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Trying Times
Rethinking Social Cohesion

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Unter den Linden 1, Berlin

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2019

Contents

Preface

In today's world, we connect in seconds with people on all continents by a simple mouse click. Algorithms can detect diseases long before doctors can diagnose them. And the diversity of cultures and religions in our society has become the norm. "Change is the law of life," J. F. Kennedy once said in the 1960s. And indeed, the world of 2019 is fundamentally different from that of the Kennedy era. But this law of life today seems more tangible than ever. Because change is taking place faster than ever. Over the past ten years, the world has undergone unprecedented change.

The change we're experiencing is being driven to a large extent by the three megatrends of globalization, digitalization and demographic change. In many areas, these trends are having a profound impact on our lives today – how we work, how we think, how we feel and how we interact with each other. This has not left the social fabric of our societies unaffected. How will we live together in the future? Taking a proactive approach to shaping social cohesion is a particularly important task in these challenging times. With our international conference "Trying Times – Rethinking Social Cohesion" we would like to invite you to join us in taking up this task.

As has always been the case throughout the human history, today's time of change is, for many, marked by uncertainty. Will the world continue to change at this rapid pace? What changes remain ahead of us? And how, in concrete terms, will these changes affect the life of the individual and the coexistence of the many? Many people live in fear of an uncertain future.

Understandably, concerns and fears play an important role in the public debates on globalization, digitalization and demographic change. "The rich vs. the poor," "fake news," "aging societies" and "alienation" are just a few of the buzzwords that fuel a vague sense of threat. The mass media often act as "noise amplifiers": By echoing and repeating these catchphrases, media outlets help turn anxieties or justified caution into excessive fear.

These fears must be taken seriously. As a society, we must walk the path of change together. We believe that the trends of globalization, digitalization and demographic change not only pose dangers and challenges, but they also bear potential – the potential to make this world, our societies and our lives better, and to strengthen social cohesion. The opportunity for social progress always lies in change.

Globalization has also brought us new economic opportunities and opened up new cultural horizons. Digitalization, in the form of new media, has created new opportunities for social and political participation: Those who in the past were not heard, now have a voice. And digitalization has made it possible for families, friends and acquaintances to maintain their social relationships, even across long distances. New forms of knowledge transfer have also given many people around the world access to education which, in turn, opens up opportunities to escape poverty and lead a self-determined, meaningful life.

The different demographic developments observed across different countries of the world bear opportunities of economic prosperity for everyone. For many aging societies with skilled labor shortages, migration is the key to maintaining their economic strength. At the same time, these societies offer young skilled workers from abroad opportunities often not available to them in their home countries. And engaging with different languages, cultures and religions can prove deeply enriching.

Whether the megatrends will affect our societies in more positive or negative ways is largely up to us. In order to tap the profound potential within these trends, we must understand the challenges of the future and target them with our actions – today. We must shape our future. We must ensure that globalization, digitalization and demographic change strengthen, not weaken, cohesion in our societies.

We've invited you to our conference to have you join us in taking a first step along this path. Let us rethink the social



cohesion of the future – together. We'd like to discuss with you how we can take the challenges of the present and transform them into the opportunities of the future. We target this goal from a global perspective. In a world as interconnected as ours, the question of social cohesion in our societies can be answered only through international exchange. A prerequisite for the success of this dialogue is respect, and mutual respect for values.

“Trying Times” refers to the fact that we're living in challenging times of change. And yet the time is right to look ahead at what we can do: “Let's try something new!” Help us discover perspectives, develop ideas and find solutions for the tasks of the future. Let's work together and use today's flexibility to shape tomorrow's world. Because, as J.F. Kennedy noted nearly 60 years ago in his address in the Paulskirche Assembly Hall, “those who look only to the past or present are certain to miss the future.”

The following pages are intended to serve as a stimulus for our discussion. The study is the product of our close cooperation with our partner, Das Progressive Zentrum. It introduces the theme of our conference, highlights key issues and invites us all to reflection on them. We offer our warmest appreciation for the authors Sophie Pornschlegel and Paul Jürgensen.

We wish you much inspiration in reading this study and look forward to discussing it with you!

Aart De Geus
Chairman of the
Executive Board
Bertelsmann Stiftung

Liz Mohn
Vice-Chairwoman of the
Executive Board
Bertelsmann Stiftung

Executive Summary

The world is changing at a pace previously unknown to humankind. People across the globe are more connected than ever before. Many enjoy the benefits of communicating, traveling, and even working beyond the constraints of their national borders. The fact that people are less bound by where they are from and where they reside raises fundamental questions on what keeps societies together and what drives them apart. While national, historical and cultural specifics remain important elements and enablers of social cohesion, one can no longer take a purely national perspective to assess the social fabric of societies. Important trends of our time, namely globalization, digitalization and demographic change, are having a profound impact on societies around the world – a development that affects social cohesion as well. It is therefore imperative that we find ways to best harness the positive potential that these trends bring.

Globalization takes social cohesion to a new level

The regulation of society and the shaping of social cohesion have long been conceived at the level of the nation-state. Important institutions that are commonly associated with bringing and keeping societies together, such as the rule of law, taxation or social welfare provisions, are organized at the national level. In recent years, globalization has curtailed many competences of the nation-state. To the extent that the relevance of the nation-state is waning, the social cohesion of a nation-state's society is at stake. But it would be misguided to claim that globalization as such diminishes social cohesion. For example, in Asia, where globalization has fueled economic growth over the past two decades, major gains have been made in eradicating poverty in the region and creating a sizable middle class. This newly gained prosperity has been an important driver of social cohesion in the region. However, in Western industrialized countries, globalization's gains have been distributed unevenly, which accounts in part for growing structural inequalities and weakening social cohesion.

The challenges globalization can pose to the social cohesion of societies are not only economic in nature. As globalization

blurs the contours of the nation-state, building reference points for collective identities as a basis for social cohesion has become a much more complex task. Many people have developed new forms of identities that render nationality increasingly less important and instead put a premium on other defining features, such as religion, lifestyle, ethnicity, geography or a cosmopolitan outlook. Lately, this development has met with considerable resistance in Western countries, grappling with a revival of nationalistic politics and a polarization of societies. Societies need to work much harder to find new ways to shape the public sphere as a space for controversial but constructive discourse that makes collective progress possible.

Digitalization can make and break social cohesion

Not many other changes in the history of mankind have altered almost all areas of human life as profoundly as digitalization. The digitalization of the public sphere has created both opportunities and challenges for social cohesion. Digitalization has helped to democratize discourses by giving a voice to the many, thereby fostering participation and diversity. It has also empowered activists to circumvent the censorship of state-operated media and to bring people together against authoritarian rule, sometimes resulting in peaceful transformations.

However, digitalization has also blurred the line between the truth and “fake news,” eroding shared understandings of reality within communities, interpersonal trust and, ultimately, social cohesion. The growing influence of algorithms, many of which are defined by a handful of big corporates, can impose constraints on an open public discourse. At the same time, algorithms can contribute to human benefit. For example, they can help us make more consistent and fairer decisions. Whether the effects of digitalization will be predominately positive or negative in the future will depend on governments and civil society being up to the challenge of creating meaningful regulatory and normative frameworks of digital governance.

A cohesive society is characterized by resilient social relations, a positive emotional connectedness between its members and the community, and a pronounced focus on the common good.

Digitalization will also define the future of work. In fact, it could act as a major enabler of social cohesion. Work connects people, creates bonds among them, and brings meaning and structure to their lives. Many people share the doomsday view that digitalization will result in a huge loss of jobs, as algorithms and machines will be able to carry out many tasks more efficiently than humans ever could. However, digitalization may not necessarily result in a change of the number but rather the nature of tomorrow's jobs. Humans might no longer need to engage in time-consuming technical or bureaucratic tasks but have more time to spend on creative, contemplative, welfare- or care-related tasks. Also, the development of digital infrastructures across all sectors of society is set to create new jobs.

The digitalization of the labor market also affects the way work is performed. Ever more employees will enjoy new flexibility, working from home or on the go, which can make it easier to reconcile productivity with cultivating personal relationships. However, the flexibility that digital innovations offer can also be exploited to undermine labor standards and lead to precarious employment conditions. An important challenge in the digitalized economy is thus to ensure that labor standards, including good working standards and decent salaries, are upheld.

Demographic changes need to be harnessed to strengthen social cohesion

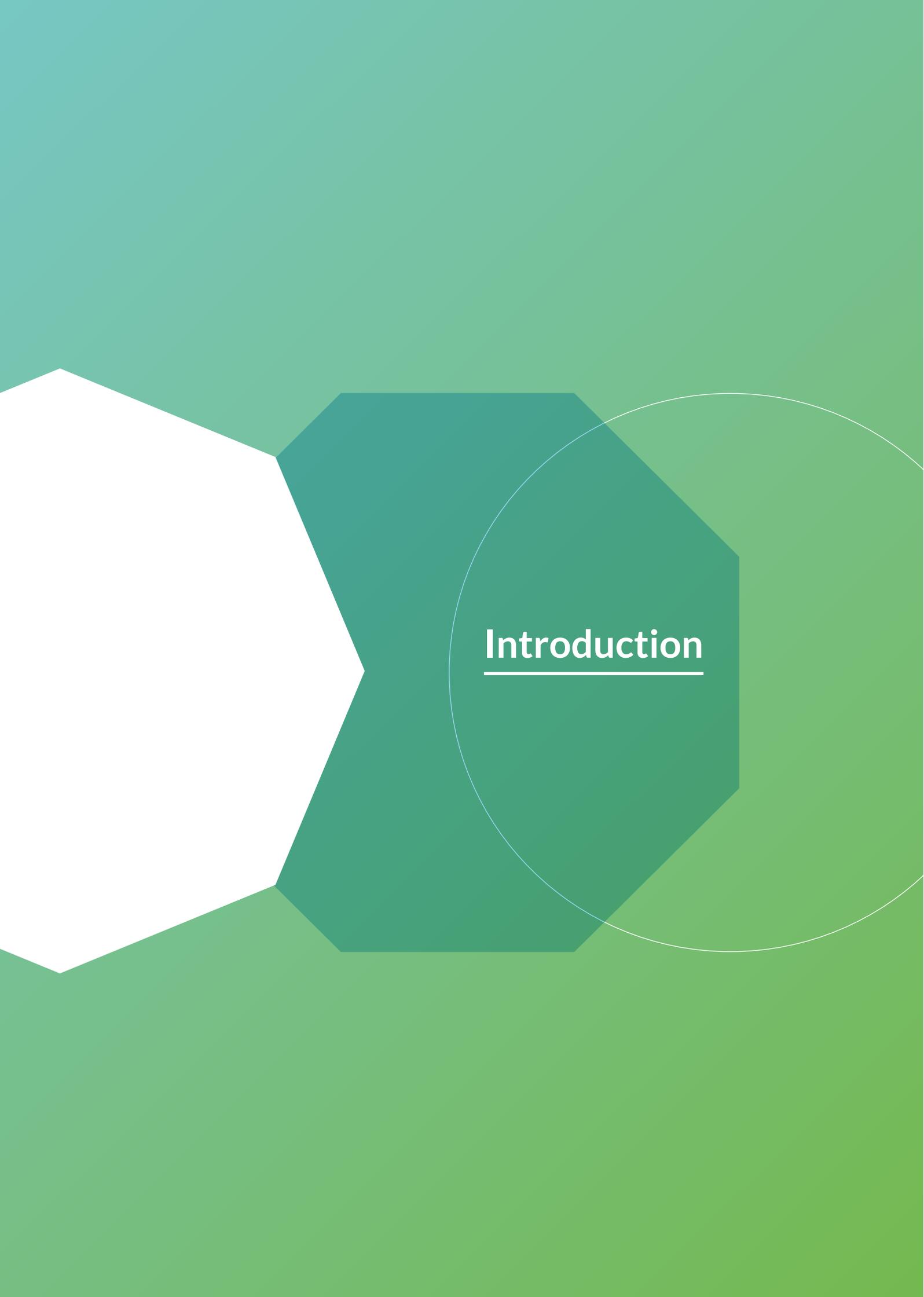
Demographic change is another crucial factor that bears on social cohesion: birth rates, life expectancy as well as migration flows are defining features of the composition of a population and thus define the social fabric of societies in important ways. In many Western countries, the social welfare system has traditionally been a cornerstone of social cohesion. However, working-age populations are shrinking, and the elderly account for a growing share of the total population. Given that the burden of paying for a large share of the elderly threatens to dampen the economic prospects of younger generations in developed economies, addressing the issue of intergenerational justice is more urgent than ever

before if social cohesion is to be maintained. Demographics can also have a potentially negative impact on political representation. In countries with aging populations, the interests of the young are often not properly represented, which is particularly worrisome as they need to live with the long-term consequences of political decisions.

