Explorations in Comparative History

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Globalization and the Welfare State
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The welfare state is the culmination of the nation state. In formulating his influential idea of social rights as an extension of civil and political rights, Thomas H. Marshall was elaborating a concept of citizenship. The citizen possessed a trinity of rights. Without all of them, no one was a full citizen. The bulk of social rights were technical matters, to be sure. They were expressed in nuts and bolts terms – social insurance, health coverage, pensions, and so forth. But possessing social rights was something more than just participating in various techniques of risk redistribution. Most of us buy insurance and other means of spreading risk on the private market. Yet, that does not make us citizens. More than just social insurance, social rights were the appurtenances of membership in the solidaristic community of citizens. In that sense, the welfare state brought to fulfillment the idea of citizenship. All were now to be full members of the national community. Anatole France’s caustic joke about all citizens, rich and poor alike, being forbidden to steal and sleep under bridges was to have its stinger pulled.

In culminating the idea of citizenship, the welfare state also brought the nation state to its peak. The necessary coincidence of nationality and geography that defined the nation state was reinforced by the solidarity of risk sharing. Gesellschaft was underpinned by a modernized version of the communality of Gemeinschaft. Keeping Xland for the Xs was reinforced because the Xs no longer just shared their Xness. They also formed a common risk pool and shared burdens among themselves. Being an Englishman, say, and belonging, along with the rest of the English, to the National Health Service imbued Englishness with a different quality than had earlier been true. Moreover, it gave one benefits that others did not enjoy, distinguishing the rights of an Englishman from those of an American, for example. One had social rights as members of a certain nation. Leave it and, with the exception perhaps of some pension entitlement, you left them behind as well.

Globalization thus presented a challenge to the welfare state, as it did to other aspects of the nation state. One of the civil rights introduced with the nation state had been that of free choice of abode, Freizügigkeit. No longer could municipalities keep outsiders from settling where they chose and pursuing whatever profession they cared to. Such homogenization of the national territory helped undercut local organizations that had been established

to spread and mitigate risk. The same process is now being repeated, two centuries later, at the supra-national level. Of course there was migrant labor earlier, but in the nineteenth century it had collected only its wages. Now labor came to stay for shorter or longer periods and, in the process, earned social rights and benefits as well. The postwar economic boom opened up the lower ranks of unskilled labor to foreigners. This possibility was, of course, implicit in the very structures of immigrant nations. Very possibly, much of the tendency to shy away from a well-developed welfare state in the United States can be traced back to such bedrock demographic factors.

But in Europe, home of the nation state taken to its logical extreme—geographically bounded, ethnically defined and, over the last two centuries, a net exporter, not importer, of human capital—things looked different. The postwar waves of cheap labor first threw down this challenge, whether Italians and then Greeks and Yugoslavs in Scandinavia, or Turks in Germany. Gastarbeiter were in the peculiar position of being endowed with social rights, though bereft of political rights. That put them, ironically, in the same circumstances that Bismarck foresaw for the German working class when he developed the world’s first welfare state. The trade-off then was to grant social rights to undercut the demand for political rights. Pensions instead of suffrage. This was a tension that could not hold, either back in the late nineteenth century, or a century later.

Now again, Europe stands poised on the cusp of a challenge whose magnitude it possibly does not quite appreciate. With the opening to the east of the European Union, millions of cheap workers are gaining rights to residence, employment, and social benefits in Western Europe. The United Kingdom has allowed them most rights as of the moment of official entry. Most other nations are prolonging the transition period before full rights are granted to Eastern Europeans. But in either case, the porousness of the welfare state is pronounced, compared to what was the case back in its heyday, during the Beveridge era.

As economic globalization has encouraged the international mobility of capital and production, the reverse effect has also set in. Rather than importing labor for jobs in the developed world, production moves to where wages are low. The “giant sucking sound,” the phrase Ross Perot used during his quixotic presidential campaign in 1992 to describe the rush of jobs out of the United States and into Mexico threatened by NAFTA, has sounded equally in the shift of production out of Central and into Eastern Europe, and elsewhere. Ultimately, only those low-wage jobs that cannot be exported—largely services—will remain in high cost areas. Such mobility constitutes one of the main features of contemporary globalization. It has resulted in two outcomes, both of which have consequences for social policy, broadly understood: 1. the multi-culturalism of modern society; 2. the hollowing out of the tax state on which social policy in any given country depends.
Before proceeding, however, a caveat is required. Some current problems of social policy cannot directly be laid at the feet of globalization. That strikes shut down France and Austria in May 2003, as employees protested raising the pension age to 65 and curtailing early retirement, is a problem of self-interest politics, pure and simple. Current pension policy in these nations, and in others like Germany and Italy, is seriously out of synch with demographic and economic reality. As we live longer and in better health, as our economies shift to information-based employment (which presumably makes manual drudges of fewer among us), and as we both refuse to reproduce and, in the case of Europe at least, resist sufficient new immigration, the trend cannot possibly be towards earlier retirement. If anything, it must be in the opposite direction.

