

Indicators – More than Evidence and Maths¹

Peter Herrmann

Abstract

Work on conceptualizing and measuring poverty is widespread. Looking at the literature we can make out some form of cycles of different perspectives on the topic, oscillating between issuing poverty as a very general matter, on the one hand, and concentrating on very specific problems as, for example, poverty of certain groups or the consequences of living in poverty. While, of course, attention is frequently paid to the connection between poverty and economic development, little consideration is given to the link between poverty and large cycles of capitalism. The present contribution is devoted to theoretical investigation of this matter. This means as well that certain aspects of empirical approaches will be critically investigated. The aim is to problematize some philosophical and methodological aspects of quantification/mathematization, equivalence principle and claim of exchangeability, individualization and, finally, evidence.

Keywords: *poverty, measurement of poverty, Europe, Kondratieff, social quality.*

Introduction

Moving between the worlds – it means not least that one has to deal with different and multiple facets of a complex picture – and considerations of different aspects of analytical thinking are surely merging with some biographical moments. In this perspective my personal-professional development – working in different countries and covering different subject areas – can surely be seen as some privilege. Getting different takes on specific issues – but also: being challenged to see more or less distinct issues as part of a wider picture. And many things may indeed look very clear if looked at in detail – but taking another perspective, a more distant view, they emerge easily as something entirely different, something that is miraculously beautiful, magic.

¹ The contribution goes back to notes made in preparation of a presentation during the Summer School in Cork: Conceptualising and Measuring Poverty, 18th–22nd June 2012.

Unfortunately such change is only optional – the changed perspective may also show something that is frightening, odious, though it may also be that more distant views open occasionally a door of some kind of social-romanticism while the reality, its close investigation, shows immediately another picture: niceties turn into a rather harsh reality for those who have to face it as matter of their everyday's life, as condition under which they live ... – I will return later to the point of conditions, just keep in mind that I mentioned the term already.

Johann Wolfgang von Goethe, in his piece on *Wilhelm Meister's Apprenticeship* may give us some guidance, saying:

The fabric of our life is formed of necessity and chance; the reason of man takes its station between them, and may rule them both: it treats the necessary as the groundwork of its being; the accidental it can direct and guide and employ for its own purposes; and only while this principle of reason stands firm and inexpugnable, does man deserve to be named the god of this lower world (Goethe 1917).

The European and Social Policy Framework

One aspect of my development has to do with my emigration from the European centre, namely from Germany – which was at that time a rich country – to the poor European periphery, namely Ireland. During that period we can see reasonably clear borders between these two countries.

Nevertheless, actually the lack of clarity brought me to Ireland – a project that started from looking the initial topic emerging to research economic activity on the street level. Over time, this moving between the worlds was also a move between different disciplines, subject areas of social science, covering sociology, law and economics – mind, I do not speak of social policy although this is usually considered to be my field of expertise.

It had been a long way – and although I maintained the commitment to combating poverty, my orientation shifted in several respects. For instance, my commitment shifted from working within Ireland towards activities outside of Ireland, first 'in Europe'. And two monuments may be mentioned as somewhat influential, the one standing in front of the European Parliament in Brussels – a woman, holding in a victorious position up the Euro-symbol. Is it the Europe, the young Europe, abducted by Zeus – abducted and apparently over all the years having forgotten her oppression, being tamed, domesticated by the divine bull, and now carrying herself the ring, not aiming at taming the beast but using it as device for self-discipline. This Europe, again in a victorious position, is presented by a statue in Strasbourg. And this reference to the ancient Greek saga is usually meant to represent not least the ancient Greek values which are seen as common tradition behind today's Europe.

The Positive about Europe

Leaving at some stage the work in the vicinity of the European institutions and not least developing activities in other countries and regions probably meant to develop more Europeaness than I had been the cases before. It meant in particular valuing the European social model (throughout the following I will name some ambiguity going hand in hand with this appreciation; see as well Herrmann 2007, 2011a). This appreciation is not any celebration of an illusionist renaissance of the Eudemian Ethics as it is usually considered as Greek tradition; my general appreciation is more about another root of European values, namely the Roman tradition, in particular the *Leges Duodecim Tabularum* – the twelve tables as foundation of Roman law and as such the origin of the modern legal system of the Western democracies.

But as much as such system of accountability and equality will be appreciated in the light of other traditions, this, of course, poses immediately a radical question: Positive law stands against negative developments, is suggested as answer to something that is considered to be fundamentally negative, as instrument in fighting poverty?

As much as there is immediately a question mark showing up when it comes to looking at this admittedly playful formulation as it is referring to a very serious and complex issue, there must be another question mark showing up when it comes to ‘indicators’.

As much as Plato is known – and misunderstood – for his rather special reflections on love, he should also be known for his view on numbers and figures respectively. In his opinion figures were *real*: for instance, in a row of four figures, starting with 1, the figure 3 was as real as the third wheel of a four-wheel drive even if you do not fully see it.

And such platonic love of figures is also frequently applied to indicators: though being at first technically nothing else than a row of figures, they are suggested as reflection of a row of life situations, a consideration of complex pictures of life.

Social Policy as Part of the Critique of Political Economy

Understanding is only possible if we look at the real complexity of life – and we should not be afraid to understand life as a fundamentally economic issue. As Frederick Engels put it:

According to the materialistic conception, the determining factor in history is, in the last resort, the production and reproduction of the immediate life. But this itself is again of a twofold character. On the one hand, the production of the means of subsistence, of food, clothing and shelter and of the implements required for this; on the other, the production of human beings themselves, the propagation of the species. The social institutions under which men of a definite historical epoch and a particular

country live are determined by both kinds of production: by the stage of development of labour, on the one hand, and of the family, on the other. (Engels 1990 [1884]: 131 ff.)

This means for Engels the topic is the production of everyday's life. Life and its production occur under certain conditions, that is as moment of the mode of production. And here the current relationship between economics and social (policy) science is comparable with the marriage of god and the devil. First a loving couple, inseparable, now they are still welded together but, like fire and water, hating each other: *odi et amo*.

Maintaining the Pyramid – Stabilizing the Foundation

Usually we consider this hate-love-relation in terms of available resources – and especially in times like ours there is a sadly-good reason for this.

