

The Imperative of the Social Bond after the Triumph of Markets

In Robert Albritton, Shannon Bell, John Bell and Richard Westra eds.
New Socialisms: Futures Beyond Globalization. London: Routledge, 2003.

September 2003

Daniel Drache

Robarts Centre for Canadian Studies
York University, Toronto

Please send comments to Drache@yorku.ca

For the better part of the last two decades, market fundamentalism in its many formulations relied on markets as the ultimate gold standard against which all public policies were valued and compared. Today communities and regions are looking for stronger, more effective and more transparent public authorities unencumbered by and less subservient to unaccountable market forces. It has long been argued that markets should be embedded in social institutions, arrangements and practices. The two questions now at the front of the agenda are — is globalization likely to be embedded any time soon? And, how will globalization foster a just society?

This paper examines a dynamic sense of the common good, or what I call the social bond. The social bond is the ethical-normative dimension of public policy arising from the relations, institutions and practices which we share in common. If we believe that globalization can be tamed, protecting the social bond is a high priority. For many countries a ‘thick and sinewy’ social bond operates to limit the intrusiveness of markets at the micro and also at the macro-public policy level. A social bond requires institutional protection, a vibrant civil society and public values to limit the reach of markets. A proactive public authority is needed to support the social bond and the active goal of building inclusive societies.

In many jurisdictions, the state is no longer seen as the front line agency to contain private interest and defend public need. It is evident that the legacy of Thatcher liberalism is still with us as ‘things public’ are attacked as being too expensive and bureaucratic. This loss of a vital and pragmatic confidence in the public has left a void, which has yet to be filled. The following paper examines the pressures and forces pushing for the re-emergence of the public domain in its multi-dimensional aspects.

The public good normally refers to obligations, responsibilities and undertakings that are

no longer exclusively defined by membership in a nation-state of birth or adoption. Rather, in this global age, our identities are increasingly pluralistic, multiple and diverse. They are defined *behind* the border where our primary loyalties reside, *at* the border with those in neighbouring jurisdictions and *beyond* the border as citizens of the planet. Identity politics cut across the left-right spectrum and have forced realignment in the way politics are defined and practiced (Isin and Turner 2002). International civil society has grown stronger and more influential locally and globally, while paradoxically fewer people on the planet are exercising their right to vote.

Multilateralism from below has given bold voice and not insignificant ‘nixing’ power to those outside the formal political system intent on preventing the WTO and other international regulatory bodies of governance from conducting their business behind closed doors. International civil society, the expression of transnational dissent, has put governments on notice. The critical message conveyed by highly articulate civil society actors is that in the absence of any imminent socialist renewal globally, governments must rethink many of their strategic long-term goals and practices with respect to human rights, the environment and health and labour standards. Socialists too should not forget that social inclusion embodies many of the fundamental values and principles of Marxist humanism.

CITIZENSHIP AND THE EMERGENCE OF THE PUBLIC

No society can indefinitely support a laissez-faire system in which private need and individual greed triumphs over public interest. The challenge is to define short- and medium-term strategies and practices to build inclusive societies and define in new and compelling ways a modern ideal of citizenship. The substantive issue will always be where to draw the boundary line between the public interest and private rent-seeking actors. This line has never been static.

Historically, private property was boundless in its appetite and energy to appropriate the

collective goods of every society. The modern idea of the public began, paradoxically, with the tragedy of the commons in the 17th century as the commons were enclosed and common land privatized (Marquand 1988). The family became the preserve of publicly sanctioned morals, which advanced a culture of possessive individualism and the law was also utilized to ensure the sanctity of the contract and to enforce master servant privileges in hiring practices and workplace organization. Since the Enlightenment, every modern society has made decisions that reassert the public and the public good and establish those goods and assets, which are owned in common and are not traded on the open market.

The public was an initially contested and seemingly a subversive idea that threatened established order and hierarchy, but it quickly developed support and policy legs becoming much more complex and powerful as it evolved. Our idea of the public is intimately connected with the modern ideal of citizenship. Citizenship is exercised in public, so the public interest had to be defended by democratic means including literacy movements, an informed and free press, and the growth of public opinion independent of the state and powerful vested interests. Public opinion, born in the coffee houses of London, Paris and Berlin, had to be organized to acquire a voice and institutional presence. These two qualities gradually transformed it into a political force in cities as well as the countryside. The growth of popular, penny newspapers, both sensational and informative, and later modern electronic media must be seen as part of the toolkit of democratic citizenship (Drache 1995).

After the French Revolution, the idea of ‘rule by the people’ captured the imagination of people everywhere. Citizenship in a national community would become the unique legal and political concept on which every nation state rested. In the 18th and 19th centuries, the terms ‘public’ and ‘citizenship’ were highly ambiguous and substantively vacant because industrial for

societies everywhere were neither particularly democratic nor visibly inclusive. These were pyramid societies, tiny at the apex and held together at the bottom by discipline, control, threat, consensus, socialization, and the legal power vested in the dominant classes and the state. The non-state world of the public did not appear spontaneously (Taylor 1995; Waltzer 1983). ‘Things public’ required an institutional legal foundation, badly needed resources for civil society, a mass democratic political parties, a democratic public administration, features never easy to achieve under the best of circumstances and would take better part of a hundred years of protest and change to realize.

