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Social Generations, Life Chances and Welfare States

Louis Chauvel

Sciences-Po Paris and Observatoire Français des Conjonctures Economiques (OFCE) and Observatoire Sociologique du Changement (OSC)

chauvel@ofce.sciences-po.fr

This short "protopaper" draws the main steps of my research on social generations, life chances, and transitions of welfare systems. Here, after a short presentation of my intentions, I will first define my object: the social generations. Then, the main hypotheses of the generational dynamics of society and their consequences on social welfare will be presented. Thus, I will dissect, in the French context, seven dimensions of the nowadays "generational fracture". Therefore, I discuss, in a French-American comparison, the proximity and the differences of our societies. This protopaper is thus a short abstract of my book on social generations in France (Chauvel, 1998 [2002]), and an *esquisse* of the following one, on social generations in a comparative perspective.

0- Intentions

The central intention, here, is to compare the American and the French welfare systems dynamics, and their consequence on the opportunities and difficulties that newer and older generations are facing. The commonsense hypothesis is that the rigid, languid and less market-oriented French system could be more pleasant for older generations, having accumulated onerous social rights and benefiting from large and costly social programs; conversely, the American welfare could be more hospitable with youth, because of lower level of unemployment, more open and welcoming labor market, and less rigid social construction. I am sorry for lack of the suspense, but the commonsense hypothesis is not really appropriate. Such a demonstration needs larger presentations of the social generation research agenda.

1- Definitions

In the Anglo-Saxon sociological vocabulary, "generation" is almost restrained to kinship and family issues when "cohort" is preferred for the definition of the group born at the same time (Ryder, 1965). In the American social science production, the syntagm "social generation" is almost nonexistent. If economists (Auerbach, Gokhale, Kotlikoff, 1994) use the notion of "generational accounting", their birth cohorts are also embedded in family transmission relations. The European tradition is more open since we consider (Mentré, 1922; Mannheim, 1929) different senses, founding the idea of potential social structuration of cohorts.

Therefore, we should give the different definitions of generations, at least four. The first one will not be really considered here: the genealogical generation of the sociology of family and kinship. The three other are: demographic, social and historic generations (Mentré, 1922). The *demographic generation* is identical to birth cohort: the group of those born a given year, a very neutral clustering criterion. At the opposite, the *historical generation* is a set of cohorts defined by its common culture, shared interests, the consciousness of its specificity, and sometimes its conflicts against other generations: in France, a decisive example is the so called "génération 1968", the first cohorts of the baby-boom (born between 1945 and 1955). The "génération 1914", which entered adulthood during the first world war, is a more dramatic example. The opposition between historical and demographic generations defines an axe opposing high and low level of social structuration. Social generation is thus a cursor between the two opposite definitions. A social generation is a demographic generation sharing common social traits and patterns, but not necessarily the consciousness of its identity. The more it is structured and conscious of its own structuration, the more its political and historical mobilization could be obvious, and the more it could become a historical generation. We analyze demographic generations first, and a diagnosis in terms of historical generations results from the sociological analysis of its identity and the assessment of its structuation.

3- A theory of generational mutation of the welfare system

An aspect remains implicit here: the generation of generations. Socialization is the central process: during youth, between the end of school and the stabilization in the status of adult, occur a specific period of which the consequence could be decisive, the period of primary socialization, when roles and attitudes are learnt, first experience of life are faced. For social generations, the collective experience and the historical context that a generation meets when it is twenty is therefore crucial. Coming across *mai 1968* or *juillet 1914* at age twenty could imply tremendous dreams or injury, and could let durable scars. This first socialization -- I mean the permanent process of experience actualization during adulthood --, should regularly recall, reproduce or prolong the first experiences or the founding elements of the involved collective generational patterns. If not, the generation identity is progressively blurred (Becker, 2000).