Migration could prove to be the “magic bullet” solving the problem of aging societies. However, in many developed countries, increasingly nationalistic sentiments diminish the positive dividend migration could bring. In this respect, it is important that governments live up to the challenge of implementing and continuously adapting integration policies that go well beyond managing economic aspects of integration, tackling also education, health, well-being and civic participation. Unlike developed economies, many developing countries, especially in sub-Saharan Africa, are dealing with challenges that come with high population growth over short periods of time. Combined with other factors that make effective governance challenging, this kind of swift population growth often renders the eradication of poverty and diseases more challenging. However, a large and young population also offers great potential for economic growth and the emergence of a sizable middle class, as the example of many Asian countries shows.

No one size fits all

Empirical results strongly suggest that – aside from economic prosperity – there is no universal formula for holding societies together. Rather, there seem to be different ways of achieving social cohesion that resonate with and complement specific historical and cultural developments. Against this background, it remains to be seen how different societies, with their distinctive approaches to creating and maintaining social cohesion, will be able to adapt to the challenges and opportunities of globalization, digitalization and demographic change. Yet, one thing is clear: Governments and civil society must be aware of the transformations that lie ahead and be ready to act to shape these trends, which will determine the future state of social cohesion.



Introduction

Social cohesion in times of rapid change

Sophie Pornschlegel and Paul Jürgensen¹

In 1870, the American entrepreneur and adventurer George Francis Train traveled around the globe in 80 days. On his return, Train gained national popularity and, having inspired the famous novel “Around the World in Eighty Days” by French author Jules Verne, his story even reached a global audience. Indeed, during that time, such a journey required bravery and exceptional financial resources. Today, circling the globe on a regular passenger plane takes around 48 hours and is affordable for millions of people.

Train’s adventure shows that globalization is by no means a new phenomenon. Already in the 19th century, our planet was interconnected in terms of mobility, trade and culture. However, since then, the world has grown closer together at an enormous speed. What was almost impossible even for the wealthy elite in the 19th century is now accessible to significant parts of the global population.

In times of increased mobility, borderless communication and globalized financial markets, the world is currently subjected to a level of interconnectedness for which there is no historical precedent. This entails global systemic risks – the global financial crisis, for instance, was caused by the collapse of the U.S. housing bubble – but it also presents us with opportunities. Inventions, such as the iPhone or Facebook, have changed the way people communicate, work and live all around the world within a matter of only a few years. In other words, what happens in one part of the world has become far more likely to have a significant impact on the lives of distant others.

In a globalized world, the question of what holds societies together and what has the potential to divide them can no longer be answered from an exclusively national standpoint.

¹ The authors have developed this paper in close conceptual cooperation with the Bertelsmann Stiftung as a background study for the conference “Trying Times – Rethinking Social Cohesion” convened by the Bertelsmann Stiftung on 4–6 September 2019 in Berlin. This process has been informed by two expert workshops held in preparation of the conference.

Social cohesion is often seen as a purely national concept. Yet, in a globalized world, the question of what holds societies together and what has the potential to divide them can no longer be answered from an exclusively national standpoint. While considering national, historical and cultural particularities that shape societies, we will explore how global trends impact the cohesiveness of societies around the world and highlight developments that will strongly influence our living together in the near future.

Social cohesion explained

Social cohesion is associated with a multitude of issues – for example, political polarization, migration, economic developments, regional disparities, the overall stability of societies and the well-being of its members, to name just the most important ones. This can be confusing at times and it comes with a risk: social cohesion runs the danger of becoming a catch-all-term. It is often difficult to draw clear lines between the drivers of social cohesion, its essence and the impact it has on other issues. In order to develop a common ground for discussions on the cohesiveness of societies as well as the challenges and opportunities that come with it, the essential elements of social cohesion must be distinguished from factors that – while highly relevant – merely have an influence on or are influenced by social cohesion.

Take, for instance, two factors that usually play a pivotal role in discussions on social cohesion: inequality and shared values. Societies with high levels of inequality, it is generally argued, are less cohesive. While this might be true empirically, there is no necessary link between equality and social cohesion. In theory, a society could indeed be highly unequal in social and economic terms but still very cohesive. It is conceivable that citizens accept large differences in income and wealth as merit-based and still feel connected to each other by virtue of a common culture or other integrative forces. For instance, inequality in Singapore is higher than in South Korea. Still, Singapore

shows higher levels of social cohesion.² A similar argument can be made in regards to shared values. A society with a polarized public sphere, which leads controversial debates over competing values and attitudes, is not necessarily less cohesive. And conversely, a society with a common canon of values might still show a low degree of social cohesion. For instance, Japan is considered a relatively monocultural country and still shows lower levels of social cohesion than Australia, a culturally more heterogeneous nation with a similar level of economic development.³ Thus, equality and shared values might be potentially enhancing factors, but they are not constitutive elements of social cohesion.

Social cohesion, however, cannot be conceived without the following three dimensions: social relations, a sense of belonging and orientation toward the common good.⁴ A society is cohesive to the extent that its individuals have dependable ties with their immediate environment and trust in the wider community (1); that its individuals trust the political institutions and feel attached to the social entity they build (2); and finally, that they feel a certain responsibility for the common good and act accordingly (3). Together, these three dimensions form a lean, but comprehensive understanding of social cohesion.

Searching for a sense of belonging in a world of uncertainty

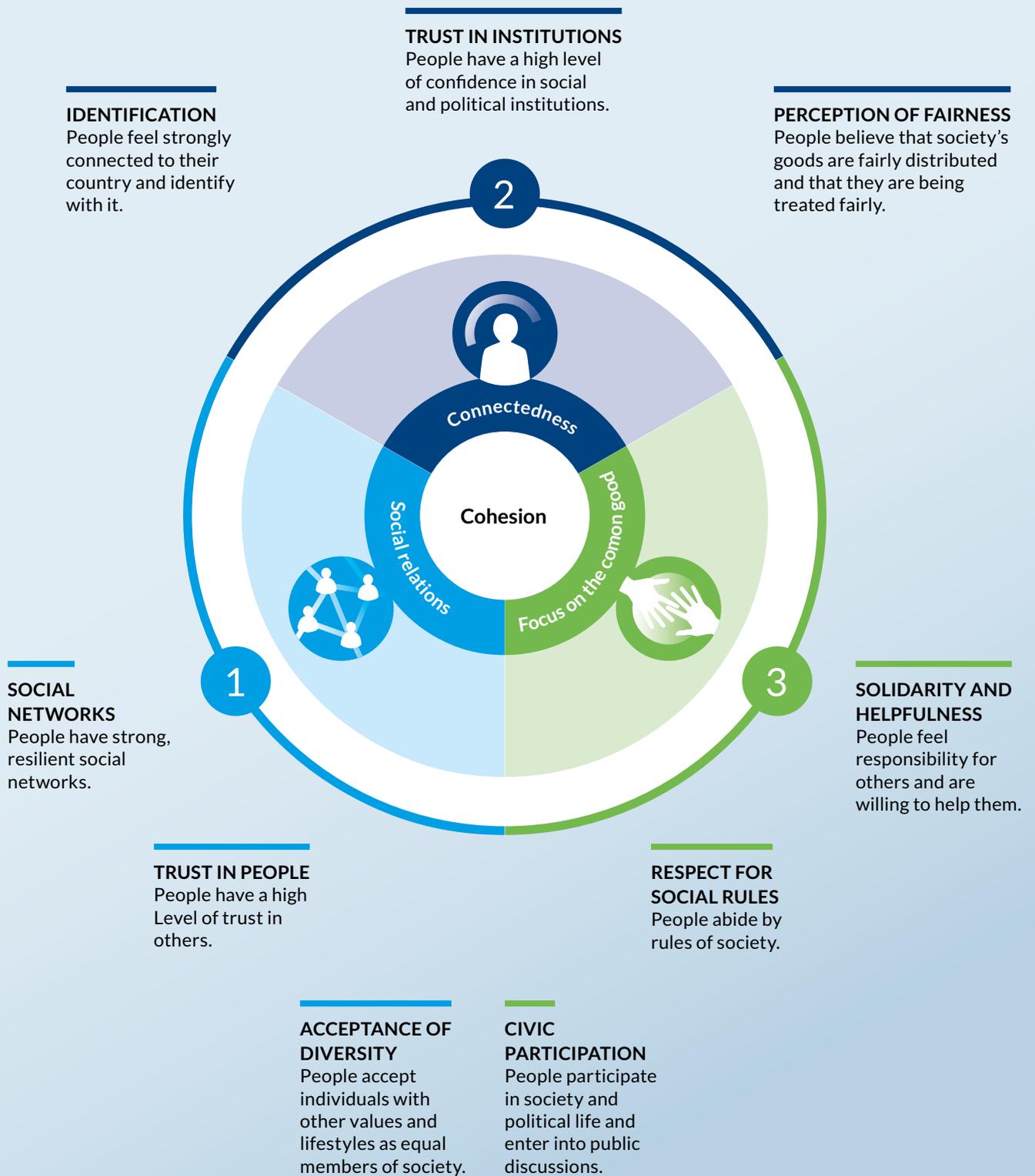
Globalization offers innumerable opportunities: We can communicate with people all over the world in real time and share vast amounts of information. We can travel across the globe, live and work in foreign countries and explore different cultures. We can trade goods and services,

² Dragolov, Georgi et al. (2018): Social Cohesion and Its Correlates: A Comparison of Western and Asian Societies, in: *Comparative Sociology*, 17 (3-4): 426-455.

³ Ibid.

⁴ Schiefer, David & Jolanda van der Noll (2017): The Essentials of Social Cohesion: A Literature Review, *Social Indicators Research: An International and Interdisciplinary Journal for Quality-of-Life Measurement*, Springer, 132 (2): 579-603.

FIGURE 1 Dimensions of social cohesion



create value and promote economic growth. And we have access to an incredible range of innovations and products – regardless of their origin.

However, there are downsides, too. The opportunities generated by this economic development are not equally distributed – neither across the global population nor within societies. Rather, the processes of globalization seem to have created “winners” as well as “losers.” The divides are manifold and can be seen across a number of lines: socioeconomic, educational, religious, geographic and age-related.

For those who benefit less from globalization, these transformational developments have concrete and far-reaching implications for their everyday lives. They have to ask themselves questions such as: In a digital workplace, will I be able to keep my job? In societies with increased levels of immigration, will I be confronted with discrimination based on my ethnicity or religion? In a globalized world, can my nation-state represent the interests of me and my fellow citizens? Increasingly, these unresolved questions lead to a feeling of uncertainty and an intensified urge to find something to hold on to. Furthermore, the underlying fundamental changes also have a significant impact on the cohesiveness of societies in general.

Nation-states are held together by a combination of cohesive factors: A common culture and traditions, interdependencies created by the division of labor in economic markets, shared values and norms, political institutions and solidarity.⁵ Each of these factors are strongly affected by the global trends of digital transformation, demographic change and globalization. Digitalization transforms our labor markets and fundamentally challenges the way our public spheres

⁵ The list of cohesive factors is not exhaustive. Rather, it attempts to point out some criteria which are argued to be conducive to social cohesion in the international debate and are currently under pressure in the course of the global trends of digitalization, demographic change and globalization.

function. The demographic shifts underway put systems of intergenerational justice to the test; increasing diversity and migration affect the culture and values of societies. Finally, globalization makes it increasingly difficult for national political institutions to exercise their regulatory power. These trends are likely to continue in the future – and will challenge the cohesiveness of societies around the world.

We are all confronted with a complex task: How can we master the challenges of digitalization, demographic change and globalization, foster the positive effects of these global trends, and strengthen the integrative forces of communities at the same time?

Against this background, we are all confronted with a complex task: How can we master the challenges of digitalization, demographic change and globalization, foster the positive effects of these global trends and, at the same time, strengthen the integrative forces of (national) communities?

The following chapters will give a more detailed insight into the global framework for social cohesion and the complex interplay of various factors for social cohesion in its various national contexts. In chapter 1, we will explore how an increasingly fragile world order and a globalized economic system affect social cohesion in different world regions. Chapter 2 assesses the developments of digitalization in the working world and the public sphere and examines how these changes impact the social fabric of societies. Chapter 3 looks at the challenges demographic change poses for the cohesiveness of societies. Finally, in the conclusion, we will ask for potentially universal drivers of cohesiveness and juxtapose three prototypical regimes of social cohesion.