CONSTRUCTING THE PUBLIC

History instructs that initially the public sphere had a constricted existence, one largely concerned with issues of personal security for the propertied classes. It also included public goods like roads and proper sanitation facilities in cities. Its autonomy was precarious and often in question because there was no clearly articulated public interest. The social classes that benefited most from limitations on property rights were regarded as a dangerous element. Citizenship was rudimentary and not yet a legal category with judicial clout. Certainly the masses had few rights guaranteed by law and were little more than subjects commanded and ordered about in the workplace and conscripted into the king’s armies. Towards the end of the 19th century in Europe and North America, the public became identified with building a sophisticated industrial infrastructure including schools, roads, railways, public housing and urban reform. Keegan argues that the need for an effective fighting army required public authority to improve health and living standards for the average conscript. Diet and personal hygiene would necessitate the enforcement of public health standards in the 1880s. Still later as the 20th century unfolded, the public became indistinguishable from social welfare policies and

programs. (Arthurs 2001) Expectations of citizenship expanded the notion of the public through the redistributive programs of health and education as well as providing job and other forms of security in the labour market.

Social democrats and other radicals correctly insisted that these formal guarantees of collective and individual rights such as free speech, free press, freedom of religion, legal representation, and access to justice and due process that the law that were supposed to protect have never lived up to their promise in societies rent by antagonistic class cleavages. For much of its history, capitalism has valued property rights over social need. Democracy co-existed uneasily with the market, and deeply entrenched property rights slowed the spread of democracy. Not surprisingly citizenship entitlements were often regarded as formal promises with little effect when the social bond was at risk. A stronger sense of belonging needed much stronger modes of intervention that went beyond the legal category. Citizenship rights had to be protected internationally from national governments who denied their citizens their rights. For many of the same reasons, human rights abuses globally required the international community to establish the norms and standards in international law. Post- 1945 the singular explosion in the growth of human rights legislation internationally dramatically altered beyond recognition the ‘quasi-organic’ relationship between the citizen and the state. (Etzioni 1968).

INCLUSION, EXCLUSION AND THE FAILED NOTION OF THE PUBLIC

Since the Enlightenment, it has been clear that this shared sense of what is ‘in the public domain’ as opposed to the private domain of self-interest was not fixed for all time. It has changed, as circumstances require. To determine what was in the majority’s interest involved a class of decision-making procedures that would draw lines admitting some while leaving others out. It has become clear, since the 1980s that the welfare state was not as universal in its

entitlements as many of its architects assumed. It had its own gender and other biases. Indeed Europeans discovered to their shock and amazement that there were silos of exclusion inside social Europe's many programs. Because of their gender, sexual orientation, or physical disability, the disqualified and marginalized did not fit the conventional norm that is an industrial wage earner with a family. They were shunted to the margins of society to live as outcasts — excluded and stigmatized. Their numbers were often significant but those in authority hardly noticed their presence and when they did, there was no imperative to remove the obstacles to inclusion.

Even twentieth century democracies have seen that defining members of the national community is a tricky business. Having a well-endowed public with a full range of functioning institutions that enforce the rule of law provides no guarantee that all will be treated fairly by society. The persistent dilemma is that the rights and freedoms of minorities are often not respected in a system of majority rule. Minority rights are frequently trampled underfoot. For example, Canada voted for conscription in World War II overruling the Quebec minority who passionately opposed it. The language rights of ethnic groups have often been ignored, repressed or crushed by intolerant majorities that demand the minorities assimilate and speak English. In many advanced societies, sexual conformity to the heterosexual ideal type used to be enforced by law and non-compliance was subject to criminal prosecution. Gay couples had a second class status in most societies until the 80s and the majority routinely denied them their rights.

Democracy has produced and reproduced exclusion as a social fact even though political rights broadened dramatically after World War II. If the law defines 'community as those whose freedom it realizes and defends together', (Taylor, 1995:266) then it is not difficult to see why popular sovereignty has failed many sub-groups, national minorities and others who have not

been able to see themselves as part of the larger sovereign people. Quebecers, First Nations and Basques are but a few contemporary examples where popular sovereignty has failed to be inclusive. National minorities have been kept on the outside looking in, excluded on the questionable grounds of nationalism, public security, linguistic needs and social cohesion.

BUILDING SANCTUARIES WHERE THE MARKET IS RING-FENCED

The critical issue of establishing the boundary between private interest and public purpose is intensely important, particularly at a time of global economic interdependence. Every society has need of common resources, places, spaces and services – diverse kinds of sanctuaries and protected social space maintained by the public interest, which fosters a vibrant practice of collective responsibility. The public domain should be seen as a complementary site of social life, a safe haven where the citizen moves from a passive to an active agent to secure and protect fundamental political and economic rights. The need for a strong and resilient public domain alerts us to the fact that social goods of all kinds, from human security to sustainable environmental practices, can and do override entrenched private property rights in many instances. The imperative associated with these collective necessities furnished by the public domain is also compelling because its message is both direct and democratic – it is that the environment, labour standards, the organization of a better life, redistributive goals – all need the collective ‘we’. As well, it speaks to the concern that the goods and services owned in common belongs to us – the people – not to them, private rent-seeking actors who put self-interest before the collective need.

It is long been recognized that civil society has a strong public domain component built into it. Civil society, created by the state and by emancipatory movements from below, is defined as the complex relations between non-market and non-state actors. Putnam’s liberal definition

adds a vital dimension where civil society includes the individual civic engagements of local commitment, a reaction to markets exceeding their boundaries and the need for a collective strategy to empower society and mobilize its collective resources for both basic and complex needs.

OUR TOOL-KIT: WHAT'S IN THE GARDEN SHED?

The basic problem is that with the Washington Consensus more contested than ever, we have a shortage of ideas in our toolkit to rethink 'things public'. How can we frame alternative visions to the challenge of globalization and reinforce domestic institutions?