- While watching the queues in Cork, people looking for jobs abroad and ready to emigrate, you may say (if you like positive thinking) something like ‘Well, about four years ago there were similar dole queues. Now there seem queues for hope’. It is about internationalization by way of migration.

- In Budapest people sleeping rough – actually many not sleeping rough anymore, because the Hungarian government criminalized homelessness, begging, being *cygan*, etc. It is about criminalizing the victims.

- Teachers in Greece, feeding pupils because they are collapsing at schools – and we are speaking of privileged kids as many do not even make the way to the lessons – actually I have also heard last weekend the same being true now for Germany. This is about the failure of statutory systems, depending on self-help and charity (I do not speak simply of solidarity though this surely plays a role).

- And of course, finally, we have to point at those rough pictures showing us blunt murder in the middle of the global village: starvation of the poorest; in other words, global trade as global mistreatment – German language allows for the play with words: the German word for trade is *Handel*, the word for mistreatment is *Mißhandlung*.

Acknowledging that this happens under the auspices of welfare states, we should feel encouraged to defend the achievements, but nevertheless enter a fundamentally critical debate of this system at the very same time.

There is surely a simple answer to this: redistribution – and I would be the last contesting the need for immediate steps. These have to be immediate and also massive.

This is importantly a different approach than frequent calls for the caring welfare state. The welfare state is undeniably one of the most important achievements of the last 150 years, incidentally the German Reich celebrates this year the 150th anniversary. And 2012 is also the 70th anniversary of the

Beveridge Report. And not least, 2012 is also the International Year of Cooperatives.

Social insurance was favored by the then German minister of trade, Graf von Itzenplitz. Later, Bismarck took the merit to himself through the history books though in the book of his life we find a chapter in which he is initially a strong opponent of what he characterized later by saying ‘This is state socialism, it is practiced Christendom in legalised action’.²

Acknowledging the importance of this system, we should not forget approaching it in a more systematic way. The following core moments should be highlighted:

1) The welfare state is not simply a matter of *Three Worlds of Capitalism*; rather, we are concerned with one answer to the changing capitalist mode of production.

2) This system is fundamentally misunderstood if we see it as being centrally characterized by values like solidarity. On the contrary, the central point of this system has to be seen in its unsolidaristic character – it is from the Calvinist negativity that the need and space for positive law emerges; this is without doubt the most important and constructive factor which characterises the German social state, the Nordic welfare societies of the early 20th century and the welfare state that developed as Keynes-Beveridgian pattern after WWII.

3) This is also a matter of redistribution: to some extent from the rich to the poor, to a larger extent between the phases of personal life cycles; and for a relatively small remainder – a matter of redistribution between generations. We should not forget that this opens a contradiction within the legal system. This legal system is first and foremost a matter of securing the individual right for exploitation – and any ‘social intervention’ actually contradicts the principle gist of positive law, thus positioning positive law against its own spirit.

4) ‘Social intervention’ maintained a fundamental pattern which actually closely links positive law, the feudal system and modern capitalism, namely the principle of individualization: in feudal societies it is the distinction between the deserving and non-deserving poor, in capitalist societies it is the monetarization of benefits – if you delve a little bit into economics and the analysis of money as general form of exchange you will easily see the connection.³

5) It is also characterizing the welfare systems, namely bureaucratization.

In this light the capitalist welfare system can be seen as – admittedly laudable – instrument that allows people to perform their jobs, however, without allowing discussing what people's job actually is.

² URL: <http://www.rboelling.de/quellen.htm>

³ A special section could be written on ambiguity of the question of women and the individualization of rights.

Outrage – Out of Range

We should not only and not primarily look at people – at least not at individuals. We are actually coming to a fundamental problem of so-called social policy. It allowed and even enforced very much – as an academic discipline and as an area of policy-making – an individualizing and normalizing approach. And it did so by claiming independence of economics and the economy.

Colin Crouch emphasized, for instance, in a recent interview:

Essentially economic knowledge is today in such a way recognised which I cannot comprehend. Especially as economics is dealing with matters on an intellectual level which is distant from real, social life. Economists are abstract in their thinking; they are more akin to mathematicians (Heppe and Mühlhausen 2012).

Investigating this in a wider perspective, the following remains. By separation from economics, social policy paradoxically enforced what it continues to criticize: an economistic model. Taking its point of departure in moral philosophy, economics arrived at a solely growth oriented model culminating in two perversions. The first is the take-over by micro-economics which nowadays dominates in large parts of the entire discipline. Even much of macro-economics is strongly influenced by a fundamentally individualist approach, actually applying micro-economic considerations on the level of a national economy (and equally on the level of global economic development). The second perversion is both, foundation and consequence of this: an empiricist pragmatism emerged already very early in social science, finding its roots in Cartesian thinking. Franz Borkenau brings this on the point, saying that ‘[a]bsolute empiricism conforms to pure practicisim, which completely denies the problematique of norms’ (Borkenau 1971 [1933]: 91).

This seems to be a never-ending story – as quick-motion picture captured by pointing at

- Descartes' proposition

I think, therefore I am, is the first and the most certain which presents itself to whoever conducts his thoughts in order;⁴

- being translated by Locke into the legal form as an ‘individualised social right’, namely the emphasis of private property as fundamental and all decisive

so that it cannot justly be denied him, when his pressing wants call for it: and therefore no man could ever have a just power over the life of another by right of property in land or possessions (Locke 1821 [1689]: 46);

⁴ Descartes, *Principles of Philosophy* (1644), passim.

- followed by Smith' invisible hand

directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention (Smith 1999 [1776]: 32);

- being translated into a general rule of social science where

particular acts of individual persons, since these alone can be treated as agents in a course of subjectively understandable action (Weber 1968 [1921]: 13);

- and finding its latest expression in the privatisation of an up to hitherto public sector closely interrelated with a tightened individualised mindset (see Herrmann 2011c, 2012b).

Seeing Thatcher's phrase that 'there is no such thing as society' as analytically valid, means to open a debate on the fact that societies are hugely, fundamentally and on different levels characterized by contradictions.