Chapter 1

Social cohesion – a national concept in a globalized world

Many challenges humanity faces today are global in nature: neither disruptive technologies nor climate change are stopping at borders. However, the political system in which we intend to master these challenges predominantly functions in the logic of the nation-state. This creates an imbalance between the sphere in which changes are occurring and the spheres in which politics respond to it. The historian and philosopher Yuval Noah Harari concludes: “To have effective politics we must either deglobalize the ecology, the economy (...) or we must globalize our politics.” While the first option appears to be impossible, the second requires a consensus on how to do politics at a global level.

Francis Fukuyama, an advocate of modernization theory, predicted that the end of the Cold War would establish such a consensus and launch a third wave of globalization under liberalism. From today’s perspective, his prognosis seems somewhat hasty. Rather than the end of history, the fall of the Berlin Wall was the starting point of the emergence of a more volatile, uncertain, complex and ambiguous world.⁶ The two opposing blocs of East and West did not fuse into a lasting “Pax Americana” alongside an uncontested triumph of liberal democracy. Instead, almost 30 years after the end of the bipolar world order, we find ourselves in a multipolar world that lacks consistency and a clear path in world politics. With the election of Donald Trump as new president of the United States, an important power has given up its leading role in the world – putting “America first” and rejecting multilateralism altogether. And while the European Union has until now failed to fill this vacuum, Russia and China are increasingly disrupting established power constellations. This new development has led many commentators to predict a rise of competing powers that will dispute themselves the leadership of the international world order.⁷

This multipolar world order is the setting in which societies and their nation states currently operate. And it is a setting characterized first and foremost by uncertainty – not only because power constellations have become fragile but also because societies face increasingly disruptive, global transformations, such as digitalization and climate change, without having the tools to deal with them appropriately. States find themselves in an “in-between” situation. On the one hand, the world has become globalized to an extent that makes it impossible for nation-states to have full sovereignty over the matters affecting the well-being of their members. On the other hand, globalization has not

⁶ This concept of a volatile, uncertain, complex and ambiguous or “VUCA” world was developed by the U.S. Army after the Cold War and is now a concept often used in contexts of leadership strategies for various organizations.

⁷ The report of the annual Munich Security Conference 2019 was entitled: “The great puzzle: Who will pick up the pieces?”

(yet) reached a stage where states form one common entity in which all regulatory decisions are made collectively either. Rather, societies influence each other's fate but have limited control over their interdependence.

At first glance, the equation appears simple: As globalization grows stronger, nation states become weaker. And since social cohesion manifests itself within the nation-state, a globalized world poses a challenge to the cohesiveness of societies.

Individuals, multinational companies as well as inter- and supranational institutions are operating across borders – and therefore not within the boundaries of national political systems and regulatory frameworks. As a consequence, our economic system exceeds the regulatory power of the nation-state. Social cohesion, however, takes place within the territorial limits of a nation – and the institutions that are supposed to hold societies together, for example, social welfare provisions, taxation and the rule of law, also are established at the national level. At first glance, the equation appears simple: As globalization grows stronger, nation-states become weaker. And since social cohesion manifests itself within the nation-state, a globalized world poses a challenge to the cohesiveness of societies.

The economic dimension: Exploring globalization's ambivalences between prosperity and inequality

However, the matter is more multifaceted than this equation suggests. During the last 30 years, globalization did not only affect the global order, but it also had a significant impact on the economic development of numerous countries – especially in Southern and Eastern Asia. Between 1990 and 2015, many Asian countries have seen unprecedented growth rates. This had particularly

strong effects on the global middle class, which grew by some 900 million people in the same period of time.⁸ And if the estimates are correct, the large majority of people will have entered the global middle class by 2030, with China and India accounting for the lion's share.

In terms of material living conditions, this is an extraordinary development. Until now, the increasing prosperity in the world has been largely driven by open markets and free trade. As academic research has demonstrated, an increase in prosperity significantly contributes to the cohesiveness of societies, especially in Asian countries. This way, globalization has had a remarkable positive impact on the social cohesion of developing countries and will most likely continue to do so. At the same time, the competition with countries where lower wages are paid has put a strain on Western industrial countries. Wage pressure, loss of employment or job insecurity have become a reality for more people in Western societies, which can become a breeding ground for rising populism and political polarization.

Prosperity alone, however, is no guarantee for social cohesion. Other factors matter: one of the most central ones is the question of how economic wealth is distributed. In this field, globalization appears to have a weaker track record. Economists such as Joseph Stiglitz point to the growing social inequalities within societies and see this development as undermining social cohesion. Here too, India is a telling example. While economic growth has been strong over the last years, this has not (yet) translated into a reduction of the large gap between the rich and the poor and the divide between rural and urban areas. One reason for this can be identified in the foreign direct investment flows, which are usually concentrated in urban, comparably affluent regions. Conversely, rural areas are rarely profiting

⁸ The middle class comprises those households with per capita incomes between \$10 and \$100 per person per day. Kharas, Homi (2017): The Unprecedented Expansion of the Global Middle Class. Brookings Institute, Working Paper 100, June 2017: 2

FIGURE 2 Global middle-class dominance in 2030



Source: Kharas, Homi & Kristofer Hamel (2017): A global tipping point: Half of the world is now middle class or wealthier, Brookings Institute.

| BertelsmannStiftung

from these investments. This discrepancy potentially widens the rural-urban divide, further challenging social cohesion, especially in large states such as India.

Of course, it is within the responsibility of nation-states to counter these negative developments. However, the most obvious instrument – taxation – is affected by the trend of globalization, too. As the Panama Papers and other leaks have revealed, many super-rich individuals, as well as multinational corporations, move their capital and profits to countries with the most favorable tax conditions. According to estimates of the United Nations World Institute for Development and Economics Research, each year, \$500 billion of revenue are lost worldwide as a result of tax avoidance. In India, the cost of tax avoidance is high both in absolute numbers (US\$ 41.2 billion in 2013) and in relative terms (2% of the country’s GDP).⁹ This loss of revenue creates not only a hole in the state budget, but also tangible reasons for people to distrust their fellow citizens and political institutions.

⁹ Cobham, Alex & Petr Jansky (2017): Global distribution of revenue loss from tax avoidance, WIDER Working Paper 55, United Nations University World Institute for Development Economics Research.

The cultural dimension: Embracing an open or a closed society

Evidently, material conditions are one of the most important conditions of social cohesion. However, beyond that, social cohesion is also a matter of identification with a “collective.” Since the emergence of the nation-state in the 19th century, the idea of the “nation” has long been a major source of this sort of collective identity. Yet, as globalization has challenged the concept of the nation-state and blurred its contours, the question of the reference point for collective identity has become topical again. The sources from which a sense of belonging stems have pluralized: next to nationality, traditional identity markers such as religion and ethnicity have regained influence. Besides these, different types of lifestyle have become an anchor point for identity questions in modern societies. Moreover, we witness an actualization of geographical reference points, especially in relation to local communities and cities. But the cosmopolitan attitudes of some proportion of international elites can be mentioned in this context, too. As a consequence, the question of which reference point(s) or processes are potential levers for social cohesion has become more complex. Thus, it is an important question

how these current plural reference points for identities can be navigated to unfold an integrative force that holds societies together in the future.

People have changed perspectives on their sense of belonging and have developed new forms of identities, not only based on nationality but also on religion, lifestyle, ethnicity, geography and cosmopolitan attitudes.

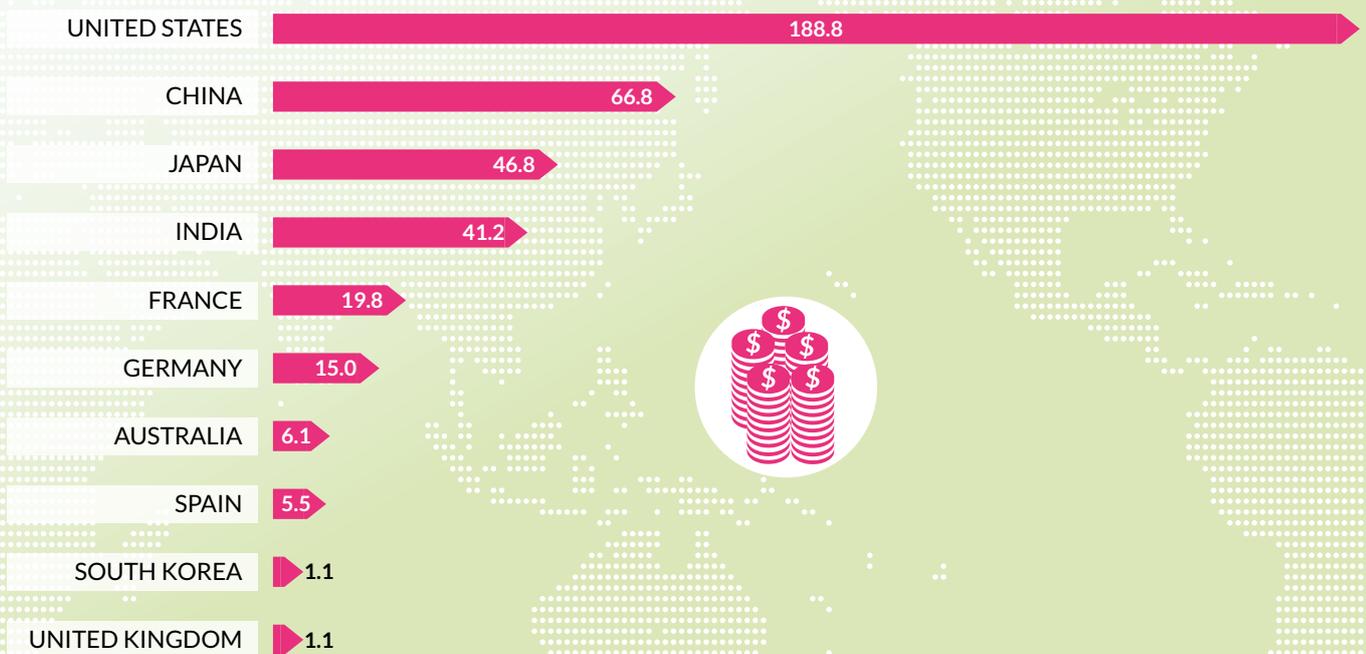
An optimistic interpretation could lead us to the conclusion that more pluralist societies with a larger diversity in identity formations are capable of establishing resilient societal bonds internally and offer the merit of decreasing the potential of inter-state conflicts at which core,

historically, often stood exclusivist and nativist forms of national identity. A more pessimistic account might view this process of pluralization as resulting in a fragmentation of societies that helps fuel polarization and intra-state conflicts.

We currently witness strong reactions to these competing models of identity formation in Western societies. Presumably, the two most effective and most famous political slogans in the Western world of today are Donald Trump’s “America First” and the Brexiteers’ “Take Back Control.” This is no coincidence. Both tap into the growing sentiment that – in a globalized world – citizens have lost control over their countries and can, in fact, restore it by supporting politicians who promote the withdrawal from international organizations and multinational agreements – as well as by limiting immigration and thus the diversity and multi-ethnicity of their population. Alarming, these

FIGURE 3 The global cost of tax avoidance

ESTIMATED ANNUAL CORPORATE TAX LOSSES IN SELECTED COUNTRIES
(Billion U.S. dollars)



Source: Statista (2017)

protectionist and anti-globalist trends are accompanied by nationalist, nativist rhetoric and politics. Donald Trump regularly refers to the “real Americans,” implying that some citizens in the United States have a worthier claim to their status than others. In a similar vein, the British politician Nigel Farage declared the Brexit to be a victory for the “real people.” These tendencies can also be observed in Hungary, Poland and Turkey where the respective leaders Viktor Orbán, Jarosław Kaczyński and Recep Tayyip Erdogan promote what many have referred to as “illiberal democracy,” that has strong authoritarian characteristics. Their homogenous and anti-pluralist conception of society finds approval and support in large parts of the Hungarian, Polish and Turkish population.

It seems that by challenging national identities, globalization has contributed to the polarization of societies, which currently manifests itself in the increasingly deep trenches between those who consider globalization as a positive development and those who oppose it. The ideological gap between Democrats and Republicans in the United States has dramatically widened, Brexit has drawn a sharp conflict line between Remainers and Brexiteers and, in many other European societies, we now see a cleavage between those who favor a closed society and those who support an open society. To be clear: Polarization is not a threat to social cohesion per se. In fact, a controversial public discourse can be an indicator of the maturity of a political system. If, however, polarization goes so far as to merge all existing conflict lines – religious, socioeconomic, ecological, etc. – into one insurmountable antagonism, social cohesion becomes endangered. Polarization also has a negative effect on social cohesion when there is a lack of common ground for a political discussion, often because of an increasingly fragmented public sphere.