The case with health insurance is similar. The hand-wringing occasioned by the ever-increasing resources swallowed by the medical sector requires reconsideration. Yes, it is a burden, but equally it is the outcome of a shift in lifestyle that most of us otherwise welcome. It is unrealistic to expect that the percentage of GNP that we spent on health care in, say, 1965 should somehow be the golden mean to which we are eternally held. In La Bohème, it takes a pair of pawned earrings to bring the doctor to attend Mimi, dying of tuberculosis. It would require fancier jewelry today to underwrite a house call, much less a hospital visit. Shifts in consumption patterns, both absolutely and even more in percentual terms, have been dramatic, even compared to a century ago. Back then, we spent much less on housing, on health and on education, but more on food. Now, thanks to the efficiencies of modern agriculture, food is not the issue. Quite the contrary, we are all becoming obese, no social group more quickly than the poor.

Increased spending on health care is not the outcome just of an aging population and similarly locked-in factors, but equally of a willingness to demand more from a medical establishment that is not only at the peak of its prowess so far, but which stands poised to begin delivering currently almost unimaginable services, though gene manipulation, nanotechnology and the like – probably already during our children’s lifetimes. In all likelihood we will be spending an even larger fraction of our resources on medical care in the future. Indeed, one of the great redistributive battles of the coming decades will be fought over fairly apportioning the extension of life spans that will soon be possible. Whether our lives will be better as a result is an entirely different question, and one that could equally be asked of, say, the immodest resources we now spend on travel, compared to what our forbears could afford. Cynics might also ask the same of spending on education.

But if not every challenge thrown down to the welfare state is its fault,

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globalization certainly presents national social policies with obstacles. Let us consider the mobility and thus globalization of capital and production, on the one hand, and that of labor, on the other – in that order.

Globalized production

The globalization of production and capital has meant hard times for trade unions and governments, the two main advocates of large and growing social states. Trade unions have seen their traditional clienteles – blue collar workers – decline as the developed world shed production in the usual sense to focus its economies on services and especially on information-based activities. Attempting to adapt, unions have sought support among white collar employees and adjusted their aims to new goals: flexible working hours, say, rather than just higher wages. Governments, in turn, have seen their tax base erode as corporations and their highest-flying employees shift profits and income offshore to where they are treated most advantageously. Fiscally captive audiences increasingly consist of the payers of personal income taxes and consumption levies. But at the other end of the spectrum, those citizens with – often manual – skills marketable under the table have also been fleeing the fiscus. Much black economy activity is correlated to the pressure of taxation. The Scandinavian nations have significant black economies, as much as 20 percent, while the United States and Switzerland have both low taxes and smaller subterranean economic sectors of under 10 percent. And yet, the largest black economies, up to one-third of all economic activity, are found in the comparatively modest welfare states of the Mediterranean nations.3

A large literature has sprung up to examine the consequences of such developments on the welfare state and, not surprisingly, there are disagreements. Some have pointed out that limits to social spending are set firmly by the mobility of capital and even income. The all but universal realization that social spending on the ever-expanding model of the 1960s has come to an end is thus one of the outcomes of globalization. If Sweden joins the Euro, the traditional method of financing its welfare state – devaluing the Krona and then exporting at cut-rate prices – will come to an end. All welfare states, even those with the strongest traditions of generosity, are moving – it is feared – towards the lowest common denominator of the neoliberal systems.4

Others, in contrast, argue that this picture is overly pessimistic. The corporatist economies of northern Europe have held their own in economic

terms, despite still generous welfare states. Employers recognize the advantages of even high social spending for a contented labor force and will pay the price. There is no inevitable movement in the direction of neo-liberal policies. Rather than all nations becoming more like the market-driven model, varieties of capitalism are emerging, with liberal systems, like the United States and the United Kingdom, distinguished from corporatist ones, as in Scandinavia and Germany. We need not take sides in this dispute to agree that economic globalization will influence social policy in even the most corporatist economies. That Sweden and Germany’s social democratic governments have both introduced market-oriented pension reform, or discussed doing so, demonstrates this.

How will globalization affect welfare policy, broadly speaking? A few predictions can be ventured: in tax policy, the weight will fall increasingly on consumption taxes, inescapable to the extent that we are all consumers. This will bring with it problems of avoidance and a black market for certain goods, as is already true for cigarettes and alcohol. But this must be compared to the larger problem of a black economy in services that is encouraged by high income taxes. It is economically more dysfunctional when Swedish doctors paint their own houses, rather than take on more of the work they were trained for, because their additional official income is taxed away, than when they buy the occasional carton of cigarettes under the table. The value of services offered black – from house construction to housekeeping, from car repair to gardening – must make the illicit trade in otherwise legal consumables pale in comparison.