(i) One of these contradictions gets obvious in elitism, on the one hand, – estimation easily expressed in words, acknowledging positions but not reflected in deeds, measured in awards, publications, income but not in 'being' – and performance orientation, on the other hand, not least the requirements that have to be fulfilled by the deserving poor – sure, workfare is killing softly, not applying the swift stroke of warfare.

(ii) It seems to be easy to develop the counter argument: if societal figurations that are based on and thinking in figures lost normative guidance, we just have to return to norms, that is from the vicious cycle of greed to the virtuous cycle of good deeds. Even one of the key-figures of number-juggling-economists supposedly stated comfortingly that

[t]he day is not far off when the economic problem will take the back seat where it belongs, and the arena of the heart and the head will be occupied or reoccupied, by our real problems – the problems of life and of human relations, of creation and behavior and religion (attributed to Keynes).⁵

We face again one of the many paradoxes: the critiques of the figures provide numerous studies with myriads of figures, permanently updated and permanently more shocking and ... – I may quote a student from last year, who said 'But we all know this, all this had been said so often but nothing seems to change'.

⁵ URL: http://www.brainyquote.com/quotes/authors/j/john_maynard_keynes

So we find a play with numbers against injustice and, I am convinced, an honest indignation and good will to do better. And this is something we find on the right, on the left, and in the middle of the political spectrum and going hand in hand with the spectre of good-doers. On *The Spirit Level* (Pickett and Wilkinson 2009) we are reminded *Why Social Justice Matters* (Barry 2005). And indeed such figures are revealing, shocking and, of course, Stéphane Hessel is right: it is ‘Time for Outrage’.

But social injustice is much more than revealing and shocking – earlier I pointed at global trade, saying that the ‘German language allows for the play with words: the German word for trade is *Handel*, the word for mistreatment is *Mißhandlung*’.

The Anti-Globalist Moment of Global Capitalism

Rather than maintaining the division between economic and social dimension, we have to emphasize that there is no such thing as the economic or the social as separate sphere. The entire work of Marx is a *Critique of Political Economy* that means a critique of the entire system of how people produce the social conditions under which they live. Thus, we have to look at the determination of the value of labor power as the core question of poverty today. Here are some core points, selected with a focus on those highlighting facts that are of crucial importance in the present context.

- We are living in the era of global capitalism. The only reason for mentioning it is the need for qualification:
 - The system is still to a large extent dominated by national interests – as easily seen by the current Euro-debates: even a regional identity falls easily victim of nationalist interest;
 - The system is largely dominated by a relatively small number of enterprises:

147 companies formed a ‘super entity’ within this, controlling 40 per cent of its wealth. All own part or all of one another. Most are banks – the top 20 includes Barclays and Goldman Sachs. But the close connections mean that the network could be vulnerable to collapse (Waugh 2011).

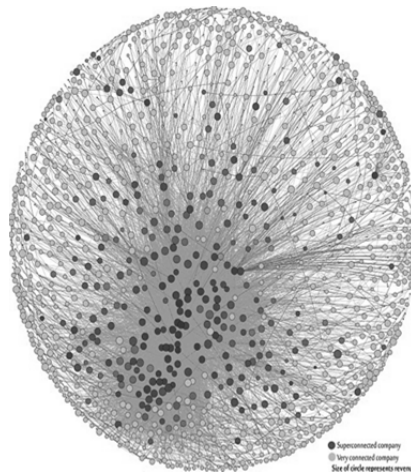


Fig. 1. Core of the Globalised Economy

This means that this capitalism is at least in three respects not simply global capitalism.

1) It is finance capitalism – a fundamentally different system than the capitalism standing at the beginning of this epoch (see for some aspects Herrmann 2011b; and the presentation by J. Huffschmid⁶);

2) It is controlled by a minority of capitalist entities and then again, a minority of this minority consists of ‘productive capitalists’, forcing many into inactivity also as it does not allow developing entrepreneurial activities (*e.g.*, Chang 2010; Schumpeter 1942; Sombart 1913);

3) And, crucially, it is a capitalist system that, in the course of the development of the previously named factors, undermines the fundamental law of its own existence: generating value through production and with this the standard for determining the value of the labour force. We may refer to Marx's famous statement that

[a]t a certain stage of their development, the material productive forces of society come in conflict with the existing relations of production, or – this merely expresses the same thing in legal terms – with the property relations within which they have been at work hitherto. From forms of development of the productive forces these relations turn into their fetters (Marx 1987 [1859]: 263).

– At least two important analytical problems remain for political economy, namely to determine if and to which extent the current changes are changes

⁶ Huffschmid J. Presentation on Occasion of the Seminar Theories of Capitalism. April, 2009. Vienna. URL: <http://www.univie.ac.at/intpol/?p=597> (In German).

of the productive forces or changes of reproductive and distributive forces. It may be possible to solve this by taking Marx's understanding of production very serious; however, it may also be necessary to overcome the understanding of the solely productivist underpinning of the mode of production and to open a path to 'social production' – we may find something going into the direction envisaged in the German Ideology: conditions that allow overcoming a strict division of labour.

– Arrighi allows us to understand more of the current processes that systematically drive us into poverty – and the *us* means: the supposed rich nations. The excess of money took various forms – being originally closely attached to productive processes, taking then the form of 'pure financial speculation'. The latter process moves at some stage beyond its own limits, combining itself with the speculation against states. However, in the meantime financial assets reached such dimensions that speculation is now taking the form of speculation that brings states themselves to the frontline – now as objects of speculation. Arrighi, taking a long-term perspective, shows the rise and fall of major states and empires. The basic pattern follows the sequence accumulation, over-accumulation, investment of excess capital in other countries, unfolding of new capitalist-civilisation there, with a subsequent new over-accumulation, searching for new investment opportunities abroad. It is the long way from Florentine to American capitalism, and possibly peaking in the near future in Chinese capitalism.

- We find a feature that seems to be rather remarkable if looked at against the backdrop of the mainstream publicized arguments, namely the increasing relative share of wages going hand in hand with the decreasing statutory debt while social spending increased.