It seems that by challenging national identities, globalization has contributed to the polarization of societies.

Clearly, all these developments – the rise of a global middle class, increasing structural inequalities, the pluralization of societies, the challenged notion of national identity and the cultural backlash promoted by nationalistic politics – are neither solely caused by globalization nor do they have the same effects on the cohesiveness of societies. Yet, globalization is a phenomenon that we cannot escape – and we cannot turn back time either. Rather, going forward, we will have to find ways to reconcile globalization with social cohesion in our societies.

Focus questions

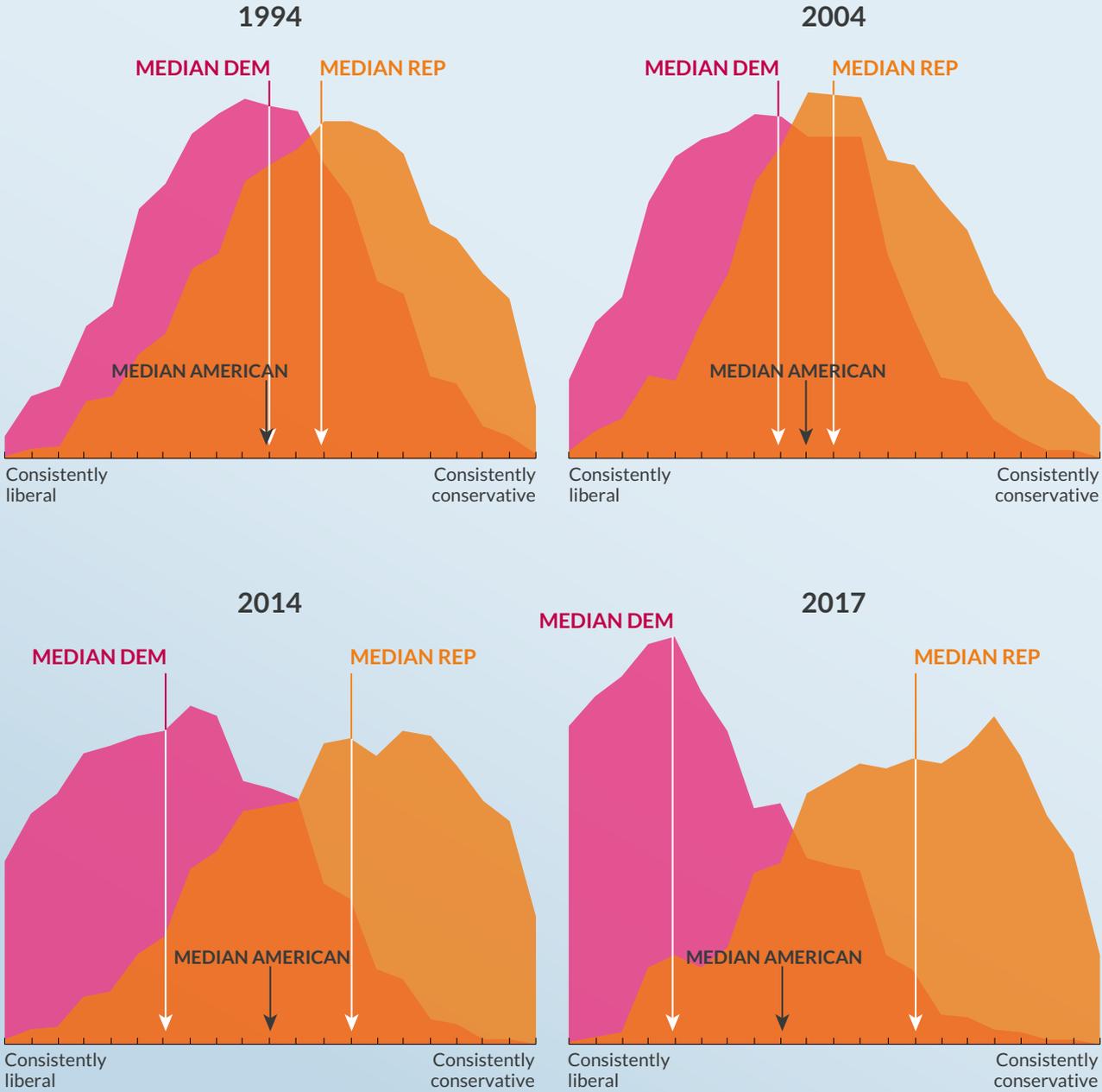
A global economy in transition: How can we ensure social cohesion in a globalized economy?

- How do economic inequalities relate to social cohesion?
- How could redistributive and tax politics foster social cohesion in different national contexts?

Shifting loyalties: How does globalization affect identity formation?

- Will social cohesion still be tied to the locus of the nation-state in the future?
- How can traditional national identities be reconciled or co-exist with plural, more localized or cosmopolitan forms of identity in the same society?

FIGURE 4 Increasing ideological division between Democrats and Republicans



Source: Pew Research Center, Political Polarization in the American Public, 2014 [2019]

Chapter 2

The background features a teal-to-green gradient. A large white circle is in the top right. A dark teal circle is on the left. A white octagonal outline is centered in the lower half.

Digitalization makes the world a smaller place – but can it help unite societies?

Digitalization has revolutionized our entire lives and has led to a “Fourth Industrial Revolution,” in which the lines between the biological, physical and virtual are blurred and increasingly interconnected. The emergence of robotics, artificial intelligence, nanotechnologies, quantum computing and the Internet of Things (IoT) have fundamentally changed the way people communicate, behave, work, travel and live. This “revolution” does not compare to any other revolutions in history.

Firstly, its disruptive effects have been much quicker than previous disruptive changes. The impact of the first Industrial Revolution, which began in Britain in the 1780s, was not felt until the 1830s and 1840s. Nowadays, it takes ten to fifteen years to change the way people communicate. We see this, for example, with the rapid ascent of services such as Facebook Messenger or WhatsApp. And especially in the realm of politics, it has taken a little more than ten years for Twitter, which was launched in 2006, to establish itself as a central platform for communications. From 2016 onwards, it had been the main platform for the U.S. president to communicate with the world – which led to the nickname “140 Character president,” for the number of characters available in a tweet. Secondly, this digital revolution is hyperconnected. It is taking place within a complex ecosystem and therefore has implications for government, business and society.¹⁰ Finally, digitalization is changing not only our work environment – it is changing our behavior, political views and value systems. The best example here is the notion of privacy, which younger generations view very differently than older generations.

The technological transformation affects many spheres of our daily lives, ranging from education to the working world, the health sector, personal banking and our private relationships. Nowadays, more and more people on their morning commute use their smartphones to engage in a number of activities: chat with their friends, respond to an important mail, put together a new playlist on Spotify, watch a series on Netflix, check their bank account, buy something on Amazon or scroll through Instagram. Currently, approximately 55% of the global population has access to the internet. In 2018, over 2.5 billion people owned smartphones and the famous “iPhone” by Apple, which was launched only 12 years ago, was sold over

¹⁰ The World Economic Forum has worked extensively on the topic of digital transformation.

200 million times in that same year alone. This is the result of a large-scale technological transformation with far-reaching consequences for society.

This transformation has had a number of positive and negative effects. It has enabled innovations in the medical sector, connected people across continents and simplified the lives of large numbers of people. But it has also had more insidious effects, such as the rise of hate speech and fake news online, the increasing potential of cyber-attacks and espionage giving rise to new security problems as well as surveillance and privacy problems. Moreover, it has increased the need to address the issue of taxing big tech companies such as the GAFAM (Google, Apple, Facebook, Amazon, Microsoft), to name just a few.

These changes need to be examined with regard to their impact on social cohesion. When digitalization has changed the way people behave, the way they communicate and the way they work, this affects society as a whole. The societal consequences of these changes underway are not yet fully understood, as their implications are extremely complex and interconnected.

However, we will try to explore the effects of digitalization in two areas in particular – the public sphere and the working world. Both are crucial to shaping the social cohesion of the future. First, the public sphere, which is today largely constituted by the (mass and social) media, is the place where divisions and conflict lines become publicly and generally visible. It is particularly important to explore this area because the media provide the opportunity to address and navigate issues related to social cohesion in a powerful way with wide repercussions. Second, the working world is undergoing massive changes that pose new challenges to the fabric of social cohesion. Despite these changes, the world of work remains crucial to social cohesion as a sphere in which people across social, economic and cultural boundaries will continue to interact – and thus warrants closer inspection.

Uniting or polarizing? The impact of digitalization on the public sphere

With the rapid success of social media, the transformation of traditional media outlets and the increase in the speed of information flow, the way we communicate and inform ourselves has fundamentally changed over the last two decades. This development has had a myriad of effects with implications for the public sphere and politics in particular. For example, social media has been key to coordinate political movements. The first of its kind was the Arab Spring, a series of anti-government protests that spread across the Middle East in late 2010. Digital technologies were used to circumvent state-operated media and to organize collective actions, as well as to report on the protests and provide content to international news channels that were not under censorship. In this respect, it bolstered a “digital democracy” and a “safe space” in which citizens could openly share and connect with each other, effectively creating a common public sphere that was not dominated by an authoritarian regime and enabled a form of social cohesion among protesters.

Moreover, the rise of online platforms such as Twitter have enabled access to more direct sources of information and have helped democratize the voices of the unheard, thereby fostering greater diversity. A particularly striking example is the MeToo movement, that started after the Weinstein scandal in 2017 and spread via digital platforms across countries. It became a truly global movement for women to demonstrate the prevalence of sexual harassment and assault, especially in the workplace, and to speak out against predatory behavior.

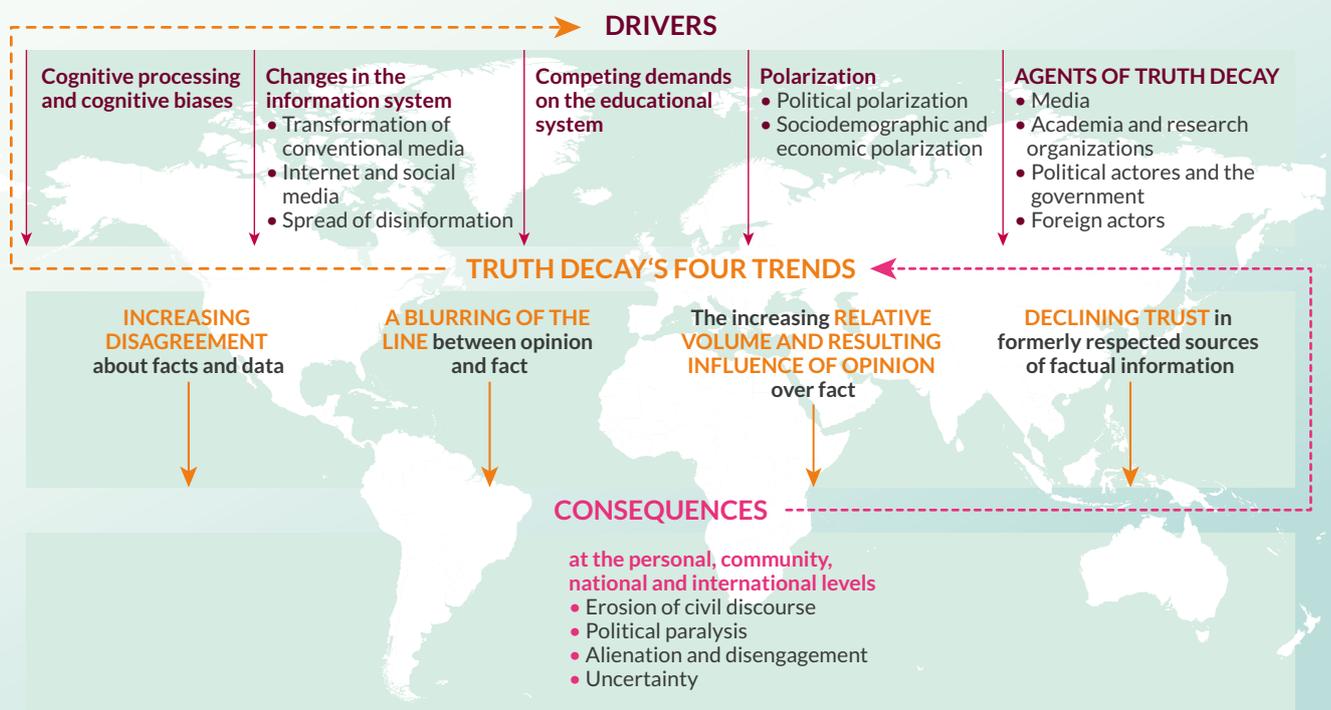
Finally, the rise of so-called “civic tech” – which creates and promotes digital tools that facilitate political participation, democratic decision-making and improved government services – has given form to what many refer to as “digital citizenship” across the globe. Digital citizenship-oriented initiatives can be government-led, citizen-led or supported by private companies. This

development is also closely linked to what has been coined “open government,” a form of more transparent and accountable government, as well as the development of new “network” parties that leverage modern technology for their own organization and decision-making processes. In this regard, the digitalization of the public sphere has arguably allowed for more diversity, fairer participation in public debates and an internationalization of social movements.