The generational social change analysis is confronted with this difficulty: the coexistence of three different social times, age, period and cohort, which are closely interconnected (see Lexis diagram). At any period, different age groups coexist (defined by age thresholds, age statuses and roles) that are also different generations, of which the socialization occurred in different contexts, with different consequences and scars. But when we compare at a given date (period) different age groups, we never know *a priori* whether their difference result from age or from generation. If the 55 years old age group owns more frequently its home, is it because systematic accumulation over life course of assets (notably: home) or because this age group is a generation which had met exceptional opportunities of accumulation? Age-period-cohort analysis have developed some techniques to reveal generation effect, when specific traits are following the life line of given cohorts. These methods have been developed on very broad fields of social science: vote, values, literacy, labor force participation, mortality, suicide, etc.

The Lexis diagram and its analysis suggest a long term view on social history, where two types of social laws could be evoked. The first one is the long term generational progress (LTGP) law: later cohorts will generally benefit from longer education, better income, health system improvement, elongated life expectancy and any kind of advantage resulting from technical, economic or social progress. Thus, the main dimension of generational inequality could be that former cohorts are inevitably despoiled from collective resources that later ones will receive automatically. This long term generational social progress law supposes a permanent trend of progress. The "génération 1914" is certainly an exception to LTGP, but we will show fresher examples.

The second social law is a complement of the first one: the short term amplifying role of newer generations (STAR). When the trend of progress is not linear, but go through breaks and accelerations, when it is stalling or speeding up, the dynamics of newer and older generations generally diverge. The newer generation is more reactive to the new trends when older remain more stable if not inert. In periods of steep social change, the newer cohorts are more influenced than any other by the involved historical discontinuities because they are the first to experiment the new contexts of socialization when the others have accumulated different experiences in former contexts and keep long-term remains and scars of previous periods. More precisely, when the economic system is accelerating, the young generation of adults do better than older ones, because they are ready to move to better positions when older remain more attached to former positions; conversely, when an economic slowdown occurs, the new entrants in adulthood are generally the main victims of the deceleration because they can not benefit from past accumulation of human capital, sociability assets, social rights or any kind of longer term protection of which the redistribution is uneasy. For the analysis of welfare state transformations, this STAR law is particularly significant because welfare is the result of accumulation of rights of any kind (assets, social rights, educational resources, etc.) of which the redistribution is almost impossible when they are acquired by individuals. Changing the pace of accumulation or rules of distribution of new rights have more effect on newer cohorts which have not acquired anything yet than on older ones.

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Therefore, on many aspects, the reform of welfare states could be embedded in a long term process of generation replacement: the entire social change can not emerge before the disappearition – or any kind of marginalization -- of the older cohorts sharing the scars (or the fruits) of older socialization contexts and its replacement by the emergence of newer ones. Thus, changes and reforms of welfare systems depend on a very long process of generational replacement, where the scars of the past could remain for ages, or at least decades. This process could explain this paradox : why so many collective efforts toward social and structural reforms launched may be twenty years ago, and so little impact even now?

An important point here concerns international comparisons: between the French and the American society, the great difference remains in their flexibility levels. The former is supposed to be singularly inapt to social reforming, when the second one could prove its capacity to change. Thus, France could face crucial generational fractures because of uncompromising *droits acquis* (acquired social rights) shared by the older generations when the American society could show little cohort inequalities, for the opposite reasons. It is the orthodox hypothesis.

4- The seven dimensions of the fracture générationnelle in France

We will now concentrate on the French model of generational dynamics. This portrait could appear dark, pessimistic and distressing to the reader. The five years and the book I have devoted to this question provides longer demonstrations.

The first aspect of the social generation dynamics in France is the broad redistribution of earnings and incomes between birth cohorts. In 1977, the earning gap between age groups 30-35 and 50-55 was 15%; since 1977, it has jumped to 35%. Yesterdays, during the period of fast growth of the "*Trente glorieuses*" (1945-1975) (our French golden age of social democratic regulation of capitalism), the income of the young wage earners was often higher than their own old working parent's. For the last twenty years, we have observed the stagnation of the young's wages when the senior's have grown of more than 20%. This age distribution shows a new age compromise of which the consequence has not been analyzed. But it is not simply an age compromise: the former generation was advantaged when young compared to its seniors, and then too when old compared to its young successors.