- This links to another important moment: We are not talking about the lack of money but about the search for new profitable investment opportunities. We can follow a rise of capital since a long time and equally remarkable is the growth of financial assets. In particular the latter means that over years we see actually an increase of excess money.

The volume of finance transactions is currently about 70 times the amount of the entire world's social product, about 20 years ago this amounted to about 15 %. The following table may give you an insight.

Table 1. GNP Worldwide and Financial Assets – Development
(in billion US-dollar)

	1980	1990	1995	2000	2005	2006	2007	2008	2009	2010
GNP	10.0	22.2	29.7	32.2	45.4	49.3	55.7	61.2	57.7	62.9
Financial assets	12.0	54.0	72.0	114.0	155.0	179.0	202.0	175.0	201.0	212.0

Source: Bontrup 2012: 16; with reference to McKinsey Global Institute (Roxburgh, Lund, and Piotrowski 2011), and IMF.

Part of this is the speculation against states.

Another part is the lowering of the costs of working power and the shift of the responsibility for covering them.

• Consequently, we come to a major point in the economic analysis – and it will soon be clear that ‘economic’ development really means socio- and also political-economic development. A quick look at the following graph may give way to some insight – a simplification within the limits of the allowed:

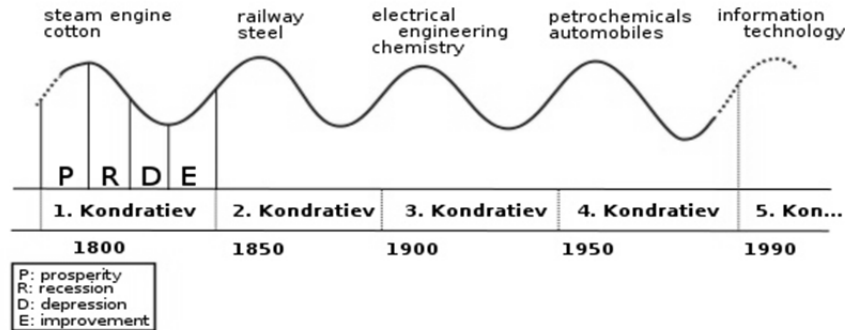


Fig. 2. Kondratiev waves

Source: URL : http://en.wikipedia.org/wiki/File:Kondratieff_Wave.svg. Date accessed: 27.06.2012.

Usually, what Kondratiev called *bol'shie tsikly*, to be translated as ‘major cycles’, is known as Kondratiev waves, long waves or long economic cycle. It is a rather simple and in many respects actually questionable economic model. Leaving the problems with the model aside, it can help us to get an understanding of the battlefield when we are looking at poverty. We can highlight the following major issues of the development:

- We are speaking about economic growth but now it has to be qualified as matter of growth of the ‘productivist sectors’, going qualitatively beyond simple numeric growth of an abstract national product.
- This is, on the one hand, carried by entrepreneurial individuals and groups.
- On the other hand, it offers investment opportunities for excess money (namely over-accumulated capital) – we may say accumulation by appropriation.
- Economic growth does not translate smoothly into any kind of wealth. On the contrary, in short and simplified: take-off phases are very much characterized by a specific pattern of pauperization, taking in particular two forms: precarization and pressure on wages, both reinforcing each other.

– This is accompanied and made possible – by a reduction of the labour power cost – a complex issue, ranging from direct pressure on wages to direct and indirect subsidies to investors and finally charitabilization.

This is in its own respect a factor which at least temporarily opens new fields of investment.

– Change of life styles is another major point in question. The row of path-breaking technological developments characterizing the major cycles can easily show this. All those inventions: steam engine, railway steel, electrical engineering/chemistry, petrochemicals/automobiles, information technology did have a major impact on the way of life – and this is true for all levels and walks of life.

– Having stated this, we are facing a paradox: as much as socialization is increasing, we see at the same time that this socialization itself allows increasing independence. We are dealing with a complex relationality, exceptionally well captured by Norbert Elias. He allows us to understand why Friedrich von Schiller states (after he looked with disappointment at the French Revolution): ‘Man only plays when in the full meaning of the word he is a man, and he is only completely a man when he plays (Schiller 1910 [1794]: Letter XV).

One fact is of special interest – actually justifying some of the traditional social policy orientation: the suggestion that social policy is distinct from the economy. Today the determination of the value of labor is to some extent again taken outside of the economic framework. Managers and enterprises respectively play outside of the pitch, and corporate charitability (for instance, part of the soup-kitchens) is more and more frequent in the countries that are usually considered to be the richest.

Social Quality – A Proposal for a New Orientation

The *first* fundamental point with regards to poverty is..., well: that we should not primarily look at poverty. It had been done for many times and there is obviously no light at the end of the tunnel. Some flickering here and there in a surrounding that remains caught within the limitations of a tube. Actually we may get the impression that things are getting worse, that problem zones shifted to previously unknown areas – but major changes are not in sight.

Second, at the center stage stands the definition of the social, understood as

outcome of the interaction between people (constituted as actors) and their constructed and natural environment. Its subject matter refers to people's interrelated productive and reproductive relationships. In other words, the constitutive interdependency between processes of self-realisation and processes governing the formation of collective identities is a condition for the social and its progress or decline (van der Maesen and Walker 2012: 260).

Normative concepts, based on claimed general values, abstract evidence and assumed commonalities are of no use. The social is something that has to be clearly analyzed, which the different facets have to be determined not as part of a primarily normative system but as part of a complex system. We are dealing with the social as a noun, thus allowing us to understand the substance rather than assuming it. Neglecting this important difference is also a key issue behind the permanent confusion in social policy. We hear of anti-social behavior, we learn about claims for a new social contract, we are confronted with enterprises claiming corporate social responsibility and ... and we hear our students saying 'But we all know this, all this had been said so often but nothing seems to change'.

Third, a major problem is the obsession with quantification. This goes much beyond the celebration of everything that can be expressed in figures. The major problem goes far deeper. Quantification emerges as a major issue in science – and this means in today's terms: natural and social science – at a specific point in time. With Borkenau we can point on three principles:

1) The rules of production in the period of manufacturing are very much based on the quantification and the quantitative comparison which is used in the form of equivalents. This is not only a matter of market exchange but also a matter of the technical side of manufacturing.