Having already imposed high consumption taxes, Europe has less wiggle room, while the United States can go further. If all nations impose similar rates of consumption taxes, they will be able raise them to cover a significant fraction of total fiscal burdens. Estimates in the United States indicate that they would have to be ca. 25 percent to replace other taxes. To the extent that all nations impose similar consumption taxes, the common phenomenon of Butterreisen will disappear, whether Bostonians buying alcohol in New Hampshire, Swedes in Denmark, Danes in Germany, Germans in Poland. Fiscal authorities will no longer have to worry about precisely whom to tax. Citizenship and taxation will become divorced and we will pay as consumers instead. If the democratic nation state was founded on the principle of no taxation without representation, the future welfare state will separate the provision and payment of services from citizenship. Add to that the increasing political apathy of democratic citizens, with declining participation in elections everywhere, and the growing number of expatriates

without voting rights, and we will perhaps all end as Bismarckian workers, having traded social for political rights.

In a similar way, the welfare state will have to be increasingly financed via contributions, rather than from general taxation. This is not a novelty. Bismarck sought to have his system financed largely from tax revenues, partly in order to demonstrate the paternalist solicitude of the state for workers, partly because he feared that workers would not otherwise be able to afford it and, somewhat in contradiction to this, partly because, given the fiscal system of nineteenth-century Germany, the lower classes would have been financing more than their share of such generosity anyway. In fact, however, at the insistence of the workers’ movement, contributory financing came to play a larger role. Members were thereby given a claim to help run and administer the system that they paid for. Significant tax financing of social policy was more important during the postwar period, but even here it was limited. The Danish folk pensions, for example, were largely tax financed. They go in largely equal portions to all citizens, as a symbol of the commitment of the welfare state to equality. The result is also that they are modest and pensioners are therefore increasingly reliant also on means-tested provision. For such reasons, new benefits had to be added in the universalist pension systems of Scandinavia which allowed individuals to accumulate retirement pensions corresponding to their working salaries, and which were paid by contributions. Pensions became, in other words, an indirect labor cost and reflected the realities of the market, rather than the egalitarian ambitions of social reformers.

Financing social benefits via taxation is hampered in globalized circumstances. The Scandinavian folk pension model assumed a communalist society of lifelong workers and taxpayers, with little exit and entrance. Pay-as-you-go-financing, which comes in both tax and contributory versions, also presupposes sufficient intergenerational solidarity and continuity of demographic and economic circumstances that it is politically feasible to have current workers pay for the retired generation in the expectation of having future workers do the same for them. But what happens in globalized circumstances? When workers come and go, when a given worker may be born in one country, educated and trained in a second, work in another and retire in a fourth, questions of equity in financing are more difficult. (And this is not even touching on the all-important problem thrown up by the refusal of the current cohort of Europeans to reproduce themselves, in other words to create the partner with whom the inter-generational horsetrade must be negotiated.) To deal with such problems, the trend will be in favor both of contributory and of funded financing. Workers will be entitled to benefits attuned to their performance in the labor market and paid for by themselves and their employers. Portability will also be at a premium, and encouraged by such a system, so that mobile workers can collect their benefits wherever they chose.
Health insurance is slightly different. Financing is largely pay-as-you-go and current payers largely overlap with current recipients. The major exception to this rule of thumb is the growing category of retirees, who are often no longer full contributors, yet disproportionate consumers. So long as no nation or area becomes the recipient of unfunded and disproportional migration of retirees, however, this problem presents itself as much the same everywhere and thus cancels itself out across borders. Put more broadly, health insurance both redistributes risk across a given pool of members, and over the lifetime of the insured. In the first case, any risk pool could finance itself via contributions from those who happen to be within its ambit, even if many of them come and go. For the second sort of redistribution, however, selection against the fund arises. The elderly, women of childbearing age, children: certain categories simply incur higher expenses. They must be distributed equitably across risk pools. Otherwise the Floridas and Majorcas of the world will suffer.

Health insurance thus faces problems caused by globalization, by employees’ increased mobility and by the mass migrations of modern life. Both tax and contributory financing of health insurance rely on a certain commitment to the actuarial risk pool. No health insurance system can survive rampant health tourism, where the sick arrive for an expensive operation, even if they pay contributions for that period, and then leave — or where the chronically sick or old congregate in certain places. Health insurance systems will need to be portable in such a way that they cover recipients wherever they may receive care. The continuity of risk could thus be with a country of origin, say, rather than with that of current employment. But implicit here would have to be a homogenization of costs, which is not the case now, even within the developed world. European health insurance systems, for example, decreasingly cover expenses incurred in the United States, where they tend to be higher. On the other hand, it is conceivable that low-cost nations might seek to specialize in certain medical treatments as an economic activity, thus globalizing services. Already, some hospitals in the developed world specialize in treating the affluent from the Third World. For cosmetic surgery, the would-be beautiful go to Switzerland or, for a discount, Brazil. To some extent, Cuba is providing similar services within the Third World, training doctors for export and providing medical services for foreigners at home.7