The principal obstacle is that there is no institutional provision at the global level, for elementary social justice, the delivery of social goods globally and other non-income objectives. So far, global economic management as championed by anti-globalization activists is very far from the principal goals of generating better human services such as income security, gender equity, sustainable housing and health care and a more just world (Bello 2000). All of these policy agendas would require new kinds of agency and voice both globally and locally. Globalization, as we have experienced it, is largely defined by efficiency/competitive values and beliefs. It has not integrated the economic imperative of development with an explicitly ethical commitment to a plan for a socially inclusive global economy. At its best, public policy in the North and the South aims at the minimization of public bads, but this is largely a reactive process.

For instance, Mexico spends approximately four percent of its national budget on health care. Brazil devotes less than three percent of its budget to poverty alleviation. The best researchers on poverty in Mexico estimate that over forty percent of the population live at or below the poverty line, defined as having fifty percent of the median income. In many countries,

after-market income is flat or negative for the bottom forty percent of wage earners.

Significantly, the trend line in many jurisdictions is that taxes on consumer goods and personal income have increased while government expenditures have been cut to meet tough new zero inflation targets. New initiatives are always needed to address the social side of development but so far the existing macro-economic framework of market fundamentalism puts macro-economic stabilization goals before redistributive and spending priorities.

One of the best empirical sources through which to grasp the magnitude of the macro-economic imbalance between the global and local is Rodrick's seminal study, *Has Globalization Gone to Far?* In it he demonstrates that there is no systematic relationship between a country's commitment to tariff reduction and its future economic growth rates. For many countries, trade liberalization has lead to lower growth rates and greater income polarization. This is very much the case in many Latin American countries but it is also true for Canada and the US. Unplanned economic integration driven by market forces places enormous downward pressure on the most vulnerable in the labour market.

THE TROUBLED WASHINGTON CONSENSUS

The Washington Consensus policy package promised improved efficiency and productivity, more choice for consumers, reduction of poverty, increased accessibility to information, stronger democratic regimes, reduction in corruption and better health and education services through private initiatives, lower debt, zero fiscal deficit, more affordable public housing and a dramatic breakthrough on best practice environmental sustainability. What Rodrick's empirical data proves is that the gulf between the goals and the outcomes of market fundamentalism has widened. The failure to produce an adequate supply of public goods and services in Latin America has crippled growth prospects and reduced per capita incomes to 1950s

levels. If the intent of Washington Consensus policies was to promote the institutional democratic reforms necessary to transform many southern countries into successful global actors, it has failed. The effects have been very far from this primary objective.

Social inclusion is never automatic; it requires a strong public authority to invest in social capital, public goods and job skills development. Government has to do much more and do it more effectively. Smaller governments and fewer taxes in the end only reinforce the downward cycle of social exclusion. With one half of the globe living on under \$2.00 a day in sub-standard housing, with inadequate nutrition and without access to safe drinking water, social inclusion remains a distant goal and not an immanent reality (UNDP 2002).

Building socially inclusive, democratic societies requires a very different notion of ‘things public’ and the norms and practices of governance. Some community-based groups want less state and more civil society. Others want a stronger regulatory presence. Devolution and decentralization are often seen as key components of public policy reform (Garrett and Rodden 2001). But none of these agendas are complete and they often work at cross-purposes to the end goal of building accountable, democratic forms of governance that effectively reduce the intrusiveness of markets.

As the old notion of a state-centered public culture is being challenged and refashioned, increased pressure on governments to do better in managing the global economy creates the possibility for new political forms at the local, as well as the supra-national level. In the advanced capitalist world, what passes for the public is no longer bound by the welfare state. For the developmental state of the southern world, state bureaucracies no longer possess the high politics prestige or the capacity of their nation-building periods. The state in the developing world is often resource poor, weaker, and more disorganized compared to what it was a decade

ago. Public expenditures measured as a percentage of GDP are at significantly lower levels despite population growth and pressures to modernize. (Garrett and Nickerson 2001)

An important part of ‘the public interest’ is increasingly identified as being outside of state authority and hierarchy. In practical terms though, it is difficult to see how new forms of effective regulation will not require the strong and steady hand of state regulators. Indeed, the collapse of Enron, the criminal proceedings against Arthur Anderson, the giant US multinational business consultancy and accounting firm and the recent landmark settlement for over \$1 billion signed by ten of Wall Street’s largest investment banks have put re-regulation on the front burner of public debate even if legislatures are slow to enact new standards. The need for a strong public authority to police corporations has opened a Pandora’s box for US elites. It could mean very little, on the other hand it could lead to new ways to rebuild a modern notion of the public domain. A modern public domain includes those many goods, ideas and practices that reside and flourish in the public sphere such as accountability, trust, reciprocity, redistribution and equity. When effectively present and properly endowed these market-limiting social constraints have immediate distributive impacts at the local level. They do though require legal enforcement.

The EU, for example, has given the market much smaller scope to undermine the public delivery of goods and services. It provides more non-negotiable goods and mixed goods from public housing, universal health care, and day care to job retraining. No European country, including the UK, has been prepared to spend important political capital on flattening national diversity. The social democratic countries of Europe have rejected making themselves over-dependent on the neo-liberal principles of privatization, de-regulation and structural adjustment policies. In comparison to the Anglo-American model, the EU is certainly committed to a larger public domain as a policy priority. Supiot insists that “*la culture juridique dominante continue*

de dresser un mur entre le privé et le public”, not in an absolute way but in a powerful one nonetheless (Supiot 2000:13).

