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the economy has crumbled. Now Crimeans—and their ethnic Russian president, Yuri Meshkov, elected last January—seem to want independence from Ukraine. Kiev has urged Russia not to encourage that

desire, Eugene Rumer notes, and so far Moscow has shown restraint. But three years after it emerged as an independent state, Rumer says, Ukraine seems to be “on a downward spiral.”

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## Down and Out In Western Europe

“The Future of Europe” by Daniel Bell, in *Dissent* (Fall 1994), 521 Fifth Ave., New York, N.Y. 10017; “Europe and the Underclass,” in *The Economist* (July 30, 1994), 25 St. James St., London, England SW1A 1HG.

To most Americans, it is a depressingly familiar story, the linked details forming an almost numbing litany of social failure: urban poverty, chronic unemployment, crime, drug abuse, single-parent families. Now, sad to say, the underclass has ceased to be a strictly American story. “In cities across Western Europe—such as Frankfurt and Berlin, Lyons and Paris, Amsterdam and Utrecht, Naples and Dublin, Liverpool and Manchester—the shadowed lives of the urban poor are getting darker,” the *Economist* reports. Long-term unemployment appears to be the driving force, and the munificent European welfare state seems to be making the problem worse.

Manufacturing jobs in Western Europe are fast disappearing, and not enough new jobs are being created to absorb the long-term unemployed. More than 40 percent of the 17 million jobless in the European Union have been out of work for a year or longer; one-third have never worked at all. Most are native whites. Four Dutch sociologists found that about 55 percent of the long-term unemployed in their sample taken in three Dutch cities had stopped looking for work. Some had simply lost heart. But more than half had found “other activities to give meaning to their lives: hobbies, voluntary work, studying, or working in the informal economy.” With its generous welfare benefits, the Dutch researchers concluded, Holland had produced “a group of enterprising and calculating unemployed

people . . . the strategically operating welfare client.” Holland now has only four full-time workers for every three nonworkers receiving benefits.

For political, economic, and even moral reasons, social-welfare spending in Europe has reached its limit, sociologist Daniel Bell declares. Such spending accounts for 25 percent of the gross domestic product, compared with only 15 percent in the United States and 10 percent in Japan. “Economic costs have reduced industrial competitiveness,” he says, “while the large social-insurance benefits reduce labor mobility, since workers often prefer to draw on unemployment compensation rather than move elsewhere.” When the state takes too much away from those who work and gives too much to those who are idle, the incentive to work is reduced. That is a familiar conservative argument—but now, perhaps signaling how serious the situation has become, it is appearing in the socialist magazine *Dissent*.

Excessive social welfare is not the only major reason for the long-term unemployment, Bell argues. The other is that Europe, particularly Germany, is failing to make the transition to a “postindustrial” economy, and insists on propping up inefficient smokestack industries such as steel and autos. In “the crucial areas of microchip technology and [computer] software,” Bell points out, “there are no major players in Europe.”

There is much talk in Europe today about what to do, but the focus is on such “illusory” solutions as enhanced social benefits and work sharing, Bell says. The real solution is “to create more jobs”—something, the *Economist* mournfully notes—“for which Europe seems to have lost the knack.”