Intergenerational Solidarity, Welfare and Human Ecology
Pontifical Academy of Social Sciences, *Acta* 10, Vatican City 2004
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COMMENTS TO: FRANCIS FUKUYAMA, 'ECONOMIC, POLITICAL AND CULTURAL CONSEQUENCES OF CHANGES IN GENERATIONAL RELATIONS'

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Throughout his rich and prolific intellectual production,[1] Francis Fukuyama has been dealing with critical problems of our civilization, addressing them with deep insight and soundness and giving polemical answers to the questions so posed. This paper is not an exception. Its general approach is to analyze some economic, political, and cultural changes from the point of view of their effect on intergenerational relations and solidarity. In spite of the complexity of these changes, the paper is policy oriented. Francis Fukuyama thinks, and I agree with him, that it is important to consider ways in which societies can shape long-term change and that intergenerational solidarity will have no meaning if the conditions affecting the relationship between generations cannot be altered through human choice.

To analyze these questions, Fukuyama chooses a very relevant topic, the Great Disruption[2] that began around 1950. It encompasses interlinked aspects of human reproduction, the family, civil society, and the normative framework in which all of them are embedded. At its core are two different types of phenomena. The first is the deep transformation in relations between men and women and in family life. The second type includes different kinds of changes that are still taking place outside the family under the common umbrella of crises of social cohesion, such as the increase in

[1] In only twelve years, Francis Fukuyama has written five books: *The End of History and the Last Man* (1992), *The Social Virtues and the Creation of Prosperity* (1995), *The Great Disruption: Human Nature and the Reconstitution of Social Order* (1999), *Our Post Human Future: Consequences of the Biotechnology Revolution* (2002), and *State-Building: Governance and World Order in the 21st Century* (2004).

[2] This was the central topic of his 1999 book.

crime rates or, more conjecturally, the deterioration of trust, associationism and other forms of social capital. According to Fukuyama, these changes are, to a certain extent, related to each other. For instance, female labor force participation affects family stability; family structure affects crime; and relationships outside the family both complement and displace those within it. However, as the author recognizes, the causal relationships between family crisis, on the one hand, and the declining of social capital or the increase in crime, on the other, are far from being clear. Although some inconclusive evidence shows us that social heterogeneity is associated with an increase in crime, the causal nexus is not firmly established either.

From the author's point of view, even when cultural variables have played an important role – as it can be seen, for instance, in the feminist movement – the main forces in the development of the Great Disruption have been technological.[3] Fukuyama thinks that these changes are more probably cyclical than secular on two grounds. First, he believes (quoting Hayek) that there is a natural basis for morality, either guided by religion or other forces like the genetically programmed norm-following behavior that leaves anomie as a highly atypical and pathological situation in human societies. Secondly, Fukuyama thinks that what drives normative change is technological change, and that there is no reason to think that technological change will cease. Finally, phenomena like the Great Disruption have happened before – as during the first waves of industrialization – and societies have succeeded in adjusting to them. Although it is not the central point of my comments, I would like to add here that the history of the 20th century shows us very clearly that we can have very long periods of anomie, with tremendous consequences on human life.

The author finds that one of the most consequential multi-generational changes that are taking place nowadays, associated to the Great Disruption, is a growing cultural diversity in formerly homogeneous parts of the world. Once again, technological forces are the ones that are pushing for this change. Lower transport costs, in the first place, allow more rapid and distant international migrations. New communication technologies, in the second place, have raised the perceived diversity in a society. Finally, there are different forces enhancing the incentives for diversity through economies of scale, giv-

[3] The first was the introduction of the birth control pill in the early 1960s that permitted the separation of sex and reproduction. The second was the emergence of a post-industrial workplace in which women had vastly greater opportunities for paid employment outside the home.

ing place to the consolidation of larger political units, whose constituents are inevitably more diverse and, at the same place, bound up with those of people very different from themselves. A bit surprisingly, the main trait of the present wave of globalization, i.e., the increase in trade and capital movements, is not mentioned and this will be one of the points of my comments.

From a vast complex of social forces, the author prefers to concentrate on migrations and their impact on cultural diversity. First, because the challenges of multiculturalism – and particularly the coexistence with people from Muslim countries – are at the core of the solidarity between our generation and the forthcoming ones. Secondly, because the author thinks that the developed countries (DCs) are heading for a crisis in the next generation precisely because of an interaction of demographics and culture. They will confront declining populations, with negative consequences for economic growth and social security entitlements that, from his point of view, will face the only acceptable solution of increased immigration. Additionally, increased cultural diversity can have negative political consequences. Even when cultural diversity and homogeneity have both negative and positive sides, an extended and biased perception of its disadvantages can propel political backlash movements. Finally, the task of renorming post-industrial societies to overcome the Great Disruption is enormously complicated by increasing cultural diversity, which makes consensus and spontaneous order much harder to achieve.