Besides creating problems for social policy, globalization may also help solve them. Social policy financed within a single nation faces demographic fluctuations only with difficulty. A baby boom at first drives up the demand for pediatricians, a few years later for schools. The graying of the population

7 Julie Margot Feinsilver, Healing the Masses: Cuban Health Politics at Home and Abroad (Berkeley, 1993).
puts the money in geriatric medicine and retools school buildings as retirement homes. Whether financing is done via taxes or funded investment makes little difference in dealing with a growing pensioner population. In the first case, taxes or contributions from current workers become unaffordable. In the second, massive divestment of invested funds now to be paid as pensions slows growth, drives down stock prices and raises interest rates as consumption is favored and investment dries up. If, however, long-term pension investment is placed abroad in economies with different demographic profiles, then it can be withdrawn as needed without disruption.

In a similar way, pensioners could be outsourced to low-cost regions with mild climates, improving circumstances for the elderly and reducing pressures to raise benefits. In fact, of course, this is already happening, as the transformation of tourist Meccas into retirement communities shows. But such tendencies could be encouraged and supported, whether through the provision of hospitals and hospices abroad or even just the hasslefree payment of pensions worldwide. In a broader sense, ultimately unemployment will be ameliorated by increased labor mobility. Of course, right now it seems the opposite. From the vantage of low-skilled workers, globalization either sends work off abroad or encourages the arrival of multitudes willing to take on burdens for less. In a broader scheme of things, this is a parochial view — an insight that comes easiest to those who are not facing such competition. Just as Americans tend to move for job-related reasons more readily than the average European, so in the long horizon, labor mobility will increase globally, refining markets. Already now, the mobility of the European educated classes — the Erasmus cohorts — is dramatically greater than even a generation ago.

Globalization will change, but not end, the welfare state. Clearly, international economic mobility sets outer limits on levels of social spending. But equally, the welfare state is largely a victim of its own success. Supposed cutbacks, such as those instituted by Thatcher and Reagan, have at most slowed growth. The ratchet effect remains firmly in place. Yet, the style of welfare policy is changing.

One of the most interesting results of recent work has been to show that the traditional division into leaders and laggards in welfare effort needs reconsideration. Welfare states do not differ as much as previously thought in terms of the net percentage of resources allocated for social objectives. Taking into account not just monies passing through statutory programs, but also private and voluntary provision, as well as the effect of tax systems in either clawing back social benefits or allocating hidden subsidies, dramatic differences between the total welfare efforts of industrialized nations are significantly washed out. In effect, what this means is that the welfare states of the United States and of northern Europe are not starkly different in terms of total social spending. But they remain
different in how social spending is raised and distributed. They are more or less privatized, more or less dependent on voluntary efforts, more or less intertwined with the tax systems, and so forth.

These various approaches to social policy have divergent implications when faced with the challenge of globalization. It is arguable that what used to be called the residual welfare states (those that, though approximately as generous in terms of total spending, channel their resources less through traditional statutory channels) have advantages when faced with globalization: to the extent they individualize social benefits and finance them more via contributions than tax financing. And to the extent they treat the citizen as a consumer of risk redistribution rather than the recipient of income redistribution. The more the welfare state is organized like private insurance, the better it will face the challenge of tailoring social policy to an increasingly mobile and individualized world. The residual welfare states, however, fail this challenge insofar as they enlist employers and corporations to serve functions that in other nations are the state’s. Certainly the dysfunctional effects of organizing social protection through businesses and corporations is on view in the American welfare state. The dangers of occupational pensions locked into the performance of the company for which one works should now be clear. Equally troublesome is the occupational focus of health insurance. Unemployment should have no bearing on whether one is covered or not for sickness. Nor should there be a lock-in effect by which an employee with a chronic condition is discouraged from switching jobs for fear of losing health coverage. In general, there is a contradiction between free market desires to encourage labor mobility and flexibility – the ability to switch from full to part-time employment, for example – and the rigidities of providing social benefits through employment.

**Multiculturalism and the welfare state**

Having looked at the possible effects of the increased mobility of capital and production on social policy, let us examine the other side of the coin, the mobility of labor. Increased mobility is one of the salient features of modern life – not just labor in search of employment, but affluence looking for leisure. Whether working or playing, we are much more likely to be footloose than ever before. Mobility, writ large, lies at the heart of the current debates over multiculturalism. The waves of migration that have swept over North America and Europe during the last century have leached away the traditional nation state’s ethnic and cultural homogeneity. Obviously, such issues have been discussed longer and more intensely in immigrant nations.

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like the United States and Canada than in Europe. On the other hand, Europe straddles the antagonism between Judeo-Christian and Muslim more directly than North America, and of course Israel does even more so. Europe is also, whether it likes it or not, becoming evermore a destination of immigration.