The wide-open deregulation, typical of the US, is a no-go in the EU, which continues to value social policy goals and programs that enhance solidarity and equity. But social solidarity goals alone do not eliminate many sources of inequality and the persistence of visible barriers to minorities and first-time participants entering the labour market provide evidence that social Europe has not conquered entrenched inequality trends.

Certainly during the last decade in the EU, social exclusion has been tied to long-term joblessness, youth unemployment, poverty and racism and has been very much in the public eye. Had the EU dismantled its welfare state social exclusion, inequality and long-term unemployment would have reached American levels.

The absence of consensus for promoting narrow-gage harmonization of public authority reflects the existence of strong social democratic values and governments that are highly skeptical of unplanned economic integration. For instance, Germany and Britain are not willing to give up their national veto on social security to aid the freedom of movement of workers. German and France for constitutional reasons cannot accept a single EU policy with respect to asylum and immigration policies. France opposes a common EU trade policy on services and intellectual property because it regards culture as a ‘non-tradeable commodity’ and wants to safeguard it from Anglo-American attempts to treat it otherwise. France prefers its own voice in international trade negotiations and is not prepared to leave trade negotiations to Brussels. Britain, Luxembourg, Ireland and Sweden want to keep a grip on tax policy including moves to prevent tax fraud and the updating of current tax rules. All of these divergent trends are evidence of the fact that the state is making a comeback but there is no one-size-fits-all template of the

public postwar period in evidence. (Ferrera *et al* 2000).

CONVERGENCE IS EVERYWHERE BUT IN THE NUMBERS—WHAT DOES THE EMPIRICAL EVIDENCE REVEAL?

Certainly there is no evidence of a single emergent global state culture. Privatization, deregulation and downsizing in the development state of the south and the welfare state of the north have resulted in both anticipated and unanticipated effects. Among these are:

- A convergence in public policy goals and frameworks across entire regions to promote trade liberalization, new investment rights for business and fiscal stability. By contrast, policy outcomes are very different and cannot be explained by neo-liberal principles. The one-world framework has produced a huge array of divergence in state practices and behaviour with respect to fiscal, labour market, and social policy spending between jurisdictions. The growth of strongly divergent practices reflects the central importance of institutions and economic culture in affecting market behaviour and multinational corporate strategies (Picciotto 2001).
- The delivery of traditional services such as day-care, school meals and security continues to be provided by public authority particularly at the local and regional level. Public authority also remains responsible for the maintenance of public places and spaces as well as for issues such as homelessness and street youth. There is a large public sphere operating in all countries. It is important to distinguish privatization from under-funding and cutbacks. Privatization leaves public authority no capacity to provide critical social services. In contrast, underfunding is more easily corrected by new budgetary spending. Within Canada, the provinces have responded in very different ways to the smaller state hypothesis. For instance, Quebec introduced publicly-funded childcare, while Ontario

was cutting social programs. As there is no single template, the many changes are not easily categorizable (Banting *et al* 1997).

- Downsizing the state in OECD countries has not lead to a significant dismantling of state authority in the advanced group of northern countries. Regulatory and redistributive welfare state programs are very much in evidence in EU countries and have not been abandoned even though political elites have accepted new restrictions on state spending. High-tax, high-skill, high-wage economies remain as distinct as in the past. Scandinavian countries are big spenders and by comparison the UK is a smaller spender—a pattern that has remained relatively stable for the past forty years. Recently, the gap between social Europe and market US has widened and there is no convergence between these two models. Despite all the changes, state-market relations in social market economies are as different from the US laissez-faire model today as they were in 1992 (Weaver 2000).

- Within the Anglo-American model there are strong visible differences between Canada and the US with respect to health and social spending, taxation, trade union representation, redistribution and poverty. Canada remains strongly positioned at the collective end of the spectrum, while the US has become less redistributive, less social welfare oriented and more individualist. When Clinton dismantled the US welfare state in 1996 Canada took no equivalent measure. Today there is only one welfare state north of the 49th parallel with no equivalent array of programs to protect vulnerable Americans. This has transformed social standards in North America. Nor did neo-liberalism produce an across the board convergence in public policy. Canada remains strongly redistributive when compared to the US despite being economically dependent on the US as its primary

export and investment market.

- Among southern countries there is as much divergence as convergence in macro economic practices. Structural adjustment has produced a checkerboard effect in Latin America. Brazil has a record fiscal surplus on the primary account but disposable per capita income has been flat or negative. Mexico has recorded a strong trade performance but GDP growth is low and unemployment is dangerously high. Argentina defaulted on its \$160 billion debt and continues to spiral out of control. Throughout Latin America debt levels have increased annually while inflation has stabilized. There is a decline in social investment and a shortage of public goods in many countries. Markets have overreached and under-performed, often resulting in industry wide failure. The volatility of market signals has been highly intrusive to national sovereignty capacity building throughout the hemisphere. There is no single template that explains such a diverse range of responses. What no one disputes is that throughout the region poverty and marginalization have reached levels not seen since the 1950s (UNDP 2002).