However, the digitalization of the public sphere also has a number of unwanted effects. There has been a sharp rise in “fake news” online. More and more, scientific facts regarding climate change, vaccines or the number of immigrants entering countries are questioned. At the same time, conspiracy theories are increasingly circulated, reinforcing fears that those in power are corrupt and are

using their power to advance their own agenda at the cost of the common good. The 2016 election of Donald Trump – who used Twitter to attack the mainstream media for spreading “fake news” – quickly became a symbol for the power of digital platforms. One of the first instances of Trump’s efforts as president to rewrite the meaning of truth was his claim that the number of people attending his inauguration marked the “largest audience ever to witness an inauguration,” even though the numbers were clearly lower than those for the Obama inauguration ceremony. By deeming every unfavorable report to be “fake news” and declaring his own perception as “truth”, the president facilitates a corrosive relativism that eats at the foundation of a shared understanding of reality. This, in turn, erodes interpersonal trust and thus social cohesion. When large numbers of people question the veracity of climate change, it is nearly impossible to have a constructive debate about

FIGURE 5 Truth decay as a system



Source: Kavanagh, Jennifer & Michael D. Rich (2018): Truth Decay: An Initial Exploration of the Diminishing Role of Facts and Analysis in American Public Life. Santa Monica, CA: RAND Corporation.

climate change policy. In addressing this phenomenon, the U.S. think tank RAND has pointed to a “truth decay” in our societies,¹¹ while others have coined the term “post-truth politics” in defining the populist-driven approach to questioning established facts.

Social media and its business model are key factors in explaining the ongoing changes in the public sphere. By allowing politicians, public figures and citizens to communicate directly with the public, digital platforms such as Twitter and Facebook allow users to evade the gatekeeping function performed by traditional media. While there is a democratic aspect to this development (i.e., in the sense that it gives more people access to public discourse), the growing influence of algorithms nonetheless imposes constraints on an open public sphere. This is because only a few huge private companies – such as Google or Facebook – have the capacity to dominate algorithm-generated content, which means that much of today’s digital public sphere operates under the spell of only a few firms.

The algorithms of digital platforms, which often lack transparency, tend to favor user output that triggers the most reactions. Digital platform output rarely reflects balanced reporting or carefully collated information; it is often provocative, sensationalist and strongly opinionated and thereby fuels polarization tendencies within public discourse. Moreover, since algorithms orient the creation of new content to user preferences, their use tends to facilitate the emergence of discursive and informational filter bubbles or echo chambers: Instead of viewing the news as it is, we see the news we like to see, again and again. We see the news which we like to see, again and again.¹²

11 RAND Corporation, “Countering truth decay: A RAND initiative to restore the role of facts and analysis in public life”.

12 For the discussion of the impact of algorithms on the public sphere see also Bertelsmann Stiftung (Ed.) (2017), *Digitale Öffentlichkeit. Wie algorithmische Prozesse den gesellschaftlichen Diskurs beeinflussen*, and Jörg Dräger / Ralph Müller-Eiselt (2019), *Wir und die intelligenten Maschinen. Wie Algorithmen unser Leben bestimmen und wir sie für uns nutzen können*, München: Deutsche Verlags-Anstalt.

In addition, the digitalization of the public sphere has also given rise globally to online hate speech waged against specific groups, particularly minority groups such as Muslims, refugees or feminists. One particularly shocking example is the rise of incitement to violence and hate speech waged against the Rohingya Muslim minority in Myanmar¹³ on Facebook. Finding itself wholly unprepared to properly address the problem, the company failed to curb the dynamic. The danger of online hate speech is twofold, as victims rarely have access to counseling or safe spaces in the face of virulent threats and are often subject to physical violence resulting from online hate speech, which was horrifyingly demonstrated by the wave of killings waged at the Rohingya minority.¹⁴

While the digitalization of the public sphere clearly impacts social cohesion and democracy, it will depend on the responses given by governments and civil society whether its effects will be rather positive or negative.

Generally, the rise of hate speech has led national governments and international organizations to set up a number of Codes of Conduct and tools¹⁵ designed to facilitate the reporting of online hate speech and efforts to counteract it. But these tools have thus far met with only limited success. A number of activist platforms and

13 Stecklow, Steve (2018): Why Facebook is losing the war on hate speech in Myanmar, Reuters Investigates.

14 Since the beginning of the large-scale persecutions, over 730,000 Rohingya have sought refuge in Bangladesh and over 6,700 were killed in the first month of the crackdown in 2017. Sources: United Office for the Cooperation of Humanitarian Action (UNOCHA) (2018): Rohingya Refugee Crisis; The Guardian, (14.12.2018): 6,700 Rohingya Muslims killed in one month in Myanmar, MSF says.

15 For instance, the Code of Conduct by the European Commission, the campaigns “No Hate Speech” by the Council of Europe and #SilenceHate funded by the EU, as well as legislation to report online hate speech, as the “Netzwerkdurchsuchungsgesetz” (NetzDG) in Germany that was introduced at the beginning of 2018.

movements have also launched a variety of campaigns against online hate speech.

The digitalization of the public sphere has created both opportunities and challenges that we will continue to grapple with for several years. First, the continued blurring of the line between the private and public spheres will raise questions of privacy and surveillance which are demonstrated, for example, by the discussions regarding China's social credit system. Second, whereas digitalization has democratized some discourses and created a platform for unheard voices to be heard, it has also made it more difficult to differentiate between truths and lies, which further fragments the common ground for public debates. Third, it has empowered online activists and peaceful transformations in some countries, while stirring up social unrest in others, such as in France with the yellow vests movement. And finally, it has enabled new tools for political participation while, at the same time, increased the potential of election interference by third parties, as seen in the case of Russian interference in the 2016 U.S. presidential election. While the digitalization of the public sphere clearly impacts social cohesion and democracy, government and civil society responses to this dynamic will determine whether we see positive or negative outcomes.

The digital transformation of the working world: The labor market and the workplace in transition

Margaret Thatcher's decision in the 1980s to close most pit-mines in the UK was met by a number of protests and strikes. People protested not only out of fear of losing their jobs and income, they protested also because mining had come to represent a "way of life" for many who work in the industrial sector. This is a typical example of how the workplace and labor market come to play a defining role in society. As a source of self-respect and social identity, work is a key aspect of most people's lives. In addition to enabling a thriving economy, work connects people,

creates bonds among them, and brings meaning and structure to their lives. The labor market thus has a key role in managing social interactions and making collective decision-making possible. Unfortunately, there is little empirical knowledge about the relationship between the labor market and social cohesion. However, according to the World Bank, "cross-country analysis of values surveys finds that job loss or lack of access to jobs is associated with lower levels of trust and civic engagement."¹⁶ A malfunctioning labor market can thus exacerbate tensions within society and foster political instability, as the jobless are more likely to feel socially excluded. Furthermore, high levels of youth unemployment can lead to reduced life chances and a greater likelihood of mental health issues such as depression. In some cases, young people without work can turn to violent or criminal activity.

Tunisia, which recorded in 2011 a youth unemployment rate of nearly 42 % (currently at 35 %), offers a particularly striking example of the negative consequences of youth unemployment. In recent years, a significant number of young Tunisians have joined the ranks of ISIS – so much so that the country was identified in 2015 as the first "exporter" of ISIS fighters with 6,000 Tunisians fighting in Iraq and Syria. Youth unemployment was one of the root causes of social unrest and the calls for greater social justice at the beginning of the Arab Spring in Tunisia in 2011. Should the processes of automation and digital transformation render large numbers of jobs obsolete, mass unemployment may become a reality in many regions across the globe, bringing with it potentially severe consequences for the cohesiveness of societies, as the example of Tunisia indicates.

¹⁶ World Bank (2012) World Development Report 2013: Jobs. Washington, DC: World Bank, Chapter 4: Jobs and Social Cohesion.

At the same time, digital transformation also has the capacity to create new employment opportunities through the development of digital infrastructures across all sectors of society. In order to fully tap this potential, serious investments in re-skilling programs and lifelong learning will be needed. Apart from the possible emergence of new jobs in the digital industry, we might also hope for compensation effects. For example, if technological innovations lead to sinking prices, this would mean a rise in the purchasing power of people's incomes.

We observe tectonic shifts that are reshaping the way we work with the gig-economy and 'uberization' of businesses.

The future of work in the digital age is one of the most discussed and pressing issues of our time, as we can observe tectonic shifts that are reshaping the way we work. We've witnessed the emergence of new business models, most notably, digital platforms such as Uber or Airbnb. What characterizes such platforms is that once they are established in the market, they show a large potential for further growth, since marginal costs are low and the incentives for users to join the leading platform are strong. Consequently, market entry for newcomers becomes increasingly difficult. As we currently witness in many digitalization-related markets, such as e-commerce and search engines, this often results in the emergence of oligopolies with less competitive labor markets and, thus, often more precarious employment conditions. With this development, "on-demand" and "project-focused-work" are on the rise, as are freelance jobs, remote and part-time work.

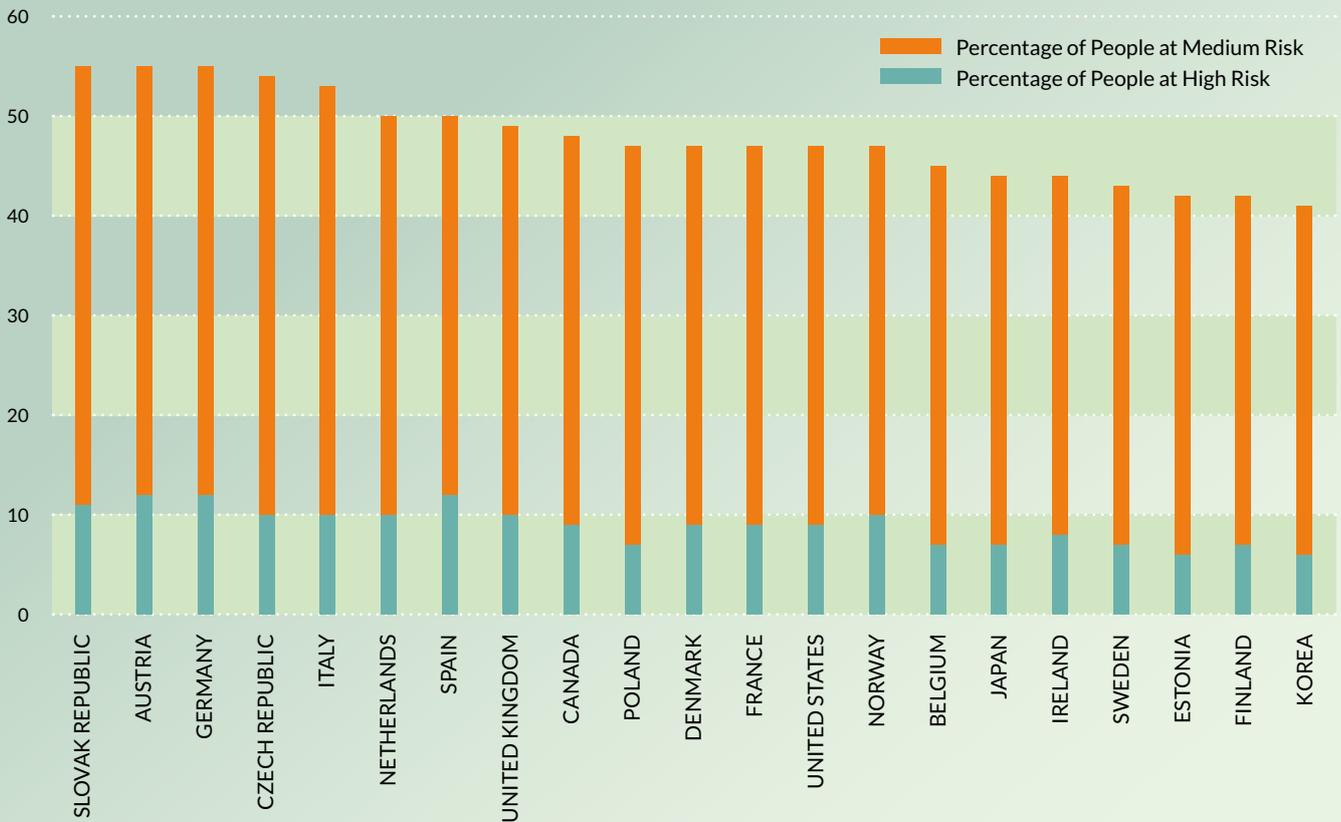
One particularly striking example of a negative consequence involves the rise of fraudulent self-employment contracts. These contracts which, in the case of Uber drivers, require them to pay for car maintenance and gas themselves, work hours beyond the limit legally permitted and submit to very strict surveillance and rating mechanisms, have attracted considerable attention.¹⁷ Workers in Amazon warehouses have also started to protest in order to improve their working environment, claiming that "they are not robots." An important challenge in the digitalized economy is thus to ensure that labor standards are upheld, and that a fair system is put into place that provides everyone with good working conditions and decent salaries.