2) The principle of equivalence is applied in general, going far beyond the array of production and exchange.

3) With this a final aim is an 'all-rational system', aiming at justifying the capitalist rationality by suggesting the categories of formal law and exchange of equivalents as general rules of the world order (see Borkenau 1971 [1933]: 373 ff.).

Höffe elaborates on this in the work on Kant's *Critique of Pure Reason*, highlighting that '[t]he basic content of the first principle, taken with that of the second, presents mathematisation as a transcendental law of nature, or, more briefly put, as transcendental mathematisation' (Höffe 2010: 200).

Höffe continues by highlighting that mathematization, in Kant's view, is also a matter that has to be applied on intuitions, namely: '[a]ll intuitions, as matter of specific spatio-temporal extension, necessarily possess a quantitative character as extensive magnitudes' (*Ibid.*). And

[h]e grounds the process of mathematisation in the essence of the object: insofar as nature consists in intuitively given, and thus in spatio-temporally extended, data, then objectivity is necessarily bound to quantity, and quantity in turn is bound to extensive magnitudes. Every objective intuition is therefore a case of 'applied' mathematics (*Ibid.*: 201).

From here we can draw a line to later developments in social science: the positivism as proclaimed by Comte but also to some extent the Marxist claim that society could finally be broken down to mathematical formulas.

Fourth, evidence is the main issue in debates in social science – for instance, the European Commission highlighted this in a Communication (European Commission 2010). There is surely a good reason to request informed reasoning behind any decisions and, of course, the planning of decisions. It seems to be taken without question that the strongest evidence is given by numbers, especially numbers understood in a Platonic way as something real. But the flipside of looking for evidence should not be underestimated. Evidence, in simple translation, according to the Merriam-Webster dictionary,⁷ suggests a fact that cannot be challenged.

One of the major problems is the underlying reference to a set of norms that are and cannot be questioned – going back to the Latin root of *ex-videntem* this is getting especially obvious: taking visibility as proof is logically limited to affirmation.

Fifth, taking the definition of evidence from the Merriam-Webster dictionary (evidence as an outward sign, that is indicator), we face a problem with it. The Latin root of the term indicator is in this case actually not directing us to evidence but to something entirely different, we may even say that we arrive at the opposite. *In-dicare* is about valuing something, speaking about something and a proclamation. (a) The fact that a proclamation has to be made means first and foremost that the proclaimed matter is not self-evident – otherwise, it would not be necessary to speak about it. (b) It is reasonable to see such an indication as something that is not fixed, finally determined and self-contained – rather it is an indication by way of opening a field for a detailed exploration, and also lines which to be explored for finding the way across the field. As stated in a forthcoming article, indicators

are not measurement instruments *sui generis*. Rather they are instruments for developing an understanding of complex issues and their trends. As such they need to be guided by a sound conceptual reflection of what they are looking for. For instance, we need work on securing the basic means for existence for human society by indicator studies, and to make actions on both aspects of reserving natural resources and self-restriction on our consumptional behaviours (Herrmann 2012a).

Sixth, what had been said with respect to indicators is of course also part of a political debate which takes place in various realms. An important point of this is processuality – and with this relationality – as the core moment of

⁷ See <http://www.merriam-webster.com/dictionary/evidence>. Date accessed: 12.06.2012.

social research. Though on a seemingly rather abstract level, we are now dealing with some more technical issues of the Social Quality Approach (SQA). Of course, processuality and relationality are generally recognised (for instance, in time series analysis in poverty research). And of course, it is one of the truisms at least for Sunday-sermons that the *Homo sapiens* is a *zoon politicon* – actually it is an interesting exercise to look at the fundamentally individualist notion of pure Aristotelian thinking.

Simplifying tentatively processuality and relationality we can refer to the fact that ‘constitutive interdependency is created by the outcomes of the interplay between two basic tensions’ (Beck, van der Maesen, and Walker 2012: 50).

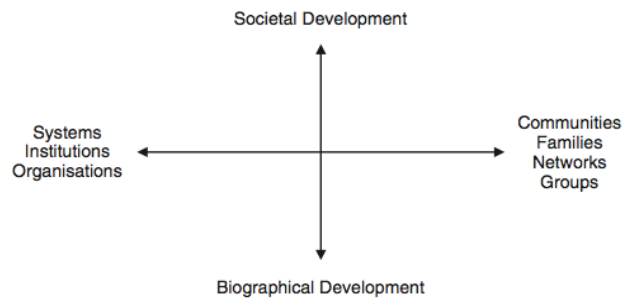


Fig. 3. Fundamental tensions for determining the social

Source: Beck, van der Maesen, and Walker 2012: 51.

This is then explained in the following:

The horizontal axis mirrors the tension between systems, institutions and organisations on the one side, and the life world of communities, families, networks and groups on the other. The vertical axis mirrors the tension between biographical life courses and societal developments of collective identities (the open ones and the closed ones) (*Ibid.*).

First, it is important to state that this is only a framework within which the assessment moves – and talking about the assessment means to look into two directions: the one is the analytical perspective and the other is about the development of political strategies. And as much as technical issues have to be considered, we are at the end dealing with political issues, in particular, issues that are based on interests and lead to conflicts. Second, this requires searching for the qualitative moments that is the qualitative aspects that are actually filling this space. However, saying ‘filling this space’ does not mean that we are dealing with a closed space. Being defined by two tensions, the framework is itself characterized by shifting borders.

Seventh, right at the beginning I said that ‘the reality, its close investigation shows immediately another picture: niceties turn into a rather harsh reality for those who have to face it as matter of their everyday's life, as condition under which they live’. As promised I am returning to this point, namely the question of conditions. We arrive subsequently at the core set of factors that are of immediate relevance for policymaking, in particular at what we call conditional factors (Beck, van der Maesen, and Walker 2012: 60, and extended: 61 ff.):

- socio-economic security,
- social cohesion,
- social inclusion, and
- social empowerment.

Eighth, conditions as such are only marking potentials – not less but not more. This has been frequently addressed. Of course, we will immediately remember Marx's analysis of the class relationships and the famous point he made with respect to the development of the class-struggle. There he points to the development of a class in itself to a class for itself (see Marx 1976 [1847]: 211).

