

**Participants**

**Wilfried Altzinger**  
Associate Professor and Deputy Head,  
Institute for Money and Finance,  
Dept. of Economics, Vienna University  
of Economics and Business

**Brigitte Aulenbacher**  
Professor of Sociological Theory and  
Social Analysis and Head, Dept. of  
Theoretical Sociology and Social  
Analysis, Johannes Kepler University  
Linz

**Henry Brady**  
Dean, Goldman School of Public  
Policy; Class of 1941 Monroe Deutsch  
Professor of Political Science and  
Public Policy, University of California,  
Berkeley

**Ulrich Brinkmann**  
Professor of Sociology, Dept. of Sociol-  
ogy, Technische Universität  
Darmstadt

**Georg Fischer**  
Director, Analysis, Evaluation and  
External Relations, Directorate  
General for Employment, Social Affairs  
and Inclusion, European Commission,  
Brussels

**Frank F. Furstenberg**  
Zellerbach Family em. Professor of  
Sociology; Research Associate,  
Population Studies Center, University  
of Pennsylvania

**Kathleen Gerson**  
Collegiate Professor of Arts and  
Science; Professor of Sociology, New  
York University

**Michael Hout**  
Professor of Sociology, New York  
University; Co-principal Investigator,  
General Social Survey (GSS)

**János Máttyás Kovács**  
IWM Permanent Fellow, Lecturer,  
Dept. of Economics, Eötvös Loránd  
University, Budapest

**Ivan Krastev**  
IWM Permanent Fellow; Chair of the  
Board, Centre for Liberal Strategies,  
Sofia

**Radosław Markowski**  
Professor of Political Science;  
Director, Center for the Study of  
Democracy, University of Social  
Sciences and Humanities, Warsaw

**Klaus Nellen**  
IWM Permanent Fellow; Editor,  
*Transit – Europäische Revue*

**Katherine Newman**  
Provost and Senior Vice Chancellor  
for Academic Affairs, University of  
Massachusetts Amherst

**Claus Offe**  
Professor em. of Political Sociology,  
Hertie School of Governance, Berlin;  
Professor em. of Political Sociology  
and Social Politics, Humboldt-Universi-  
ty, Berlin; IWM Non-Resident  
Permanent Fellow

**Jonas Pontusson**  
Professor of Comparative Politics,  
University of Geneva

**Balázs Váradi**  
Senior Researcher, co-founder and  
partner, Budapest Institute for Policy  
Analysis

**Joseph Vogl**  
Professor of Modern German  
Literature, Cultural and Media  
Studies, Humboldt University, Berlin;  
Permanent Visiting Professor,  
Princeton University

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