The second factor is the dynamics of the social stratification system and of occupational structure. The long term educational upgrading is about to stimulate the expansion of the middle and upper classes and the newer generation could have mechanically benefited from the expansion of the occupational groups of experts, managers or professionals. The development at the aggregated level of the higher occupational groups in France could demonstrate that idea, but their age-period-cohort analysis shows that the dynamics is subtler: at age 30, from 1965 to 1975, the percentage of those in middle and higher white collar groups jumped from 14% to 23%. That period – the second middle of the "Trente glorieuses" -- was marked by an expansion of public sector and high tech large size compagnies (Airbus,

Phone Company, Nuclear electricity planing, health system, universities, etc.). Then, the first cohorts of the baby-boom are not a sacrificed generation. In 2000, 25 years after, at age 30, that proportion is quite stable (28%). The history of higher occupational groups expansion is not linear. The aggregated linear growth results from the expansion of this occupational group at later age groups, but not from expanding recruitment. The generational distribution of this growth shows that no progress in the access to the middle class has occurred for the young for the last 25 years.

The third lesson is the *hysteresis* effect: for a cohort which benefited earlier from a growth of skilled occupations recruitment, that improvement will positively impact its position at any older age. Concerning the growth of these occupational groups, for a given cohort, everything happens before age 30. The history of the French social structure is this one: cohorts born before 1935 are characterized by about 15% in higher occupational groups from age 30 to 55; for those born after 1945, the percentage is 25%. The growth is not linear but affects the shape of a footstep. Twenty years after the cohort born in 1945, that born after 1965 enjoys no improvement. We can generalize this observation: the cohorts entered in the labor force after 1975, which experienced the economic break and mass unemployment, have been the early victims of the new dynamics, and keep the long term scars of its difficult condition.

The fourth observation is that, now, for the first time in a period of peace, the situation of the new generation is worse than the condition of the youth of its own parents. In fact, the 1968 generation, born in 1948, is the children of those born in 1918 (the distance between genealogical generations is about 30 years), who were young adults in World War II, who worked in difficult conditions at the beginnings of the "Trente glorieuses". The condition of the baby-boomers was incomparably higher than its parent's. But the following genealogical generation, born about 1978, which is now less than 25 years old, faces less stimulating opportunities of growth, notably because they are now the children of a golden generation.

The fifth message is that, for the newer generation, we notice an exceptional risk of dyssocialization. I mean that the main problems of generational transmission comes from problematic correspondence between the values and ideas that a new generation receives from the previous one and the facts it will experience. That problematic correspondence is the history of the 20th century. The baby-boom generation have been socialized with the values of its parents: scarcity and abnegation, that it parents had known during the hard times of the thirties, but it experienced the golden age and the period of fast growth which offered comfort and opportunities of emancipation for the masses. Here is not the most problematic situation, but the opposite one, for the young generation of nowadays who is socialized by parents who experienced fast growth and the emergence of the consumption society, but who rediscover times of shrinking opportunities, of scarce positions in society and the like. For the new generation who benefit from longer education, and higher diplomas than its own parents, the broad devaluation in social and economic terms of their improved educational assets could produce unclear results. The psychosocial difficulties of the new generation (notably: suicide, violent behavior, incivilities of many kinds, etc.) can not be intelligible without that factor.