What do all of these different evidentiary-based trend lines reveal about new state forms and practices? *The most important conclusion is that the public is more complex and resistant to attack by neo-liberal reforms than is usually recognized.* The public sphere has not buckled, but it is smaller and often less coherent than it once was. Secondly, since the end of the Cold War *there is no single model of public authority, no one-size-fits-all for the North or the South.* Diversity is the rule and national particularity the institutional benchmark. We need to be clearer about the first principles and normative practices that push society towards the social exclusion end of the spectrum at the expense of the social bond. Further, we need to locate indicators that

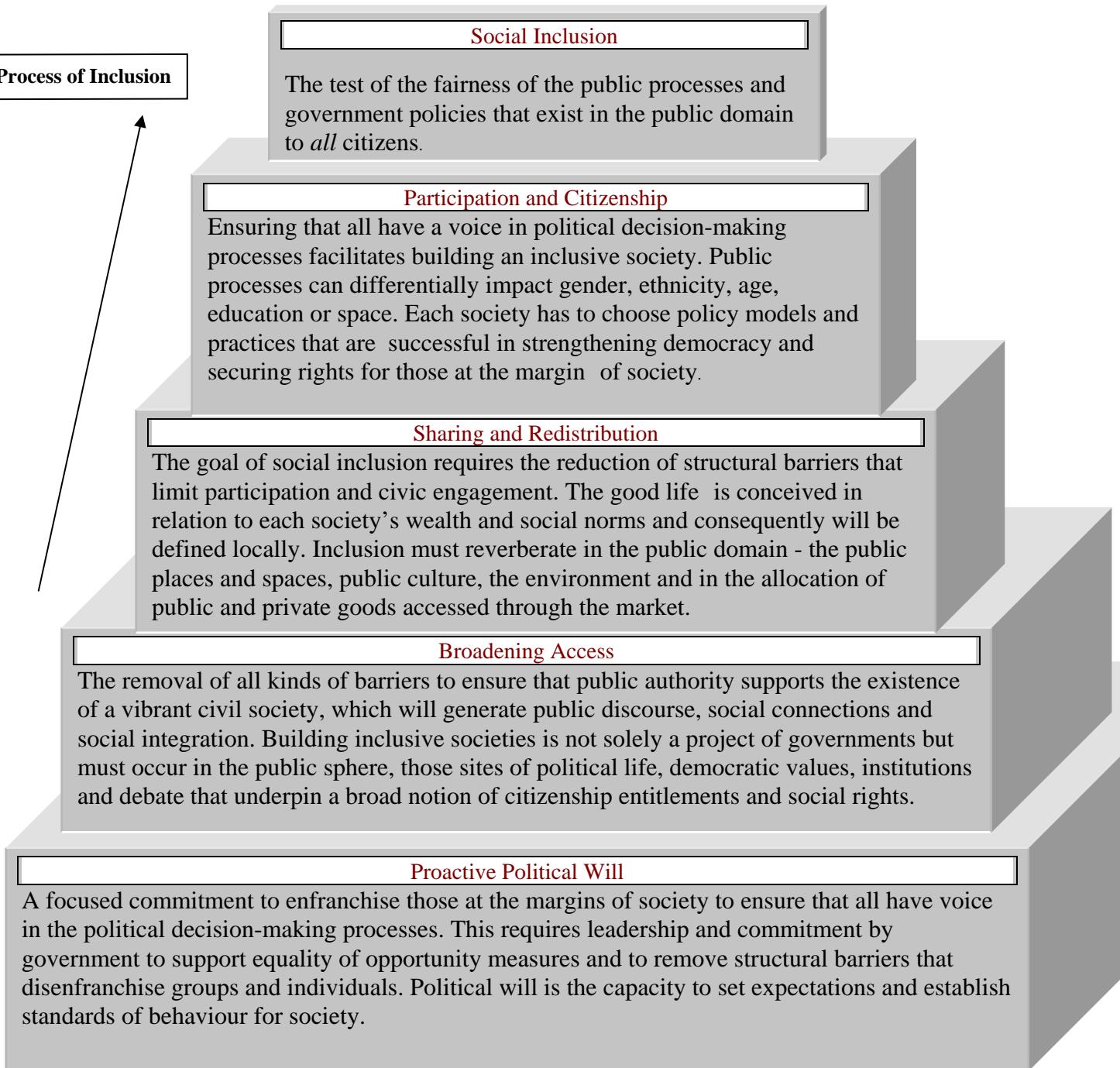
speak directly to the way policy intervention affects outcomes and often becomes a permanent obstacle to inclusion. What are some of the causal connections and social determinants of public solidarity and inclusivity (Drache 2003)?

SOCIAL INCLUSION: SORTING OUT WHAT WE MEAN

To dismantle barriers to inclusion all people must share in the benefits of society, have access to them and participate to the fullest extent possible. If inclusivity is to become a priority, there has to be the political will to ensure that the process of inclusion is enhanced and the obstacles to inclusion are removed as effectively and deliberately as possible. This is a difficult task because the processes of inclusion and exclusion occur simultaneously. There will never be total inclusion as this is to confuse inclusion with assimilation. Inclusion respects and encourages cultural diversity.

Societies are constructed around deep cleavages and differences in values and there will always be tension between insiders and outsiders. The challenge is to alter the balance of forces between inclusion and exclusion in favour of inclusion. Those who are kept out of the labour market need to be brought into it. Those whose citizenship rights are not recognized need to be treated fairly. The needs of those who are young or elderly who enjoy little security or well-being have to be addressed. Disability is a huge issue to be addressed in large urban cities as well as rural areas. Race and gender are other bases of exclusion. The common condition the excluded experience is the failure of society to provide all citizens access to society's collective wealth and the ability to participate to the maximum extent possible.