We have already touched on some of the possible effects of greater labor migration for social policy that, in its traditional form, assumes more settled and stable circumstances. Social policy will need to be rejiggered, taking into account a community with more fluidity, less permanence and probably less sense of solidarity. Individual citizens will be expected to assume more responsibility for their own actuarial profiles in circumstances where none of us can say for sure that we will be members of a given risk pool for long, much less for all our lives. Risk sharing and social benefits will also become portable to a larger extent for much the same reason.

Let us broaden the scope to look also at a wider conception of social policy that goes beyond the core of pensions, health, disability, unemployment and the like. Globalization and multiculturalism throw up challenges to state policies. One difficulty of understanding multiculturalism is whether it is, in fact, a real phenomenon. Much of the debate is blinkered by ahistoricity and cultural parochialism. The nation state is a recent creation and not a historical given. True multiculturalism is found in those regions that were never subject to the nation state and its forced homogeneity. But here, where ethnicities and religious communities coexist tensely in often mutual antagonism, it is experienced as an enervating cultural combat rather than the bountiful and benign plurality of viewpoints that the most anodyne multicultural theory often portrays. To residents of the Indian subcontinent or the Middle East, the Western debate over multiculturalism must often have an aura of unreality.

However naïve the debate may be, it has nonetheless roiled the developed world, and especially the United States, in recent years. Much evidence suggests that superficial differences which grab attention in fact mask a basic assimilation. This is what Stanley Fish calls boutique multiculturalism. Globalization implies, after all, not just a greater jumble of different cultures and ethnicities in each place, but an increasing approximation of every culture to some ever-more benignly mongrelized pastiche of them all. In the United States, there is certainly a plausible argument to be made that the traditional ethos of Americanization lives on in the best health, though gussied up a bit in multicultural trappings. We used to have just Christmas as the main holiday deep in the winter. Now we have Hanukkah and Kwanzaa, and how long will it take for the Muslim equivalent to come forth? It is probably a


safe prediction that, before a Santeria version develops, it will have left any actual animal sacrifice behind. Whether one emphasizes the desirability of different religious and ethnic celebrations or whether one points out that the minority ones orient themselves around the traditionally dominant one in its timing and rituals – gift giving and a focus on children – is a classic instance of the full/empty glass dilemma. What of the example of the first all-girl Muslim prom held recently in California? An example of assimilation to existing norms or pushing the envelope of what it means to be a suburban American? It is at least an open question.

Outmarriage rates, which speak to the ultimate litmus test of assimilation, are high and increasing for all groups in the United States other than blacks. Cultural battles tend to be about minor symbolic issues, as when Sikhs are forbidden to wear ceremonial daggers to school in Los Angeles, when Santeria rituals are prohibited under animal cruelty ordinances, or when Muslim women with head coverings are arrested for wearing veils under laws originally intended to prevent the Ku Klux Klan from appearing publicly in full regalia.

Those who see real differences lurking behind the veneer of assimilation will point to more serious examples: when women are forced to undergo Caesarians to ensure the well-being of their fetuses, or parents required to allow blood transfusions for their children, even though they violate religious beliefs. Or when Indochinese parents are charged with abuse when they minister to their fevered children with the ancient practice of moxibustion by pressing heated coins against their skin. Or when Mexicans are prosecuted for disciplining their offspring by using the smoke from hot chili peppers to scorch the sinuses and eyes. When children in public schools are required to be instructed in biological theories that are scientific nonsense, multicultural differences take on broader consequences. More extreme are cases of infibulation and female circumcision, or the Rushdie affair. Ultimately, the hardest kernel for the multicultural dilemma is the religious divide between unreconstructed Islam and the increasingly secularized West, the clash of civilizations between Jihad and McWorld. With increasing numbers of Muslims living in the West, the tension has been imported and is no longer just a question of foreign policy, but also of everyday interactions: are Muslim school girls allowed to cover their heads in school? Must they participate in sex education with others or sports with boys? Are arranged marriages permissible? Are there any mitigating circumstances for attempts

to control women who defy their families, even short of violence? Depending on how one regards multiculturalism, globalization, which has mongrelized the otherwise ethnically and cultural pure nation state, poses challenges to state policies, broadly understood. Modern democratic polities pride themselves on their tolerance. But tolerance rests on an implicit basis of intolerance and exclusion that is much less often unearthed for examination. A democracy cannot accept the pursuit of undemocratic ends with democratic means. In order to eschew compulsion in the first place, there has to be a basic agreement on the rules of the game. Fareed Zakaria’s book on illiberal democracy reminds us that we face this dilemma anew, with the chance that radical Islamicists dedicated to theocracy may be voted into power in the Middle East once free elections are held.\footnote{Fareed Zakaria, \textit{The Future of Freedom: Illiberal Democracy at Home and Abroad} (New York, 2003).} But it is not a novel dilemma. Hitler was appointed Chancellor by the normal procedures of parliamentary democracy. Having drawn its lessons, the Federal Republic outlawed the extremes of both left and right after the war. Such basic rules, on which democracy rests, also govern other aspects of modern society. After September 11, most of the developed world has come to realize what Israel has long known, that terrorism is no longer an annoyance at the margins of politics. A large and possibly growing part of the world has become so alienated from the premises and rules of international politics that violence against civilians appears legitimate.