The sixth point concerns the transmission of our social model to the next generations. Apparently, social and structural reforms affects the whole population and involves period

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social change. In fact, social welfare, and the welfare state, change with the succession of cohorts: when we have created the retirement system, in 1946, we have decided that wage earners had to participate during 30 years of annuities to the system, for gaining access to a full rate pension. Thus, those who were yet at age 35 or more, who were born before 1910, were massively excluded from the new system. At the opposite, today, the new generation leaves school at age 21, loses 3 years in unemployment, freelance work or any kind of non standard activities and begins their participation to the system at age 24. If we add 40 years (the nowadays rules) or 45 (the projects of the French employers union), we discover that our nowadays system of early retirement (at average age 58) is yet ruined because the next generations of pensioners will not benefit from the present-day system. Any other aspect of the welfare system could be analyzed that way (social expenditures for families, health system, education, etc.). In fact, our equalitarian system of large homogeneous middle class of wage earners, which have culminated with the generations born during the forties, disappears within a dynamics of middle class shrinking experiences by the newer generations.

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A seventh section here relates to the political representation of the generations, not in terms of values but of access to political decisions. In 1982, the average age of trade unioners and politicians owning a mandate was 45 years old; in 2000, it had jumped to 59. At the *Assemblée Nationale* (the French Congress), in 1983, 29,5% of the *Deputés* were 45 years old or less, and 12% in 1999. The political generation which emerged with the evens of 1968 and the following years, who entered early in the highest spheres of the political system during the end of the seventies and the eighties, is now settled down for a long time, and no new political generation could emerge yet. The age homogeneity of the politicians is now impressive and the question of the transmission of the political heritage quite unasked. Then, the specific life conditions of nowadays youth are out of the direct and personal experience of politicians and managers.

The first problem is the generational transmission. Many institutions are led by a homogeneous group of baby-boomers which will be retired in ten years, and noting is done to provide or to feed a new generation of successors. In the next ten years, in many institutions, the risk of emergence of generational micro-struggles is high. The second problem is a question of long term decision. Many long term choices are made by those for who the life horizon is shorter; the generations in situation to support the long term consequences of these options are not associated to the elaboration of the choice of their future. In some decades, the social contract between generations could thus be denounced by those who have been sacrificed by these choices.

5- France and the US: two welfare systems?

These elements could demonstrate that France is an exotic country where the civil society, the political culture and the socioeconomic organization are in a quite deplorable condition. A more flexible country, where seniority is less systematically valued, where the different cohorts are competing in an open market, where the conditions of political bargaining could provoke a faster circulation of political generations and *élites*, could avoid these difficulties.

Here appears the interest of a cohort analysis of the welfare states dynamics in an Esping-Andersen (1990) perspective, where the central question could be: what is the impact in corporatist-conservative, universalist-social-democratic and liberal-residual welfare states, of an economic slow down? The corporatist-conservative compromise, in case of economic brake, could be the source of an insider-outsider structuration of generations, where the new generation has to remain outside, because it is the only way to respect the promise done to the former generations. Young is here the adjustment variable in an overconstrained system. The universalist social and democratic welfare state of the northern European countries could find a new compromise to associate the newer generations to the national welfare, with the consent of older ones. The liberal one could foster the equilibrium between the different generations *via* the permanent renegotiation of everyone's position and *via* market competition, whatever is his birth cohort.

That hypothesis could be convincing, but the empirical analysis is more uncertain. The American society is marked by impressive cohort inequalities too. The American generational dynamics is not exactly similar to the French one. The French footstep dynamics shows an impressive growth from the 1930-1940 generation, which has known a somehow modest destiny, to the very first generation of the baby-boom (born between 1940 and 1950 or 1955). The American dynamics present a continuous and linear growth of the middle and higher skilled white collars from cohort born in 1925 to the cohort 1945 or 1950, and a stagnation or even a decline after cohort 1955. The ancient generation of young adults of 1929, which faced long term difficulties too, never caught up the difficulties of its youth (Thernstrom, 1973). The age-period-cohort analysis of educational expansion offers some amazing results too. In fact, when we consider the proportion of Bachelor's degree owners and that of Master's, the trend of educational growth stops or even drops after the first cohorts of the baby-boom.