Figure 1 *The Challenge of Building Inclusive Societies*



Is inclusion primarily an economic agenda or a democratic one? It is, of course, neither wholly one or the other. Inclusion requires that civil society as well as government think outside the box in order to address the social effects of markets when they under-perform and over-shoot. Public

authority must employ its arsenal of policy tools and large amounts of public resources to protect the social bond from corrosive pressures. What does this entail? (See figure 1)

Building inclusive societies requires a multi-dimensional approach through which to attain specific ends that are part of an inclusion model of governance. It has three distinct aspects. *Economic inclusion* exists when citizens have the opportunity to participate in economic activity and governments make an effort to reduce or eliminate the structural barriers to this opportunity. These barriers include lack of access to higher education, job training, or safe, affordable childcare. By removing barriers and opening access, labour market participation is facilitated. Further, governments must ensure that basic workplace rights exist to provide for safety and fairness in economic activity. This includes the right to organize, to collective bargaining, to a safe workplace and a fair balance between the rights of employers and employees. Additionally, the existence of a distributional regime that ensures people's basic needs, in terms of access to health care, education and basic sustenance are met without personally devastating economic consequences. These are necessary conditions for economic inclusion.

Political inclusion exists when citizens feel that their voices are heard either through vibrant responsible government or other processes of participatory democracy. This does not mean that citizens will agree with every government policy or decision, but they must perceive that their viewpoint was considered fairly. Moreover, adult citizens should not be excluded from these processes on the bases of race, ethnicity, gender, territory, or sexual orientation.

Social inclusion speaks to quite a different condition. It exists when societal processes incorporate dimensions of human security such as the right to exercise choice safely and freely, irrespective of group membership or spatial location. This includes the opportunity to form

networks and linkages with other citizens. For this there must be sufficient time free from market activities to participate in such activities.

If inclusion is to mean anything it must reverberate in the public domain and in the allocation of public goods as well as private goods accessed through the market. It is one of the keys for building a strongly vibrant civil society where citizens are encouraged to organize, articulate their interests and satisfy their needs through co-operative endeavours. If this idea has any validity, we would expect to find a large interface between the rights and obligations that we have for each other, the adequacy of the legal processes, the protection afforded by the state and other kinds of accountability mechanisms in markets. This is what should be called the sphere of the public domain, a place where authority and power are contested, challenged and made accountable. A strong and democratic public domain is a great facilitator of public debate and one of the constituent parts of a developing notion of the good life. Thus, the good life in any society reflects what its members believe and value not simply what the elites tell them it is.

THE INTERFACE BETWEEN INCLUSION AND THINGS PUBLIC

The key to building stronger socially inclusive societies is that public authority must think strategically about its most critical policy levers. The most important from an inclusion/social bond perspective is the provision of *human services*. Human services represent the commitment of the state to provide a minimum of material resources to all citizens.

Human Services are the glue that reinforces our rights and obligations to each other. They are the connectors linking civil society to public authority (Drache 2003). They strengthen the social bond, broaden points of entry into society, and remove structural obstacles to inclusion. Human services are an implicit social contract between public authority and its citizens and an ethical commitment to reducing social inequality. Increasingly, the responsibility for provision of

human services does not rest solely with governments. When public authority does not do enough, or when it withdraws from primary responsibility for providing an adequate supply of collective goods, markets and civil society will try to fill the gaps. The ability of the private sector and civil society has been taxed to the limit by the unwillingness of governments to maintain an adequate supply of human services and to build socially inclusive societies in the hemisphere.

To shift the balance of power towards inclusion requires that the largest number of people possible, if not everyone in society, have access to income security, health care, housing and education. However good this principle is in practice, it has always fallen short of transforming the life circumstances of those suffering urban poverty, the chronically unemployed, indigenous peoples and persons with disabilities. The fact remains that the future of the excluded, the most vulnerable and marginalized is tied to a renewed commitment to reinvesting in human service systems for everyone. From a social inclusion perspective, government has to gauge its capacity to create a society in which even the most disadvantaged can participate fully and share in the benefits society generates to the fullest possible extent. Despite the persistent efforts of governments to combat illiteracy, provide public housing, maintain and improve population health, and ensure minimum economic security, there is a very large deficit to address.

A social deficit can be defined as a sharp imbalance of resources that disadvantages the most vulnerable and needy in society. Some examples are in order. Persons who lose secure jobs or fall seriously ill can experience first hand what it means to live in a society where there is a deficit of human services. In such circumstances, single mothers who live in makeshift housing have no opportunity to obtain health care for their children or develop skills that will enable them to rise out of their impoverished condition (Sen 1999). They are excluded from the benefits of

their society (Barber 2001).

Social inclusion requires benchmarks to improve the basic necessities of life that are essential for full participation in social, political and economic processes. The most important areas include income security, health care, housing and education. For the informed public, social inclusion is not a new idea, but it is used here for a specific reason. It is a powerful concept that helps to focus attention on the plight of those who are at risk of being left farther behind by economic globalization's relentless drive for efficiency and labour market demands for increasingly sophisticated knowledge and skills.

Many barriers standing in the way of achieving this goal are economic, but without doubt, the most challenging ones are deeper-rooted attitudinal barriers, which are fundamentally social in nature. Improving access to human services is one of most effective ways to tear down the walls of prejudice and indifference that have appeared in recent times. It is also the case that when human services are in short supply or non-existent, the under supply of collective goods supports an environment of intolerance and collective indifference to growing exclusion in all its many forms.

So far, many public authorities have been slow to grasp the importance of the need to broaden and deepen access to the informational commons, a term that has become synonymous with the skills and social capital that create economic, educational and social opportunities. Information is critical to modern society because it is not only a public good but also a public resource (Appadurai 2000). Governments have to prepare their societies for the information age and public information and space are critical arenas that facilitate free expression and free association among citizens. Informational sites like these, both real and virtual, are important avenues within which individuals participate in all kinds of ways in society. They enable citizens

to be informed, not only about their choices as consumers, but about everything from the personal to the political.