Foreign policy is not, however, our remit here. Are there analogous or similar concerns in domestic policies? Modern democratic polities claim to differ fundamentally from their premodern equivalents. The theory of what has been called governmentality argues that modern society no longer requires harsh interventions by the state – but also that it can govern on the basis of consensus and tolerance only to the extent that citizens themselves restrict their otherwise unsociable behaviors.

One of the most notable shifts from premodern to modern societies, described by scholars like Norbert Elias, Michel Foucault and Nikolas Rose, has been from formal to informal control.\footnote{From the now massive literature: Reassessing Foucault: Power, Medicine and the Body, ed. Colin Jones and Roy Porter (London, 1994); \textit{The Foucault Effect: Studies in Governmentality}, ed. Graham Burchell et al. (Chicago, 1991); Johan Goudsblom, “Zivilisation, Ansteckungsanst und Hygiene: Betrachtungen über ein Aspekt des europäischen Zivilisationsprozesses,” \textit{Materialien zu Norbert Elias’ Zivilisations-theorie}, ed. Peter Gleichmann et al. (Frankfurt/Main, 1977); Nikolas Rose, \textit{ Governing the Soul: The Shaping of the Private Self} (London, 1990).} Sketched with a thumb-nail, the early modern state imposed control formally on its inhabitants, from without and with a hard hand. It set strict controls on certain behaviors and beliefs and threatened draconian punishments for their violation. The modern state, in contrast, enlists its subjects, now elevated to the status of citizens, as
participants in their own governance. In the process, it shifts the locus of control internally. Although state and civil society, public and private, are now clearly distinguished from each other, in fact the two are more interpermeated than ever before. Citizens govern themselves, not just in terms of suffrage and political control, but also in terms of their own moral, instinctual and emotional economy, limiting their actions before the fact and moderating their impulses. Thus the harshness of the early modern state is rendered unnecessary. The modern state no longer instructs, commands and punishes. It educates, informs, persuades, and discourages.

The result is that modern polities, resting on the informal controls of governmentality rather than the external impositions of an old-fashioned state, are more reliant than ever before on a consensual, communal set of behavioral standards. Interestingly, we think of the era of Gemeinschaft as one in which the informal, unwritten rules of the community governed social interactions, while impersonal law is the warp of Gesellschaft. Yet, in fact governmentality reintroduces the unspoken norm of behavior as crucial. The difference is that informal controls are now reinforced with formal controls as well. Take the anti-smoking campaign as an example. On the one hand are the massive attempts at mind control exercised by both the tobacco interests and their enemies. And on the other hand nonsmoking enforcement is among the most drastic of direct statutory incursions, forbidding behavior that a decade or so ago was socially acceptable. Tobacco smoking is now treated in the world’s allegedly most liberalist societies – America’s granola belt: Madison, Cambridge, Santa Monica, Berkeley et al. – as it was in absolutist Prussia, with formal prohibitions in public, and sometimes in private too.15

Given that smoking is inversely proportional to socio-economic status, it is perhaps the most overt, though wholly unacknowledged, act of class behavioral imposition since the anti-spitting campaigns of the late nineteenth century. If things continue as they are now, inhalation will soon go the way of expectoration and ashtrays will become quaint collectors’ objects, like spittoons. Eventually, anti-smoking ordinances will be as little enforced as anti-spitting regulations are now. Almost no one in the developed world, barring the occasional baseball player, spits in public. (In China, in contrast, the SARS epidemic has led to a crackdown on public expectoration.) The same goes largely for anti-urination laws, though these have come back into use as a means of controlling the homeless and vagrants.

Smoking is but an example of a broader trend. Modern public health is

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decreasingly reliant on formal prohibitions of epidemiologically dangerous behavior. In the nineteenth century, laws forbidding the exposure in public of the contagiously ill were quite common and strictly enforced. The 1863 Public Health Act in the United Kingdom, for example, consolidated much of the legislation passed on such topics during the nineteenth century. It required physicians to report name and address of patients with notifiable diseases and threatened to fine those who exposed others to infection, including by lending or selling bedding and rags or taking undisinfected laundry to public washhouses. It banished the infected from certain occupations and children from school and other public places. It forbade the infected from borrowing books from public libraries and foresaw the destruction of those in their possession. It insisted on disclosure of disease in rooms being let and disinfection before renting. It prohibited the use of public transport by the infected, mandated examinations of the diseased and carriers, and required removals to hospitals of the ill who could not be cared for at home.