We discover here a major point which results from different factors: the acceleration of public investment in education (construction investments, housing support, GI's Bill of Right, subsidies and loan supports, etc.) which have progressively grown from 1945 to 1970 or 1975, the context of rising inflation (Such a context favours particularly those who borrow, for instance: students) but also the context of the Vietnam War (That factor is very self evident but not so convincing: why do women of that cohort enjoy educational growth too?), could explain simultaneously the linear growth of the level of education from cohort born in 1925 to the cohort 1950. The following cohorts were submitted to the reverse trends in a context where investment in education was under financial and political pressure. The detection of a phenomenon of over-education -- of declining returns to education (Freeman, 1976) -- justified a downturn in public support to education. The decline of the proportion of Bachelor's and Master's degrees in the cohorts born between 1950 and 1965 has restored the returns to education (Card and Lemieux, 2000), more for the newer cohorts but for cohorts born earlier too, even if they have benefited from inexpensive access to education.

The general result of this specific cohort distribution of educational asset is decisive: in the USA, from the fifties to the seventies, any newer generation holds better educational resources than older ones. For the last two decades, the educational growth of the newer generations has been stalling, when the elders have followed their own dynamics of progress - because it is almost impossible to confiscate their qualifications to those who have met the historical possibilities to demonstrate that they could obtain it. We can not remove their qualification of doctor of medicine to the physicians who, given the difficult nowadays conditions of access to the PhD, would not gain it in our time.

Now, the seniors have never been, comparatively to the young, in better educational positions. This differential has clear consequences on the occupational, wage and income distribution between cohorts. Poverty rates grow faster in the young generations. Middle and higher skilled occupational groups stalls for the young and not for older cohorts. Little catch up dynamics occur for the cohorts of which the beginnings are nor favorable. The three first factors we have underlined for France could have similar consequences in USA. The realm of LTGP law is not the USA, where we find the objective expression of a generational fracture. The life chances of the generations born after 1955 have been clearly reduced.

A major issue in the American socio-economical evolution is the last two decades growth of wage and income inequality. In France, the generational dynamics of the different social strata are similar: at the top as at the bottom of the social hierarchy, the conditions of declining expectations are common, compared to the early baby-boom generation. In the USA, for the young generations, the highest classes enjoy exceptionally better positions when the median classes stall and the poor are submitted to unknown conditions of relative deprivation, if not absolute. Thus, in France and in the USA, the general dynamics are quite similar, if we do not consider the highest social strata. The major similarity is that, when we consider the average situation, the new French and American generations benefit from no progress when the older did. The distinction is that, in France, the new generation is homogeneously submitted to this rule, when in the USA, for the young generation, the rich and the poor know more and more divergent conditions. For those in the best economic situations, progress is ever possible when for the trash, the social condition is remarkably depressed. The questions are: will the French young elite continue to sustain a system where their condition is ever devaluated compared to the elder one? Will the French poor accept an even less esteemed condition? This last question should be addressed in the American case too.

But the main conclusion is this one: because they do not consider seriously the cohort dynamics of the welfare state, have myopic descriptions of the cohort's life chance evolutions, and are obsessed by short term considerations, emergencies, and illusions, the welfare state *réformateurs* ignore their decisions could have initiate less therapy for the whole society than shock for the next generations.

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2- Proportion of service class positions (« cadres et professions intermédiaires ») by age and cohort



Source : compilation Enquêtes FQP - Enquêtes Emploi (1964-2000).

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3- Proportion of service class positions (« cadres et professions intermédiaires ») by age and cohort : cohort diagram

Source : compilation Enquêtes FQP - Enquêtes Emploi (1964-2000).



4- Master's degree (or more) in the US male population (cohort diagram)

Source : US CPS 1968-1999 cumulative file ; male population; N=956 940.



5- Bachelor's degree holders (or more) in the US male population (cohort diagram)

Source : US CPS 1968-1999 cumulative file ; male population; N=956 940.