The final part of Fukuyama's paper deals with policies to promote intergenerational solidarity. However, only policies referred to immigration are mentioned. Different alternatives are considered, like strict or selective controls, the corporatist approach and the assimilationist approach. However, Fukuyama thinks that the only long-term way of guaranteeing assimilation is through intermarriage.

Consequences of Omitting the Analysis of Events in the Developing World

The whole analysis of the paper, including almost all its empirical references, is focused on DCs. This is not surprising for whoever has read *The End of History and the Last Man* in which, even taking into account all its nuances, the forthcoming history of not developed countries (NDCs)[4]

[4] I use the expression 'not developed countries' (NDCs) just to simplify the text. It is neither better nor worse than all the alternative names. 'Developing countries', for instance, supposes that all of them are in such a situation, which is not right.

appears to follow essentially the same stages previously fulfilled by DCs. But the case could be that the forthcoming history of DCs would, in the end, be dependent on the events in NDCs, and vice-versa. As a consequence of this omission, we do not have the opportunity to enjoy the penetrating mind of Francis Fukuyama applied to the understanding of some of NDCs' problems. I cannot replace him, but anyway the axis of my comments will be the potential consequences of including different historical paths of NDCs on some of the intergenerational issues dealt with by the author.

The omission of the situation outside the developed world is misleading at least for two reasons. In the first place, because multiculturalism is directly associated with massive immigration coming precisely from the developing world. Secondly, because it seems evident that in the developing world, the causes of the problems of the Great Disruption are different from those observed in the developed world, and the same could happen with the policies to address them.

Let me go first, very briefly, to the second point. For any person who lives in a NDC it is evident that the crisis of the family, the increase in crime and the deterioration of social capital, i.e., all the main consequences of the Great Disruption, are at least partially explained by poverty, unemployment, an incredibly uneven income distribution, slow growth and environment deterioration. Political and macroeconomic instability, on the other hand, have a negative impact on the respect for rules and, as a consequence, on trust. Can all this be explained or understood just because NDCs are living the typical social consequences of industrialization that DCs have lived long ago? We do not know, or at least, I do not know. But let me speculate a bit on this. First, I think that these questions are still relevant even in the developed world. For instance, the author did not mention one of the possible explanations of the higher crime rates in USA compared to Europe or Japan, which are the higher incidence of poverty and a less even income distribution. Had Fukuyama given a look at the developing world, this explanation would have perhaps appeared more evident even for DCs. Secondly, we should not forget that some of the negative social consequences of industrialization in Europe played an important role in the birth of different forms of totalitarianism and, in the end, to what has been called the European Civil War (1914-1989). This happened in spite of the fact that, previously and contemporarily, a massive migration from Europe into America and Africa had helped in some way to alleviate the Malthusian conflict

between population and subsistence that was taking place. Apparently, NDCs have neither of those alternatives at hand (fortunately, regarding the first one). But precisely for this reason, it is not clear what will be the historical development and the final solution of the Great Disruption in the developing world. The fact is that, in this case, social factors clearly appear more relevant than technological ones. Finally, it is not necessary to adhere to the old-fashioned dependence theory to understand that economic development in NDCs nowadays faces different obstacles from the ones confronted at their turn in DCs.

The Case of Massive International Migrations

Fukuyama clearly states that, given the conflict between culture and demography, the path of least resistance to maintaining both current and long-term standards of living in DCs will continue to be the importation of workers from culturally different societies. As a consequence, the question of how to deal with multiculturalism and immigration becomes one of the most important to answer in order to build policies to promote intergenerational solidarity. There are three problems with this approach.

In the first place, the sole technological explanation of increased international migrations in recent times is not satisfactory. Technologies to emigrate have been at hand since a century and a half ago. Secondly, it is very well established among demographers and economists that, most of the time, migration is explained both by expulsion and attraction factors. So, it is not enough to state that international migration to DCs will continue growing because of their need to solve the social security issues arising from demography. We also need to take into account what is going to happen with the economic growth and employment prospects in NDCs. This leads us to the third point, and it is that we know from economics that factor movements, like international migration or capital flows, are to a certain extent substitutes for goods movements.

For all these reasons, both the analytical and policy alternatives considered by Fukuyama are, from my point of view, unnecessarily narrow. He just enumerates different alternatives of regulating immigration. I think it would be better, instead, to open our minds to the following four alternatives.