Whereas some paint doomsday scenarios about the further impact of digitalization on the labor market, the risks and opportunities are not yet fully understood.

At the same time, digital innovations have the potential to bring benefit to people. While the flexibility these innovations create can be exploited to undermine certain labor standards, this flexibility also bears the potential to expand freedoms and participation. The digital revolution has enabled new forms of work that can be carried out in a home office or through mobile environments which, in turn, can make it easier to reconcile productivity with cultivating our personal relationships. This is particularly true in cases in which there is a big physical distance between one's employer and one's place of residence. Given the increased volatility of labor markets, it is essential that we tap digitalization's potential in order to facilitate and sustain stable social relationships. Moreover, while often seen exclusively in negative terms, the growing use of algorithms that can replace human

¹⁷ The Guardian (01.01.2019): 'We are not robots': Amazon warehouse employees push to unionize; The Guardian (09.12.2016): Uber is treating its drivers as sweated labour, says report

FIGURE 6 Risk of automatibility of jobs in the near future¹



¹ The time horizon indicated by the sources used here refers to the next 10 to 20 years.

Source: European Commission: EPSC Strategic Notes, the Future of Work, Issue 13/2016, with reference to Melanie Arntz/Terry Gregory/Ulrich Zierahn (2016), "The Risk of Automation for Jobs in OECD Countries: A Comparative Analysis," OECD Social, Employment and Migration Working Papers, No. 189, OECD Publishing, Paris.

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labor also has the capacity to bring about a more humane society. If algorithms take on time-consuming technical or bureaucratic tasks, this gives us more time to spend on creative, contemplative, welfare- or care-related tasks, which only humans can carry out.¹⁸

Whereas some paint doomsday scenarios about the further impact of digitalization on the labor markets, the risks and opportunities are not yet fully understood. According to the last Eurobarometer survey, 74 % of Europeans anticipate more jobs disappearing than new jobs being created by these developments.¹⁹ Indeed, there is a real chance that

¹⁸ For the discussion of how algorithms can be used for human benefit see also Jörg Dräger / Ralph Müller-Eiselt (2019), *Wir und die intelligenten Maschinen. Wie Algorithmen unser Leben bestimmen und wir sie für uns nutzen können*, München: Deutsche Verlags-Anstalt.

¹⁹ European Commission (2017): *Attitudes towards the impact of digitalization and automation on daily life*.

some tasks will be carried out more efficiently by robots. However, this does not necessarily mean that there will be a higher unemployment rate, but rather that the nature of the jobs done by humans will change.

Finally, at a more abstract level, we will have to rethink the meaning of work for each of us individually in a digital world. The Israeli author Yuval Noah Harari gloomily envisions the rise of a "useless class," whose jobs will have been replaced by technology and who will find a new source of meaning in virtual reality as a leisure activity.²⁰ More optimistic accounts see people enjoying more spare time as a result of robotization and digitalization that could be used to improve our living conditions, engaging more in civic and activist activities, and educating themselves. In any case, it will be important that we act to shape digital

²⁰ The Guardian (08.05.2017): *The meaning of life in a world without work*.

transformation and take it seriously as a key political issue subject to debate. If we want to leverage the opportunities digitalization holds for the human good while building societal support for digital transformation, we can't just let it continue without efforts to manage it for human and social benefit.

The meaning of work for each of us individually will have to be rethought in a digital world.

Whereas future developments are still unclear, two things are certain: First, digitalization has brought about a major shift in our economies and will continue to usher in major changes that will have important implications for social cohesion. Second, digitalization will continue to transform the labor market and thus our understanding of work as an important source of social identity and life meaning.

Focus questions

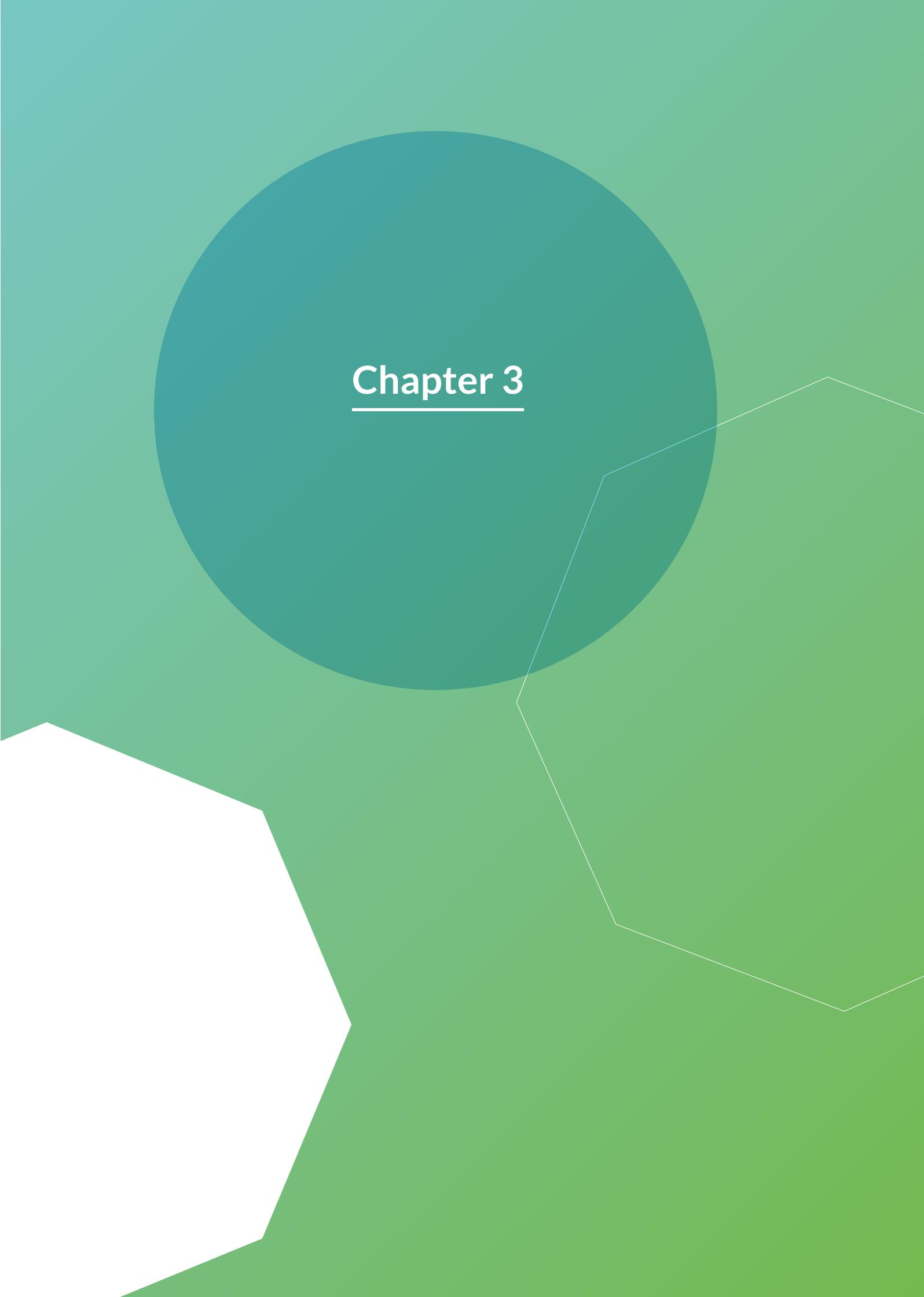
Beyond fake news and hate speech: How can social media be used to foster social cohesion?

- What are effective ways to curb hate speech online and to tackle fake news?
- How can we facilitate empathy and community in a world of digital communication?

Technology that works for the many: Fairness and human benefit in a digital working world

- How can we shape fair standards for a digitalized labor market?
- How can we tap the potential of digital innovations for a more humane working world?

Chapter 3

The image features a teal circular graphic in the upper center containing the text 'Chapter 3' with a white underline. The background is a gradient of green, with a white geometric shape in the bottom-left corner and a white line forming a shape on the right side.

Managing demographic change across the globe – opportunities and challenges

Demographic change is a phenomenon that may be less visible in our everyday lives, but it is nonetheless an important driver of change. Its effects are less disruptive than, for instance, the emergence of digital technologies, and they come at a slower pace. However, its effects should not be underestimated. Indeed, demographic change is one of the most important factors for the evolvement of social cohesion: birth rates and life expectancy as well as migration flows are constantly changing the composition of the population and, with it, the fabric of our society.

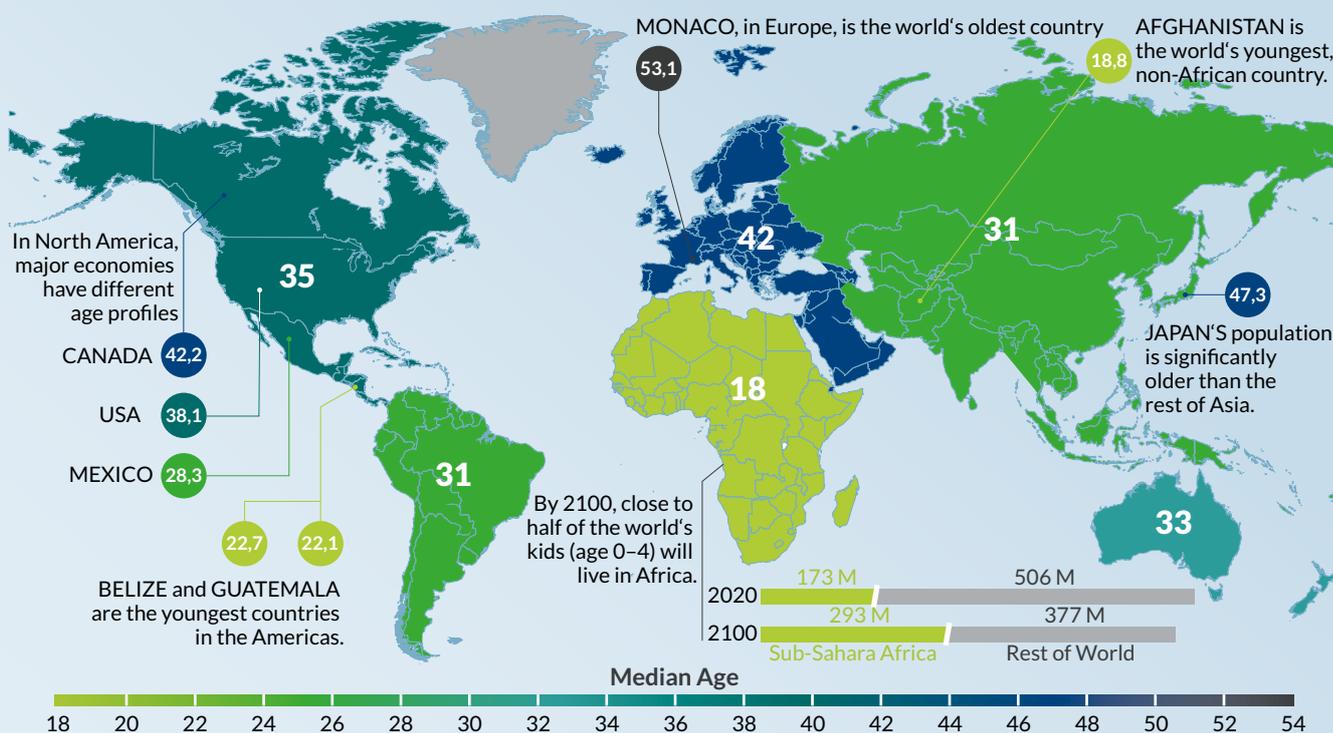
According to the United Nations, the global working population has reached a peak in 2012 and is now in decline, while the share of the elderly – people aged 65 and up – will rise. By 2050, the elderly could account for 16 % of the global population up from 5 % in the 1960s.²¹ However, demographic trends vary across countries: there is significant population growth in Africa and Asia (especially the young and working population), while there is a population decline in highly developed countries such as in Europe, the United States and Japan. Europe, for instance, has gone through a radical demographic transition since World War II: Socioeconomic progress, an increase in wages, living standards and the development of universal health systems, as well as increased levels of education, literacy and civic rights have increased life expectancy rates while birth rate levels have gone down. At the same time, conceptions of family life and lifestyles have drastically changed.