But the information commons is failing many. Only 5% of the world's population are online and almost half of that online community lives in Canada and the US alone. UNESCO emphasizes that the North-South divide is exacerbated when most of the world's population lacks access to a telephone, let alone a computer.

One of the most important barriers to connectivity is cost. Purchasing computers, cell phones and pagers is financially within reach of many in Canada and the US, but even in these fortunate societies, there are many low-income people who are not able to own or buy a computer. Outside the richest countries, many new technologies are beyond the means of the vast majority of people because they are too costly. In the past 10 years, more people, particularly in Latin America have been excluded from new social domains than have been included

Although the cost of network provision and hardware equipment continues to decrease, social inclusion in the information age depends on the degree of diffusion of information within the whole population. The challenge for public authority is to understand that there are ways in which diffusion is facilitate or impaired. Civil society organizations are essential to broaden access to the information commons. Countries, such as Canada, which have invested in making the Internet available in schools, libraries and other arenas of public access, have broadened the point of entry for the least advantaged.

Those who are information rich have acquired the skills, know-how, and confidence to use these new technologies to better themselves. The ability to access new information technologies, such as the Internet, is more prominent in populations that have a higher level of education and employment, and where there is government involvement in creating an

information friendly environment. To be information poor means individuals and communities are being denied access to possibly the greatest information revolution since the invention of printing. Individuals and communities who are excluded from the informational commons are generally identified with low levels of education, low levels of income and lack of employment. Moreover, those who are excluded are groups, which potentially have the most to gain from access to and usage of information and communications technology as new technology offers the potential to level inequities.

Virtual public spaces created through communication by telephone, the Internet or email are becoming increasingly important to social inclusion as more people are gaining access to these technologies (Deibert 1997). Inclusion is dependent on one's ability to function comfortably and with confidence in the public arena. Public domain institutions such as libraries, schools and universities enable individuals to access information.

FROM GLOBAL DISCONNECT TO SOCIAL RECONNECT

Public authority continues to spend vast sums of taxpayer's money each year but high quality public goods in areas such education and health care are in short supply. The state, with its arsenal of policy tools and large amounts of public resources, has to protect the social bond and defend the public interest (Gamble 2000).

There are strong exclusionary practices that occur through ill will, intolerance and ignorance but fear of the other is a learned response not an ingrained one. A society that wants to be inclusionary can take many practical measures to end systemic and episodic exclusion although this will never be easy if dismantling barriers to inclusion is not a top priority. Often government and civil society fail to meet the challenge because the excluded live in such different circumstances — they have no natural affinity for each other. Without power and

influence, society finds it convenient to ignore the existence and concerns of the excluded.

Those who are outsiders do not want to end their lives on the margins. Their most fervent hope is to have the same formal and substantive rights as everyone else. Inclusion is never absolute and society has three choices to strengthen the social bond: it can ignore the politics of inclusion; it can let individuals cope the best that they are able or in a self-conscious way it can address the many multi-layered dimensions of inclusion.

Canada is not always a strongly inclusionary society but its political culture of multiculturalism and pragmatic egalitarianism provides a powerful incentive and a strong environment to build on (Stein 2001). By choice Canada's social democratic collectivist political culture supports does not support a society that 'bowls alone', Putnam's evocative term to describe the decline in social capital and the eclipse of community in the US. Universal health care, the strengthening of our national culture, the provision of collective and public goods dedicated to the reduction of inequality, and the provision of human security in its many different guises are all large building blocks that sustain greater dynamics and limit the harmful effects of deregulated markets. Divergence from the 'less state, less tax' American model is more pronounced than it ever has been. Poverty rates are 30 percent lower in Canada than the US and in social policy Canada continues to spend almost 5 percent more of its GDP on income security than its southern neighbour. All countries have equivalent collective responsibilities that bind people together and build sanctuaries against intrusive markets and arbitrary state authority.

A modern concept of citizenship emphasizes the quality of participation in a political community. Richard Falk reminds us that it is not law but politics and the adversity of experience that more adequately captures the experiences of individuals and groups. The goal and process of inclusion rests on developing over time a better way of organizing life on the planet. It speaks to

the ‘politics of aspiration and desire’ and of mounting a challenge to globalization-from-above. Inclusion wants to move the goal posts of community and to hold public authority, the market and the media accountable. It is expressive of a very different kind of dynamic in the modernist phase of state/market relations. Implicit is the imperative that political choice and dedicated action can make a difference to the most vulnerable and disadvantaged.

A FINAL WORD

Social activists across the globe are pushing hard to decenter the political debate from market fundamentalism and to set popular politics in an inclusionary direction. Politics are back and the new norms are intrinsically and markedly public: diversity, gender equity, social justice and development. Time and social need are on their side in this global age. An active localism, the need for strong and vibrant communities regionally, and development and diversity globally matter more than ever. Inclusion, citizenship and popular sovereignty require the sanctuary of the public to limit market failure, prevent market over-reach and limit the intrusiveness of private actors. New governance institutions are needed too. At the present time, political will remains in short supply and the barriers to social inclusion have created a very large policy and knowledge gap that still needs stronger, more persuasive and powerful answers. The line between private interests and public action is never fixed for all time. As states face the expectation that globalization can be managed, new social norms, goals and values are emerging that are inescapably public, collective and egalitarian. *Tant mieux.*