TABLE 1. FOUR ALTERNATIVE SCENARIOS OF INTERNATIONAL MIGRATIONS TO DEVELOPED COUNTRIES AND THEIR EFFECTS ON SOCIAL SECURITY

Migration intensities from NDCs to DCs		Growth rates of NDCs	
		High	Low
Commercial Policy of DCs	Closed	Medium/high migrations Social security improves	High migrations and cultural diversity Social security mixed
	Open	Low migrations Maximum growth Social security: strong improvement	Medium migrations, 2 Social security mixed

Links Between International and Intergenerational Solidarities

Both developed and developing or not developed countries fortunately have more tools at hand in order to build the Great Reconstruction that Francis Fukuyama has expounded in other works. And also, with a broader scope, in order to build the new international economic order that the Social Doctrine of the Church has been requesting since Pope John XXIII wrote *Mater et Magistra*. The same consideration holds referring to the central goal of Fukuyama's contribution to this session, i.e., ways in which societies can shape intergenerational solidarity beyond the realms of environment or social security.

The higher the future growth of NDCs, the lower will be the undesired migration pressures in DCs. The fairer the international economic order, both regarding trade and finances, on the other hand, the higher will be the growth of NDCs. The optimum case for NDCs in Table 1 is the SW quadrant, with high economic growth and open trade. But this quadrant is the

best for DCs too, since it would minimize international migration pressures and, because of the high growth, will improve the social security as well. So it seems that there is a pretty clear-cut option. DCs can choose either to build regional fortresses to separate them from the world, or to build international bridges. In the case of NDCs the option is not very different, only that in a context of lower growth and less trade the fortresses they will need to build would be internal, as the one they are discussing now in Rio de Janeiro to separate the *favelas* from the rest of the city.

Some of the connections of international and intergenerational solidarity are particularly clear. The case of agricultural protectionism is perhaps the most evident. OECD countries spent US$ 318 billion to protect agribusiness in 2003. Considering just the cost of the European Common Agricultural Policy (CAP), we see that it has jumped from € 25 billion in 1990 to almost € 45 billion nowadays. These are enormous amounts of money, and they could help a lot to alleviate the very serious situation of social security systems in most of those same countries, almost all of them factually bankrupt. To give a more specific, concrete example, let me quote a recent study by Oxfam.[5] It shows that the cost of producing sugar in the EU is six times higher than in Brazil and that the implicit subsidy is more than € 2 billion. Subsidizing sugar producers is not just economically stupid; it is morally indefensible, too. For Europe's subsidies are not merely a quaint way to keep a few farmers in business. They cause so much sugar to be produced that the stuff is exported to poor countries, hurting farmers who might otherwise earn a living by growing it themselves – and perhaps even exporting it to Europe. At most, only 1.5m tm of sugar a year is bought in Europe from preferred trading relationships with African, Caribbean and Pacific countries. Worse, the sugar provisions of the CAP set poor countries against each other. European subsidies mean that its excess sugar ends up in places such as Algeria, Ghana, Congo and Indonesia, displacing sugar produced in countries such as South Africa and India.[6] The biggest winners, says Oxfam, are large European sugar refiners.[7]

[5] Published in www.economist.com/research/articles.

[6] Brazil and Thailand are the hardest hit, Oxfam reckons. According to its analysis, Brazil loses around $500 million a year and Thailand about $151 million, even though these two countries are the most efficient sugar producers in the world. Even less efficient, and poorer, African countries lose out. Mozambique will lose $38 million in 2004 – as much as it spends on agriculture and rural development. The costs to Ethiopia equal the sums it spends on HIV/AIDS programs.

[7] France's Beghin Say, it claims, benefits by € 236 million a year, Germany's Sudzucker by € 201 million, and Britain's Tate & Lyle by € 158 million.

Another clear connection comes from growth of NDCs. Traditionally, it was not very relevant as a determinant of DCs'growth. But this is changing rapidly, particularly because of the increasing size of Asia in the world economy. So it will be more and more certain that the economic growth of NDCs will influence the events in DCs.

Almost at the end of his paper, Francis Fukuyama says 'after September 11, some have suggested that we are facing a "clash of civilizations" on an international level, pitting the West against the Muslim world. The international problem at least has a fairly clear-cut solution'. I really do not know what this clear-cut solution is. If it means building more and more war fortresses or, directly, making war, I would say it could be a clear-cut – although the evolution of the war in Iraq casts some doubts – but very doubtful solution. The alternative of building a new international economic order will not only be more human and fair, but also cheaper and more efficient. I do not think that even in such a context international migrations will cease, but they will become less intense and manageable, with very positive consequences on the assimilation of cultural diversity.

Based on all these considerations I think the building of a new international economic order along the proposals of the Social Doctrine of the Church and diverse multilateral organizations is beyond any doubt the most important policy we should develop and enforce to promote not only peace and development, but intergenerational solidarity as well.