And another interesting reference can be made to Bloch who discusses the perspective on potentiality in his work on *The Principle of Hope*. He points to four dimensions, namely: (1) the formally possible – what is possible according to its logical structure; (2) the objectively possible – possible being based on assumptions on the ground of epistemologically based knowledge; (3) the objectively possible – possible as it follows from the options inherently given by the object; (4) and the objectively real possible – possible by following the latency and tendency which is inherent in its elementary form (see Bloch 1959: 258–288).

So we have to look at the driving forces, which are in the SQA mainly presented as constitutional factors, outlined in the following (Beck, van der Maesen, and Walker 2012: 56; see extended definitions *Ibid.*: 58):

- personal (human) security,
- social recognition,
- social responsiveness, and
- personal (human) capacity.

Ninth, a third dimension can be seen as guidance, the orientations given by normative factors. Mind, in the social quality perspective these are not point of departure. Rather, it is a set that emerges from the interaction itself. One may say, in any historically given point in time they are evident – and as such they are also contested. This contest is not least a matter of the oscillation between the different horizons of possibilities/opportunities as they were mentioned before with reference to Bloch. These normative factors are (Beck, van der Maesen, and Walker 2012: 60, and extended: 61 ff.):

- social justice,

- solidarity,
- equal value,
- human dignity.

Tenth, the most important point – fully acknowledging what was said earlier – the SQA is not primarily about the data we are looking for. They are very much those that are commonly used. But taking the social serious we need to look at the complex relationship not only of people but the relationship of people as actors and also the complex interactions. So far we have four elements for the SQA:

- the basic tensions,
- the conditional factors,
- the constitutional factors,
- the normative factors.

The major challenge is to bring these together. Looking at the actual meaning of the tree sets:

- conditional factors being a matter of opportunities and contingencies and their limitations,
- constitutional factors as processes, and
- normative factors as orientation.

Now we also have some debate in the EFSQ, not least in the collaboration with Asian colleagues, if these factors are actually fundamentally different, if compared with traditional approaches. In the following some of the differences are presented. Niklas Luhmann talked about background noise, that is not directly interfering and determining development but nevertheless decisive as factor, supporting or even evoking certain developments or hindering, possibly blocking others. May be the SQA is something like this: a background noise, a challenge we have to keep permanently in mind, not least as a standard against which research, politics and policies can be measured.

Thus, four perspectives for which the approach is important can be highlighted:

- (1) it is an academic tool;
- (2) it is about politics;
- (3) it is about policy;
- (4) it is about a polity.

Eleventh, finally a few concrete issues shall conclude the contribution – examples rather than an attempt to offer a comprehensive picture.

I. Dissolution of development – development as dissolution

Social Policy – Economic Policy – Rights – Care. These four terms are opening a field going much beyond the four topics in the strict sense. Stretching this to

an ultimate border we can say that the historical perspective on the rise and fall of empires is closely related to their integration and dissolution.

Development seems to be intrinsically linked to and even depending on a process of dissolution – we find it discussed under major catchwords as division of labor, social divisions, specialization, individualization, *etc.* We could leave it there, trusting in the self-referential survival of the new units – it is important to see that such dissolution actually means establishment of new, distinct units. But as we are still dealing with human beings as social beings and as we are still living in societies, we have to think about the framing. Indeed, we find frequent new inventions, aiming at integration and integrity: Social security, social insurance, *Folkhemmet*, welfare state, social protection. And of course, we should not forget the brute fascist *Volksgemeinschaft*, gated communities, Etzioni's *Responsive Communitarian* movement ... and as recent idea of these 'good societies' we find the term 'social investment systems' – recently I have heard, still on an anecdotal level, that this is now increasingly replacing the term 'social protection systems'. It would be easy to reject this new yarn: It is the fundamental problem of a society that is caught in a linear concept of hierarchical thinking where people are celebrated on occasions if it suits, and where they are victims of mobbing if that suits better.

However, leaving criticism aside: are not we in fact all standing helplessly in front of a wall of evidence – thus, overlooking the evidence of the wall? In any case, without having a solution at hand, it is for social policy obvious: If we reduce the economic dimension of social policy on the dimension of 'resources' and the 'productivity of workforce', we will fall short and we will be left helpless. The challenge is to respect charity but to engage for an approach that is fundamentally rooted in the idea of fundamental rights without any reference to productive role in limited economic perspective, an approach that understands also the importance of production of the social. As much as I respect the honesty behind a lot of good-doers, we have to be sincere in what we mean. This means to be determined to speak about production. Otherwise, we are facing a structural problem, again linked to the equivalence principle and the claim of exchangeability.

We may speak of a monopolization paradox – the limitation of rationality on evidences which make it factually impossible to 'be wrong'.

II. EU: Stagnation through hyperactivity

If we take a reasonably wide perspective, we can say: for a long time the EU has been monitoring the development, setting up new programs and frameworks, thus disguising its standstill with a kind of hyperactivity. I do not think that there are simple solutions. This means that I do not believe in replicating

patterns that may have worked on national levels now on the EU-level. Nor do I believe in governance as it was initially proposed by the Forward Study Unit. Looking at governance, a major flaw has to be seen in the following: the way forward was too closely caught in early if not pre-capitalist notions. Voluntarism, social responsibility, general interest and the acceptance of equality as generally accepted value cannot be taken as given.

On the contrary, latest since the late 19th century we see that capitalist growth leads to inequality and conflicts. Already Adam Smith was indeed critical about the conflictual constellations of imperialism (see, *e.g.*, Smith 1999 [1776], the discussion in book IV, VIII, III).

Leaving the more theoretical debate aside, we can also look at the recent developments – here in particular the Irish case which delivers the pattern which has been repeated in many other countries like, for instance, Hungary, all striving for a tiger model: economic growth meant at the very same time increasing economic inequality. The especially important issues on the political level cannot be expressed in any figures – at least the figures are only expressing a small part. The real political dangers are

- the loss of the public;
- the loss of the general interest;
- by its translation into quantifiable individualist relations, based on the principles of exchange and equivalence;
- and finally the fostering of administratization or managerialization of the now calculable space.