Nowadays, such legislation often remains on the books. And it is brought out for use in case of emergency. In the United States, for example, Directly Observed Therapy is applied to TB sufferers whom public health officials believe incapable of the entire regimen of drugs needed against new strains of resistant tuberculosis. TB–infected vagrants and the homeless are therefore required to take their medicine in front of a public health official and, if they refuse, they are isolated in a hospital to undergo compulsory treatment. The SARS epidemic likewise brought out again this old-fashioned approach to public health. In China, tens of thousands of people were quarantined and the authorities threatened to execute those who deliberately spread the disease. In the United States, authorities were granted powers to detain suspected SARS victims against their will. In New York City an arrival from Asia with symptoms was detained involuntarily and became the first non-tubercular person in a quarter century, bar one, to be compulsorily quarantined.17

But in the main, public health no longer relies on such heavy-handed tactics. Modern public health asks citizens to internalize rules of behavior that reduces risks of disease transmission and makes them healthy. In terms of chronic illnesses – heart disease, cardio-vascular ailments and certain cancers, for example – this means that we are expected to moderate our intake of unhealthy foods, to refrain from noxious habits like smoking, to exercise regularly, and to drink only in moderation. In terms of contagious diseases, things are somewhat different. Contagious diseases have on the whole declined in threat and prevalence since the nineteenth century. The epidemiological

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16 One of the themes of Peter Baldwin, Disease and Democracy: The Industrialized World Faces AIDS (Berkeley, 2005).
seachange from contagious to chronic disease has left much public health legislation (like the 1936 Public Health Act) seemingly unnecessary, or only required when facing acute epidemics like SARS. Excepting such emergencies, the main contagious illnesses left are sexually transmitted diseases, including AIDS. Here, the behavioral prescriptions require that we decrease the numbers of our sexual partners, that we refrain from dangerous practices — fisting, unprotected anal sodomy and so forth — and, generally speaking, that we practice safe sex, that is, that we use condoms in almost every act of sex.

Taken together, the behavioral prescriptions for chronic disease and those few contagious illnesses that remain a threat, ask us to be what has been caricatured as monogamous joggers.\textsuperscript{18} The democratic citizen is promised release from the draconian public health impositions of yesterday. No longer are we threatened with quarantine when returning from epidemiologically suspicious destinations, no longer are we prosecuted for checking books out of the library if suffering from typhoid. But in return, we are expected to behave in ways that limit the threat we pose to our peers. Our claim to respect for our civil rights is counterbalanced by our responsibilities to be healthy and considerate fellow citizens.

The question worth pondering is how this ethos of monogamous joggerdom, on which democratic citizenship rests, is affected by multiculturalism. Can we assume, as society fragments into its possibly antagonistic subcultural monads, that we will all willingly enter into the mutually self-inflicting web of abnegation and behavioral limitation that is required? When women from areas where female circumcision is practiced, but now resident in the developed world, request to be reinfibulated after giving birth, should this be covered by health insurance? If not, why is it different than transsexual surgery, which is now routinely covered? Even today, cultures differ starkly in their styles of drinking — from the sociable imbibing of wine in the Mediterranean to the often solitary ingestion of vast quantities of spirits in Eastern Europe. Is it cultural imperialism, or just sound public health policy, to promote one style over another? Certain groups have dietary habits which expose them to disease and ill-health. In the United States, southern blacks, whose diets reflected their habitus as agricultural laborers, continued to eat as they traditionally had even when they moved north to become factory workers. Their mortality rates were consequently higher than northern-born blacks. Similar effects can be seen among Hispanic immigrants to the United States. Woodcutters in northern Sweden, used to a caloric intake several times the normal, became obese when they continued their accustomed eating habits even after the chain

saw had lightened their workload. Are such problems communal public health issues or matters for the individual to decide? During the AIDS era, certain sexual practices came to be recognized as epidemiologically dangerous, whether fisting, unprotected anal sodomy, sex with prostitutes, or the anonymous, multiple coupling of the gay bathhouses. Is it prudence to recommend, or even to enforce, an end to such behaviors? Or is it the suppression of legitimate erotic practices of certain subgroups? What about outlawing unpasteurized cheese – a source of pleasure to some, of intestinal ailments and even TB to others? Or requiring motorcyclists to wear helmets, or setting speed limits on German highways? A cherished freedom or senselessly risky conduct?

In the face of the multicultural spectrum of different habits and behaviors, actuarial solidarities are dissolving. Health and life insurance companies did not use to make such fine distinctions when the span of behavioral variation was narrower. But now, they increasingly attach price tags to various conducts. Extreme sports are an indulgence which some insurance policies no longer cover, or only at a premium. German reformers, seeking to cut the cost of health insurance, are considering excluding sports injuries altogether. Smokers, the obese, or heavy drinkers are insured only at additional expense. During the AIDS era, company insurance plans in the United States sought to exclude conditions that were allegedly self-caused. In European health insurance systems, being at fault in contracting an illness sometimes led to benefit reductions. In Switzerland in 1987, for example, a female drug addict infected with HIV found her hospital benefits cut by a third because of the gross negligence behind her infection.19