The global working population has reached a peak in 2012 and is now in decline, while the share of the elderly will continue to rise.

Demographics also entails a number of challenges: A large and growing population means bigger investments and spending for states to ensure a welfare state with a social security system, health care and pensions. The fabric of the population has also an impact on many aspects of social cohesion. Intergenerational justice, for instance, is important in order to ensure a fairly balanced political representation of the differing interests and views regarding what constitutes a “good society” across generations. Political decision-makers also have to consider

²¹ UN (2017): 2017 Revision of World Population Prospects.

FIGURE 7 Map of the median age on each continent



Source: Visual Capitalist (2019): Mapped: The Median Age of the Population on Every Continent

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the geographical distribution of their populations if they are to mitigate rural-urban cleavages and the polarization of ideologies this can fuel. Finally, demographic developments are highly dependent on changes in lifestyle and consumption choices, value systems and, among others, the concept of family, as well as education and health.

In the following chapter, we will focus on two aspects of demographic change: First, we discuss intergenerational justice, because it is one important challenge to maintaining a balance of interests that is essential to social cohesion. Second, we discuss migration, because it will continue to drive demographic change in many countries and thus have a profound impact on the fabric of societies.

The quest for intergenerational justice – balancing interests of the young and the elderly

In many Western societies and especially in northern Europe, a cornerstone of social cohesion is the welfare system that

protects the most vulnerable people in a society. In many of these societies, working-age populations are in decline and the elderly account for a growing share of the total population. As a result, redistributive systems are coming under pressure. Failing to fulfill the promise of providing social security will pose a serious threat to social cohesion. This issue has been particularly striking in Japan, which features one of the highest percentages (26.7%) of elderly people worldwide. Estimates suggest that by 2050, 40% of Japan's population will be over 65, and it remains unclear how the country will be able to provide for such a large share of pensioners. A number of drastic policy changes will have to be made to ensure the long-term viability of both the Japanese economy and welfare system.²² Given that the burden of paying for a large share of elderly will dampen the future prospects of younger generations and thus long-term economic developments in a society, addressing the issue of intergenerational justice in developed economies is more urgent than ever before.

²² OECD (2018): Japan: promoting inclusive growth for an ageing society, Better Policies Series, April 2018.

In addition to affecting economic sustainability and social justice, demographics also have an impact on political representation. In countries with aging populations, the interests of the young, who are effectively a minority, are often not properly represented. This has been an issue in Germany, where several youth-led foundations and campaigns have been launched to give young people a stronger voice in political debates. Young people often have different mindsets, value orientations and views on issues such as immigration than older generations. This is demonstrated clearly in the United States, as depicted in the figure below.

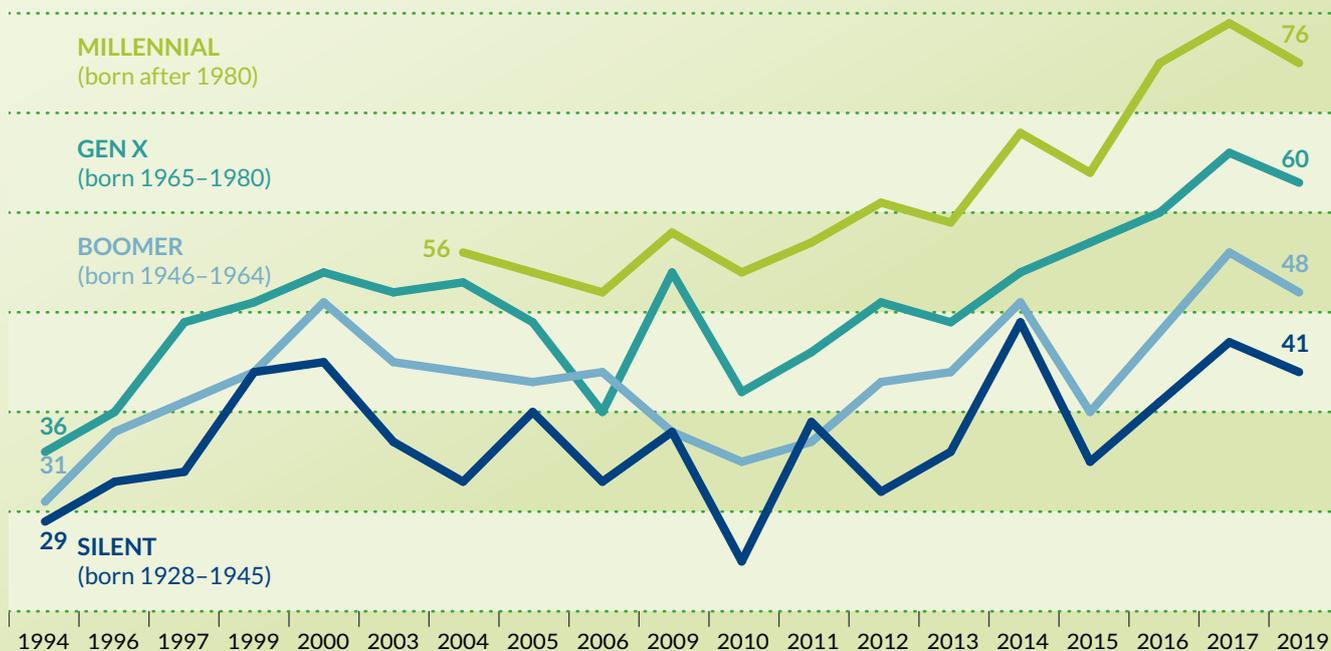
On the other hand, in developing regions such as sub-Saharan Africa, the opposite scenario can be observed: High fertility rates are driving a high rate of population growth. In 1950, the total population of sub-Saharan Africa was at 180 million, which represented a third of Europe's

total population at the time. By 2050, this figure will have increased to 2.2 billion, amounting to three times as Europe's current total population.²³ There have been negative effects associated with this population growth which, combined with other factors, has meant that eradicating poverty and diseases have become even more complicated and difficult to achieve. For example, in many parts of sub-Saharan Africa, more children are born in remote locations where establishing access to schooling, health services and good living conditions is more difficult. In addition, the African continent as a whole features a particularly young population: In 2025, the median age of the African population (21.8 years) will still be below the median age of the global population in 1950 (23.9 years). By 2050, the

²³ The Economist (22.09.2018), Africa's high birth rate is keeping the continent poor.

Figure 8 Differences in opinion about immigrants as a strength to the United States, by generation

% who say immigrants today strengthen the country because of their hard work and talents



Source: Pew Research Center 2016 [2019]: Americans' views of immigrants marked by widening partisan, generational divides.

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Figure 9 Migration as a factor of demographic change



Source: own representation

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median age in Europe is projected to rise to 47, a level 20 years higher than that projected for Africa (27.4 years).²⁴

For developed countries, migration can be the ‘magic bullet’ solving the challenge of an aging population and a lack of skilled employees for a thriving economy.

Theoretically, a large and young population offers great potential for economic growth and the emergence of a middle class, especially in Asia. Indeed, the vast majority (88 %) of the next billion people in the middle class will be Asian. However, whether the population growth will also be accompanied by economic growth and improved

living standards depends on various factors, including stability and security in the origin countries, family and labor policies as well as investments in education. If this demographic potential cannot be translated into economic growth thanks to astute economic and social policies, younger generations will face a bleaker future and will therefore be more likely to leave their own countries. For so-called destination or host countries, that is, countries to which people immigrate, migration can be the “magic bullet” in solving the challenge of an aging population and a lack of skilled employees for a thriving economy. According to the IMF’s 2019 World Economic Outlook report, aging economies such as Japan or the United States should open their borders to migrant workers if they want to sustain their economic growth.²⁵ However, due to increasingly nationalistic policies in some developed countries, and a fear by parts of the population of diversity

²⁴ Kuate Defo, Barthélemy (2009): Intergenerational transfers and population ageing in African countries, in: *Cross-Cultural Gerontology* 17: 101-138.

²⁵ The Guardian (09.04.2018): More migrant workers needed to offset ageing population, says IMF.

and “otherness,” this potential is often not leveraged. Whereas the effects of diversity on social cohesion are neither clearly positive nor negative, failing to institute policies to cope with an aging population while introducing restrictive immigration policies at a time when the economy needs a young workforce could foster negative effects on social cohesion. Societies that go down this political road risk creating tensions between the younger and older generations and putting at stake the well-being of the entire population. On the other hand, it seems that a lower population rate and adapted family planning policies would be an opportunity for developing countries to improve their living conditions while eradicating poverty and thereby expanding future opportunities for younger generations.

Social cohesion, not homogeneity – the prospects and challenges of migration and diversity

Typically, in a globalized and interconnected world, free trade – the free movement of capital, goods and services – was and continues to be viewed as a rather positive development. However, migration has always been a more complicated issue, as it cannot only be considered in economic terms as “freedom of movement.” Indeed, migration has a number of effects on the fabric of societies, as human beings bring with them their cultures, values, traditions, lifestyle and consumer behaviors. The reasons for migration vary significantly, and those reasons play an important role in the social cohesion of host countries. Indeed, a forcefully displaced Syrian family to a refugee camp in Lebanon will have different incentives to integrate into the host countries than a highly skilled French IT expert moving to Silicon Valley for a lucrative job offer.

Student mobility and labor migration are generally considered to be more positive forms of migration in terms of social cohesion, as they can foster openness and tolerance toward diversity in societies. For instance, the Erasmus program launched by the EU in 1987, will have allowed from 2014 to 2020 more than 4 million people to

move to another EU country and discover another culture and language. This has been one of the highlight projects in bringing the peoples of Europe together.²⁶ In terms of labor migration, Hispanic immigration to the United States is often cited as a positive example, as it has contributed enormously to the U.S. economy in various ways. Hispanic immigrants contribute their own labor, establish and build businesses that provide employment for U.S. workers, bring significant spending power and contribute to the U.S. tax and social security systems.²⁷ According to the International Labor Organization, there were in 2013 an estimated 150.3 million migrant workers globally, which means that about two-thirds of all international migrants that year were migrant workers.²⁸

In addition, remittance flows are an important factor in securing the well-being of large parts of the population in developing countries. The top three countries receiving remittances in 2017 in absolute figures were India, China and the Philippines. Typically, the Filipino worker in Abu Dhabi will send back a share of her salary to sustain her family that in the Philippines. Both labor migration and student mobility – if well managed – can create a triple-win economic benefit for individuals, their destination or host countries and the countries they come from.