To be clear: red tape is not cause but consequences of a social mind-set that lost its substance to an invisible hand.

Of course, this is not a recent issue and differentiated analysis is required. However, the strict orientation to growth policies is highly problematic.

We can look against this background at the Commission's Annual Growth Survey, issued in November 2011:

For 2012, the Commission considers that efforts at national and EU level should concentrate on the following five priorities:

- pursuing differentiated, growth-friendly fiscal consolidation;
- restoring normal lending to the economy;
- promoting growth and competitiveness;
- tackling unemployment and the social consequences of the crisis;
- modernising public administration (European Commission 2011: 3).

As we see in the 'Flash Eurobarometer 338', issued in April 2012 (European Commission 2012) the meaning of these policies, that is the social impact of the crisis and their public perceptions in the European Union, the results are sobering.

It is important to see the connection – to be exact: the disconnection. The growth strategy takes the centre stage of the European Union with a population of about 502,000,000 people (for 2011) – it is a strategy that is seen as an evident condition for overcoming poverty, it is a strategy that aims at increasing both private production and private consumption, and that is factually serving a minority, contributes to further personal and regional concentration of wealth, that drives entire countries into disastrous situations, that allows presidents with faked PhDs and psychotic prime-ministers to govern and finally creates regional despotism and nurtures neo-fascism – the perspective of a harsh reality you may easily overlook when travelling the tourist way.

Both, arguments brought forward on grounds of supposedly evident values and also proposals for simple institutionalist changes are likely to fail. The problem is the tension of equality as political and economic category – and the challenge is to seriously discuss again political economy rather than limiting the debate on economics and social-political technology.

We may speak of an equality paradox – the formal approach not being able to answer the substantial dimension.

III. Formalisation. The danger of a straightjacket

A fundamental problem has to be seen in the very limitation of our thinking as it has been outlined under the major headings: quantification/mathematization, equivalence principle and claim of exchangeability, individualization and, finally, evidence.

I am not entirely sure if it is possible to determine any ‘original sin’. Fact is that a mind-set, caught by these dimensions, has extremely limited capacities to deal with multiple contradictions. That society is marked by an antagonistic class contradiction is only side. The other is the recognition that the development of the productive forces is a driver behind the overall development. And this means to recognize also the contradictions, tensions and fractures. Four of them are highlighted below.

1) There are lost securities on one side. To mechanically maintain social security systems means to maintain capitalism.

2) Retirement – and over the years a reduced pension eligibility age – are surely a huge relief. But where is the simple answer to the subsequent loss of social identity in a society that is strictly and in nearly all respects – even when it comes to defining old age pension – based on the idea of own ‘gainful employment’ in the form of quantifiable and equivalent exchange?

3) Big society is again a big thing – and commenting on a recent publication by Armine Ishkanian and Simon Szreter, titled *The Big Society Debate*

(2012), Bill Jordan contends ‘There is nothing new about the notion of a Big Society’.⁸

I disagree to some extent. I follow Jordan to the point to which ‘civil society’ in its various forms was interpreted in highly problematic ways. However, I problematize the statement in two regards. First, it overestimates the ‘strategic diabolic intelligence’ – I see in the rulers more naïvety combined with obsession for power. Second, the understanding of civil society that is underlying David Cameron’s thinking is in multiple respects inconsiderate. Civil society today is not the same as it used to be when it discussed, for instance, by Hegel or de Tocqueville. And this has to be considered when we use – and also when we criticize – terms and concepts before we throw the baby out with the bathwater.

Looking at this example, and comparing it with others as, for instance, the recently published *World Happiness Report* (Helliwell *et al.* 2012) or the *Inclusive Wealth Report 2012* (United Nations University International Human Dimensions Programme 2012), we have to acknowledge good will and, importantly, the departmentalization in our heads: the traps of quantification/mathematization, equivalence principle and claim of exchangeability, individualization and, finally, evidence.

4) A fundamental contradiction which is frequently overlooked is that human beings are social,⁹ economic and historical beings and they are such as individuals in their own, very specific space-time (see Herrmann n.d., 2014). With this perspective we gain at least an understanding of the limitations – not least the limitations of thinking alternatives while taking the risk of transcending quantification/mathematization, equivalence principle and claim of exchangeability, individualization and, finally, evidence.

We may speak of a perpetuation paradox.

And the question will always be: But do we really have to start from here? And with this we arrive at a very fundamental challenge: fighting against poverty and exclusion can only succeed if it is a fight for another society.

References

- Barry B. 2005.** *Why Social Justice Matters*. Cambridge: Polity.
- Beck Wo., van der Maesen L. J. G., and Walker A. 2012.** Theoretical Foundations. *Social Quality. From Theory to Indicators* / Ed. by L. J. G. van der Maesen, and A. Walker, pp. 44–69. Houndsmills – New York: Palgrave MacMillan.

⁸ Bill Jordan, Blurb on Ishkanian and Szreter (2012). URL: http://www.e-elgar.com/bookentry_main.lasso?id=14782; 12/10/14.

⁹ If we refer to Aristotle we have to be careful as there is a likely confusion between (understanding the) social and political.