If such behaviors of particular subgroups to which most citizens do not belong make the answer too easy, consider one of the epidemiologically noxious habits that most of us indulge in: travel. High-speed trains, jet airplanes, fold-out sofas and hotel rooms are the main culprits in recent epidemics, whether cholera arriving in California from Latin America, Marburg Fever in Marburg from Africa, SARS in Beijing from the countryside and in Toronto from China, AIDS from Haiti and the Dominican Republic to San Francisco, syphilis from Bangkok to Tokyo or Düsseldorf. Were the public health establishment to attempt to impose restrictions on our right to free peregrination, would most of us suddenly become strict civil libertarians? Not that this is likely to happen, given that, between the airline and hospitality industries and their spill-over effects, we are talking about the single largest industry in world economy. But it remains an interesting thought experiment.

A Global welfare state?

One of the strongest motive forces behind the development of the welfare state in the nineteenth century was the increasing realization of society’s interdependence.20 The well-off came to understand that their fate and that of the worse-off were connected. Public goods could not be provided just to some. Basic infrastructure, whether transportation, sanitation or communication, had to be provided communally to be efficient. Ever-greater urbanization with its density of residence meant that no one could ignore their neighbors or their habits. Zoning and basic sanitary infrastructure were required to make cities habitable. Cholera epidemics, though they may have hit the poor hardest, did not respect class lines, any more than smallpox or typhoid fever. The worst-off could be won for at least a grudging acceptance of the status quo if the state made modest concessions.

A certain measure of risk sharing and redistribution could take place within a community where the rich agreed to give up some of their resources and the poor, in return, implicitly abandoned ambitions to overthrow the status quo: that was the insight of the nineteenth-century welfare state. Can one imagine a global welfare state? Is it too early to foresee a world in which similar risk redistribution could take place between First and Third Worlds? The welfare state differed from poor relief or charity in that it assumed an ability among the poorest to help themselves. Poor relief was an outright redistribution of resources from high to low. Social insurance, as the basic technique of the welfare state, in contrast, redistributed as much over the lifetime of the individual as it did between classes. In fact, there is good reason to suspect that the welfare state redistributes as much within or even to the middle classes as it does from them.21 For a welfare state to take root, in other words, the disparities between rich and poor cannot be extreme and the poor must be able to participate, with some help from other groups and the state, in their own provision. Are we even close to a similar situation within the world as a whole?

The critics of globalization often insist that disparities in wealth between richest and poorest are expanding. Whether or not this is true at the margins, there are at least two points to keep in mind. First, that, if true, it is so because the rich are growing richer, not because the poor are worse off than they were, say, a century ago. Second, that, whatever the extremes, the average is increasing. The fundamental socio-economic achievement of the past century, after all, has been to lift out of dire poverty well over one-third

of humanity. That a wide swath of Asia now lives comfortably within the bottom half of the spectrum of First World standards is the great geopolitical triumph of our era. The economic project of globalization will be to continue that process. At the expense of inefficient producers in the developed world, the Third World is given a chance to participate in a global economy.

If there is any possibility of a global welfare state, in other words, we are closer than ever to the tipping point where it no longer seems like an absurd proposition. The recent work of Robert Shiller foreshadows such possibilities. He holds out an ambitious view of future schemes of risk sharing and distribution that, though market-based, would insure us against eventualities that today we still regard as fate or fortune and therefore untouchable: falls in average incomes or house prices, for example. Even nations, he argues, could swap risks of their GDPs falling.\(^\text{22}\) His vision includes a much wider risk pool among developed and possibly even developing nations, engaged in the common pursuit of spreading fluctuations and uncertainties across a wider variety of circumstances than is now possible.

Moreover, we are arguably beginning to see increasing numbers of issues as global problems, ones that can be solved only on a scale that goes beyond the nation state. Chernobyl showed the extent to which national borders cannot protect against overarching threats. Not that it made much practical difference to national policies. It is still customary for atomic power plants to be located close to the neighbors, whether the Swedish Barsebäck plant across the water from Copenhagen or the French reactors strung along the German border. The German decision to retain a kind of energy policy virginity and not themselves produce atomic electricity has simply meant the displacement of reactors a few kilometers eastwards where they produce for the same market, but are run with less than Teutonic precision. Air pollution is slowly being recognized as an issue that can no longer be dealt with within any given nation. A large fraction, perhaps as much as 10 percent, comes from ships plying the international waters and burning the least refined petroleum with the fewest emissions controls. And the single largest source of carbon dioxide emission in the world comes from Indonesian farmers and loggers burning off fields and their few remaining forests. Soon China, and not the United States, will be the largest carbon dioxide emitter in the world. Global warming poses the internationalization of environmental problems most starkly.

Epidemiologically, the world is more interconnected than ever. The fear of disease is the dark side of globalization.\(^\text{23}\) Public health has gone from being a subject of interest only to experts to occupy the front pages. Anthrax became a terrorist weapon after September 11. Military planners worry that