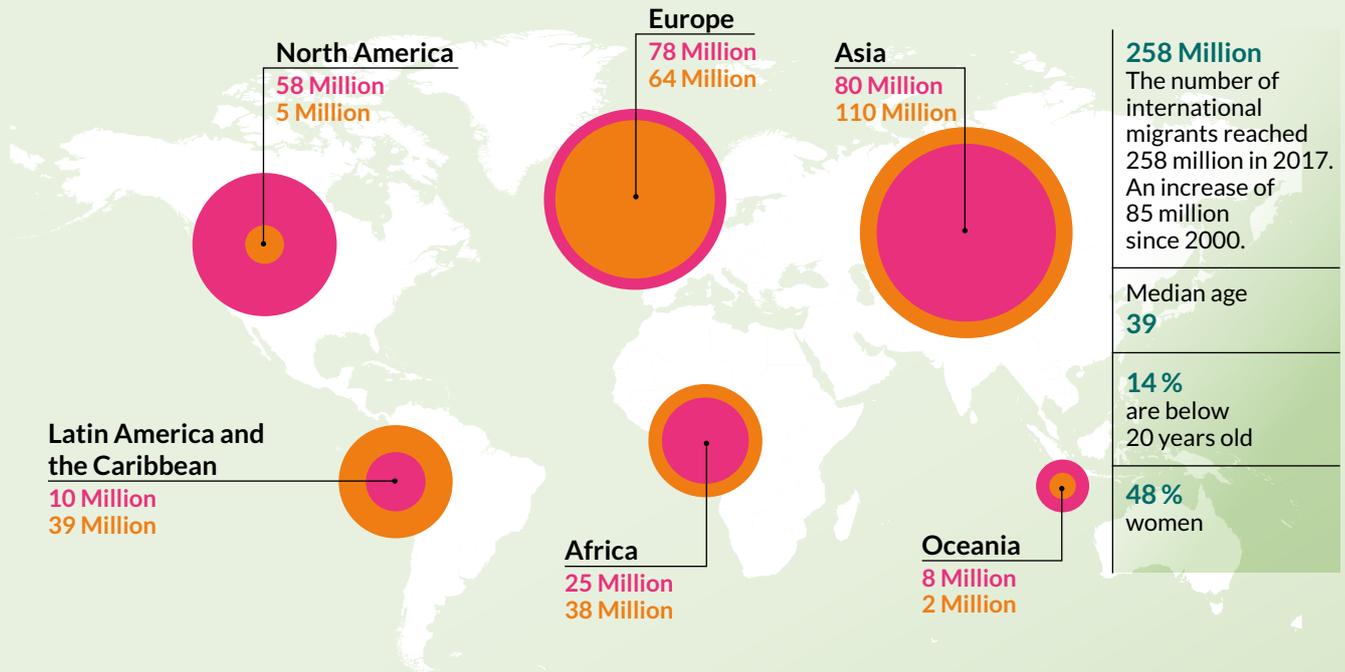
The host country can profit from labor, tax revenues and a larger share of consumers while remittance flows contribute to lifting populations in the countries of origin out of poverty. Moreover, developing countries can eventually gain from the educational achievements their citizens seek either abroad as migrants or at home as part of efforts to enhance their international employability. While the latter is often subject to criticism as it is often associated with a so-called brain drain effect that presumably draws young people away from their home

²⁶ European Commission, Erasmus+: Key Figures.

²⁷ New American Economy (2017): Power of the Purse: How Hispanics Contribute to the U.S. Economy.

²⁸ Migration Data Portal (2019): Labour migration.

FIGURE 10 Overview of the number of international migrants¹ in 2017



- Indicates where international migrants live
- Indicates where international migrants come from
- The size of the circles is proportional to the number of migrants

1 The term is defined here as “people residing in a country other than their country of birth”.

Source: IOM (2018): Global Migration Indicators 2018, Global Migration Data Analysis Centre (GMDAC), Berlin.

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countries, it needs to be acknowledged that a significant share of this highly educated workforce eventually returns to or, in fact, never leaves their country of origin. In other words, many developing countries also profit from a “brain gain.”

However, there are also other forms of migration that often are less well managed, such as forced migration, displacement and resettlement. The most common example is the displacement of Syrian refugees to Lebanon and Syria due to the civil war raging since 2011. According to Lebanese government estimates, there are currently some 2 million Syrian refugees in Lebanon, which has a total population of nearly 4 million. This massive influx of new arrivals has had an enormous socioeconomic impact on Lebanon’s labor market, health care system and other public services. This huge demographic change has put enormous pressure on the fragile political state, which is known for its multi-ethnic

and multi-faith population. Forced migration of this nature frequently poses challenges to the social cohesion of host countries that often feature governments which themselves struggle to ensure good living conditions for their own citizens. In this case, it is useful to look further and ensure that the drivers of migration such as poverty and economic hardship, armed and violent conflicts and, increasingly, environmental change, are effectively tackled.²⁹

In addition to the effective management of migration, integration policies in particular are crucial to ensuring social cohesion at the national level. While most Western countries focus on the labor market and economic aspects of integration, integration policies should include other

²⁹ OECD (2016): Perspectives on global development 2017: International migration in a shifting world, OECD Publishing: Paris.

domains such as education, health, well-being and civic participation as well. Integration outcomes depend on several factors, including countries of origin, host community contexts and immigrants' skill levels. While it has been proven that integration tends to improve with the duration of residence in most countries³⁰, the approaches to integration vary significantly by country. Whereas some countries such as the United Kingdom have taken a multiculturalist approach, other countries such as France have traditionally opted for assimilation, which is often deemed to reflect a less liberal approach. Other countries such as Germany have no clearly identifiable theoretical approach. Throughout Europe more broadly, the influx of new arrivals has prompted an increasingly polarized debate over how best to approach integration and the integration of Muslims in particular. It has also become more difficult to find ways to integrate migrants when the social fabric of societies are eroding in many developed countries and become increasingly polarized.

All in all, whether migration brings about positive or negative effects for social cohesion thus depends on a number of factors. These include incentives for migrants to leave their home country, national and international migration and integration policies, and the economic and social structures of host countries. In addition, the ability of different people to get on well together and to tackle multi-ethnic and multi-religious communities is another key factor.

Whereas migration clearly provides obvious opportunities for aging societies, the biggest concern in the developed world is that the diversity that migration brings with it could potentially pose a challenge to social cohesion. This is a legitimate concern, as it remains unclear whether diversity in itself has a positive or negative impact on social cohesion. While a number of studies and academic research – most famously Robert Putnam's "hunkering down thesis" – argues that "ethnically diverse communities are characterized by distrust, low levels of social cohesion

³⁰ Migration Data Portal (2019): Migrant integration.

and disputes regarding the equitable provision of public goods,"³¹ others have shown that diversity is not the key driver of dysfunctional social cohesion, but that economic factors instead can determine variations in social cohesion among different neighborhoods. Some research has found that one needs to differentiate among various aspects of social cohesion (i.e., interpersonal trust, belonging and social solidarity) in order to understand the effects diversity has on it. Furthermore, the research on this issue is inconclusive in terms of positive and negative effects. Other research has focused on specific areas such as London that are highly diverse and argued that ethnic diversity can increase social cohesion in the long run. The results often depend on whether one relies on "contact theory," which says that the more contact people have with those considered "others," the more acceptant they will become, or "conflict theory," which assumes that highly diverse environments induce a feeling of anxiety and fear, leading to less social cohesion. These two relatively abstract theories of "contact" and "conflict" find themselves reflected in two competing approaches when it comes to dealing with increased migration flows and increasingly multi-ethnic and multi-religious societies. On the one hand, those advocating "closed societies" reject the idea of diversity and close their borders in order to protect the homogeneity of its people and their national culture. Open societies, on the other hand, endorse diversity, allow for a certain level of immigration and attempt to reconcile multiculturalism and social cohesion via integration.

The most important question is not only what effect diversity has on social cohesion but rather under which conditions migration and diversity can foster social cohesion.

³¹ In 1995, the "Journal of Democracy" published Putnam's famous study "Bowling Alone. America's Declining Social Capital." Quote from Sturgis, Patrick et al. (2014): Ethnic diversity, segregation and the social cohesion of neighbourhoods in London, in: Ethnic and Racial Studies, 37 (8): 1286-1309.

This poses a number of questions for the future: Will countries that increasingly reject diversity, such as Hungary, be able to seal themselves off against increasing flows of migration through a “law and order” approach that involves building walls and introducing restrictive immigration laws? Will their restrictive policies toward migrants and their ideal of a homogenous society have negative effects on existing minorities and thus on social cohesion? For more open societies such as Sweden, the question will be: Will they be able to integrate the variety of religions, cultures and ethnicities while maintaining the “common ground” needed for social cohesion? Finally, the most important question is not only what effect diversity has on social cohesion but, rather, under which conditions migration and diversity can foster social cohesion.

Focus questions

Numbers matter: How does demographic change impact social cohesion?

- How can we work toward intergenerational justice at the global and at national levels?
- In what ways is the demographic development of rural and urban areas going to affect social cohesion?

What keeps us together in times of globalization?

Social Cohesion in diverse communities

- What are global, national and local responses to migration and diversity in the future?
- How can we create connections between people of different ethnic, cultural and religious backgrounds?



Outlook

Learning from the world – what brings societies together, what polarizes them?

As early as in the 15th century, the Arab historian Ibn Khaldun established the concept of *asabiyah*, which today is commonly translated as social cohesion. Interestingly, the starting point of his work was to analyze how the integrative force of a community changes in times of social transformation. He observed that while there was a strong sense of solidarity in small tribes, their integrative force vanished as soon as they took control of other small groups and developed into a larger dynasty.

Similarly, the French sociologist Émile Durkheim developed his concept of solidarity in times of rapid social change. He believed that the transformative power of ongoing industrialization would require a whole new formula be developed if societies were to ensure a social fabric conducive to peace and well-being for all in a society. Whereas pre-modern societies fostered integration by means of “mechanical solidarity,” that is, through the shared and common experiences present in the everyday lives of a society’s members, industrial societies were based on what Durkheim referred to as “organic solidarity,” in which social cohesion is produced by the interdependencies and a shared collective conscience found in a complex division of labor.

Durkheim was particularly concerned with the transitional phase from pre-modern to capitalist societies, which he anticipated to be characterized by fragility and social pathologies.

Today, we find ourselves in times of transformation once again, and as we learned from Durkheim and Khaldun, this condition per se poses a challenge to the cohesiveness of societies. However, what is particular to the current transformative trends of globalization, demographic change and digitalization is that they do not only affect certain nations or regions but have a global impact as well. This circumstance entails new challenges, opportunities and questions. The main challenge is that global trends are highly complex and interconnected, and thus more difficult to control. The opportunity lies in the fact that societies can learn from each other and adopt best practices in managing these trends in a manner that is conducive to social cohesion. This, in turn, begs the question of whether or not solutions that worked in one society are transferable to other contexts. Or put differently: Are there universal factors that will always be able to strengthen

social cohesion, regardless of the cultural and historical particularities of a society?

Different paths to social cohesion

While the social sciences have not yet produced studies of global scope on the question of “what holds societies together,” there is a considerable amount of literature that compares different global regions, primarily Europe and Asia. The results are conclusive: The only factor that has a significant and consistent impact on social cohesion across different continents is economic prosperity – the higher the income and wealth in a population, the higher the degree of social cohesion. Other factors, such as inequality and political systems, which are often presumed to have a uniform effect on social cohesion, present more mixed results. In Europe, nations with the lowest levels of inequality – that is, the Nordic countries – show the highest levels of social cohesion and vice versa, whereas, in Asia, the most cohesive countries are not those with the lowest, but those with moderate levels of inequality, such as Hong Kong and Singapore. Moreover, authoritarian countries in Asia are slightly more cohesive than democratic ones with similar levels of economic development. In Europe on the other hand, political freedoms and minority rights always go hand-in-hand with higher levels of social cohesion.³²

These empirical results strongly suggest that – aside from economic prosperity – there is no universal formula for holding societies together. Rather, there seem to be different ways of achieving social cohesion that are based on particular historical and cultural developments. In the

³² Green, Andy, Jan G. Janmaat and Christine Han (2009): Regimes of Social Cohesion, published by the Centre for Learning and Life Chances in Knowledge Economies and Societies; Janmaat, Jan Germen (2011): Social Cohesion as a Real-life Phenomenon: Assessing the Explanatory Power of the Universalist and Particularist Perspectives, in: Social Indicators Research, 100 (1): 61–83; Dragolov, Georgi et al. (2018): Social Cohesion and Its Correlates: A Comparison of Western and Asian Societies, in: Comparative Sociology, 17 (3–4): 426–455.

Western world alone, we can prototypically distinguish between three different traditions of generating social cohesion – an Anglo-Saxon liberal tradition tied to the United States and the United Kingdom, a conservative tradition prevalent in continental Europe, and a social democratic tradition which is typical for the Nordic countries.³³ In the liberal tradition, social cohesion is grounded on the belief in individual freedoms, an active civil society and meritocratic rewards in a free market context. The conservative approach relies more strongly on a wider set of shared values and on a more active state in the form of welfare and labor market institutions. Similarly, the social democratic tradition ascribes a strong redistributive role to the state but differs from the conservative tradition in that it places the value of equality at the center of its approach to producing social cohesion. It is reasonable to assume that approaches to social cohesion in countries of East and South Asia, sub-Saharan Africa, North Africa and the Middle East, as well as South America, differ from these Western traditions and among each other as well.

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Against this background, it remains to be seen how different societies with their distinctive approaches to social cohesion will be able to adapt to the challenges and opportunities of globalization, digitalization and demographic change in the future. Two general scenarios are conceivable: Either the global conditions under which all societies exist will lead to a convergence on how social cohesion is achieved, or we will witness what the

³³ The different traditions mentioned here are merely ideal types for the purpose of simplification.

Israeli sociologist Shmuel Eisenstadt called “multiple modernities” in the sense that different approaches will prove successful and co-exist. In any case, in the face of today’s profound transformations, the cohesion of our societies is at stake, and it won’t be secure unless we turn an eye toward the future and start taking action to influence the contours of social cohesion now.

Imprint

© September 2019

Bertelsmann Stiftung Gütersloh

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