- Bloch E. 1959.** *Prinzip Hoffnung*. Frankfurt am Main: Suhrkamp.
- Bontrup H.-J. 2012.** Anhörung im Deutschen Bundestag am 6.6.2012 zum Gesetzentwurf der Bundesregierung über die Feststellung eines Nachtrags zum Bundeshaushaltsplan für das Haushaltsjahr 2012 (Nachtragshaushaltsgesetz 2012) (BT-Drucksachen 17/9040 und 17/9649). Stellungnahme.
- Borkenau F. 1971 [1933].** *Der Übergang vom feudalen zum bürgerlichen Weltbild*. Studien zur Geschichte der Philosophie der Manufakturperiode. Darmstadt: Wissenschaftliche Buchgesellschaft.
- Chang Ha-Joon. 2010.** *23 Things They Don't Tell You about Capitalism*. New York: Bloomsbury.
- Engels F. 1990 [1884].** Origins of the Family, Private Property, and the State. In Marx K., and Engels F. *Collected Works*. Vol. 26, pp. 129–276. London: Lawrence & Wishart.
- European Commission 2010.** *The European Platform against Poverty and Social Exclusion: A European Framework for Social and Territorial Cohesion*. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Brussels. COM (2010) 758 final.
- European Commission 2011.** *Annual Growth Survey 2012*. Communication from the Commission. Brussel. COM (2011) 815 final.
- European Commission 2012.** *Monitoring the Social Impact of the Crisis: Public Perceptions in the European Union (wave 6)*. Flash Eurobarometer 338; Conducted by TNS Political & Social at the request of Directorate-General Employment, Social Affairs and Inclusion. Survey co-ordinated by Directorate-General for Communication. Brussels.
- Goethe J. W. von. 1917.** *Wilhelm Meister's Apprenticeship*. Vol. XIV. Harvard Classics Shelf of Fiction. New York: P. F. Collier & Son. URL: <http://www.bartleby.com/br/314.html>. Date accessed: 30.06.2012.
- Helliwell J. F., Layard R., Sachs J. D. (Eds.) 2012.** *World Happiness Report*. New York: The Earth Institute Columbia University.
- Heppe F., and Mühlhausen M. 2012.** Wir unabhängig sind wir? *Der Freitag* 7.06. URL: <http://www.freitag.de/politik/1223-vielleicht-hat-occupy-schon-heute-mehr-erreicht-als-die-68er>
- Herrmann P. 2007.** *European Social Model – Existence, Non-Existence or Biased Direction*. William-Thompson-Working Paper 1. Aghbaillogue: ESOSC. URL: http://www.wvfs.at/wt-wp_old/WT_WP-1_European-Social-Model_What-Kind-of-Existence_Ankara.pdf. Date accessed: 30.06.2012.
- Herrmann P. 2011a.** Precarity and Precarisation in the Light of EU-Integration. *Precarity. More than a Challenge of Social Security or: Cynicism of EU's Concept of Economic Freedom* / Ed. by P. Herrmann, and S. Kalaycioglu, pp. 16–48. Bremen: EHV.
- Herrmann P. 2011b.** *The End of Social Services. Economisation and Managerialism*. Bremen – Oxford: EHV.

- Herrmann P. 2011c.** *The War Finally Won*. URL: <http://williamthompsonucc.wordpress.com/2011/06/15/the-war-%E2%80%93-finally-won-or-responsibility-of-education/>
- Herrmann P. 2012a.** Economic Performance, Social Progress and Social Quality Indicators – In Reference to the Notion of Social Sustainability. *International Journal of Social Quality* 2(1): 41–55.
- Herrmann P. 2012b.** *Norm and Deviation*. URL: <http://williamthompsonucc.wordpress.com/2012/02/16/norm-and-deviation/>
- Herrmann P. n.d.** Do We Really Need Human Rights? *From Big Bang to Global Civilization: A Big History Anthology* / Ed. by B. Rodrigue, L. Grinin, and A. Korotayev. Berkeley, CA: University of California Press. In Press.
- Herrmann P. 2014.** *Social Policy – Production rather than Distribution*. Bremen – Oxford: EHV.
- Höffe O. 2010.** *Kant's Critique of Pure Reason: The Foundation of Modern Philosophy*. Dordrecht: Springer.
- Ishkanian A., and Sreter S. 2012.** *The Big Society Debate. A New Agenda for Social Welfare?* Cheltenham: Edward Elgar.
- Locke J. 1821 [1689].** *Two Treatises of Government*. London: R. Butler.
- van der Maesen L. J. G., and Walker A. (Eds.) 2012.** Social Quality and Sustainability. *Social Quality: From Theory to Indicators* / Ed. by L. J. G. van der Maesen, and A. Walker, pp. 250–274. Basingstoke: Macmillan.
- Marx K. 1976 [1847].** The Poverty of Philosophy Answer to the Philosophy of Poverty by M. Proudhon. In Marx K., and Engels F. *Collected Works*. Vol. 6. 1845–1848, pp. 105–212. London: Lawrence & Wishart.
- Marx K. 1987 [1859].** Preface of a Contribution to the Critique of Political Economy. In Marx K., and Engels F. *Collected Works*. Vol. 29. 1857–1861, pp. 261–265. London: Lawrence & Wishart.
- Roxburgh Ch., Lund S., and Piotrowski J. 2011.** *Mapping Global Capital Markets 2011*. McKinsey Global Institute. URL: http://www.mckinsey.com/~media/McKinsey/dotcom/Insights%20and%20pubs/MGI/Research/Financial%20Markets/Mapping%20global%20capital%20markets%202011/MGI_Mapping_capital_markets_update_2011.ashx
- Pickett K., and Wilkinson R. 2009.** *The Spirit Level. Why Greater Equality Makes Societies Stronger*. London: Bloomsbury Press.
- Schiller F. J. C. von. 1910 [1794].** Letters upon the Aesthetic Education of Man. *The Harvard Classics*. Vol. 32. *Literary and Philosophical Essays: French, German and Italian* / Ed. by Ch. W. Eliot. New York: P. F. Collier & Son. URL: <http://www.bartleby.com/32/501.html>
- Schumpeter J. A. 1942.** *Capitalism, Socialism, and Democracy*. New York – London: Harper.

- Smith A. 1999 [1776].** *An Inquiry into the Nature and Causes of the Wealth of Nations*. Vol. II. London: Penguin.
- Sombart W. 1913.** *Der Bourgeois*. München – Leipzig: Duncker & Humblot.
- United Nations University International Human Dimensions Programme (Eds.) 2012.** *Inclusive Wealth Report 2012*. Cambridge: Cambridge University Press.
- Waugh R. 2011.** One Super-corporation Runs the Global Economy... And It Could Be Terrifyingly Unstable. *Daily Mail* October, 20. URL: <http://www.dailymail.co.uk/sciencetech/article-2051008/Does-super-corporation-run-global-economy.html>. Date accessed: 27.06.2012.
- Weber M. 1968 [1921].** *Economy and Society* / Ed. by R. Guenther, and C. Wittich. Berkeley, CA: University of California Press.