BIBLIOGRAPHY

- Albert, M. (1993) *Capitalism Vs. Capitalism : How America's Obsession with Individual Achievement and Short-Term Profit Has Led It to the Brink of Collapse*, New York: Four Walls Eight Windows.
- Anderson, S. et al (2000) *Views from the South: The Effects of Globalization and the WTO on Third World Countries*. Oakland, Calif.: Food First Books/The International Forum on Globalization.
- Arthurs, H. (2001) 'The re-constitution of the public domain', *The Market or the Public Domain: Global Governance and the Asymmetry of Power*, Daniel Drache (ed.), London: Routledge.
- Appadurai, A. (1990) 'Disjuncture and Difference in the Global Cultural Economy', *Global Culture: Nationalism, Globalization and Modernity*, Mike Featherstone (ed.), London: Sage.
- Banting, K. G., Hoberg, G. and Simeon, R. (1997) *Degrees of Freedom : Canada and the United States in a Changing World*, Montreal: McGill-Queen's University Press.
- Bello, W. (2000) 'Building an Iron Cage: Bretton Woods Institutions, the WTO, and the South', *Views from the South: The Effects of Globalization and the WTO on Third World Countries*, Sarah Anderson (ed.), Chicago: The International Forum on Globalization and Food First Books.
- Barber, B. R. (2001) *Jihad Vs. Mcworld*, New York: Ballantine Books.
- Benhabib, S. (1990) 'Hannah Arendt and the Redemptive Power of Narrative', *Social Research* 57, no. 1: 167-96.
- Deibert, R. J. (1997) *Parchment, Printing, and Hypermedia: Communication in World Order Transformation, New Directions in World Politics*, New York: Columbia University Press.
- Drache, D. (2003) 'Economic Integration and Citizenship: Modeling Social Inclusion after the Quebec Summit', Ottawa: Department of Canadian Heritage.
- Drache, D. (2001) 'Introduction: The Fundamentals of Our Time: Values and Goals That Are Inescapably Public', *The Market or the Public Domain: Global Governance and the Asymmetry of Power*, Daniel Drache (ed.), London: Routledge.
- Etzioni, A. (1968) *The Active Society: A Theory of Societal and Political Processes*, New York: Collier-Macmillan; Free Press.

Falk, R. A. et al (2002) *Re-Framing the International: Law, Culture(s), Politics*, New York: Routledge.

Ferrera, M., Hemerijck, A. and Martin Rhodes, M. (2000) 'The Future of Social Europe: Recasting Work and Welfare in the New Economy: Report for the Portuguese Presidency of the European Union', Brussels: European Union (EU).

Gamble, A. (2000) *Politics and Fate, Themes for the 21st Century*, Cambridge, UK: Polity Press.
Garrett, G. and Nickerson, D. (2001) 'Globalization, Democratization and Government Spending in Middle Income Countries', University of California, Los Angeles.

Garrett, G. and Rodden, J. (2001) 'Globalization and Fiscal Decentralization', University of California, Los Angeles.

Gutmann, A. and Taylor, C. (1994) *Multiculturalism: Examining the Politics of Recognition*, Princeton, N.J.: Princeton University Press.

Innis, H. A., and Drache, D. (1995) *Staples, Markets, and Cultural Change: Selected Essays*, Montreal: McGill-Queen's University Press.

Isin, E. F., and Turner, B. S. (2002) 'Citizenship Studies: An Introduction', *Handbook of Citizenship Studies*, Engin F. Isin and Bryan S. Turner (eds.), London: Sage.

Keegan, J. (1999) *The First World War*, New York: A. Knopf; Distributed by Random House.

MacMillan, M. O. (2001) *Peacemakers: The Paris Conference of 1919 and Its Attempt to End War*, London: J. Murray.

Marquand, D. (1988) *The Unprincipled Society: New Demands and Old Politics*, London: Cape.

Picciotto, S. (2001) 'Democratizing Globalism', *The Market or the Public Domain: Global Governance and the Asymmetry of Power*, Daniel Drache (ed.), London: Routledge, 2001.

Putnam, R. D. (1995) 'Bowling Alone: America's Declining Social Capital', *Journal of Democracy*, vol. 6, no. 1: 65-78.

Rodrick, D. (1997) 'Has Globalization Gone Too Far?', Washington: Institute for International Economics.

Rodrick, D. (2001) 'Trading in Illusions', *Foreign Policy*, March 2001.

Sen, A. K. (1999) *Development as Freedom*, New York: Knopf.

Stein, J. G. (2001) *The Cult of Efficiency, CBC Massey Lectures*, Toronto: House of Anansi Press.

Supiot, A., and Commission of the European Communities (1999) *Au-Delà De L'emploi: Transformations Du Travail Et Devenir Du Droit Du Travail En Europe: Rapport Pour La Commission Des Communautés Européennes Avec La Collaboration De L'université Carlos Iii De Madrid*, Paris: Flammarion.

Supiot, A. (ed.) (2000) *Servir L'interet General. Droit De Travail Et Function Publique*, Paris: Puf.

Taylor, C. (1995) *Philosophical Arguments*, Cambridge, Mass.: Harvard University Press.

United Nations Development Program (2002) *Human Development Report 2002: Deepening Democracy in a Fragmented World*, New York: Oxford University Press.

Walzer, M. (1983) *Spheres of Justice: A Defense of Pluralism and Equality*, New York: Basic Books.

Weaver, K. (2000) *Ending Welfare as We Know It*, Washington, D.C.: Brookings Institution Press.

Williamson, J. (1990) 'What Washington Means by Policy Reform', *Latin American Adjustment: How Much Has Happened?*, John Williamson (ed.), Washington, D.C.: Institute for International Economics, 1990.

World Bank (2002) 'World Development Indicators 2002', New York: World Bank.