

# SUGGESTIONS AND DEBATES

*Peter Baldwin*

## CLASS, INTEREST AND THE WELFARE STATE

A Reply to Sven E. Olsson

It is hard to avoid the suspicion that Sven Olsson has not actually read the Plato whose precepts he so adamantly admonishes me for ignoring.<sup>1</sup> Otherwise, he would surely know that – far from being an American invention, as he seems to believe – sharpening points for the purpose of debate is one of the characteristic features of Socratic dialogue. The slight hyperbole, the benign rhetorical exaggeration has for centuries been the gambit of debate, the spice of discourse in scholarly communities the world over. As his article testifies, in this case, too, it has been fruitful.<sup>2</sup>

The main point of disagreement between us concerns the role of the working class and its political representatives on the Left in determining the particular characteristics of the Nordic welfare state. There are, of course, many different welfare states and – to match – a veritable Babel of theories that seek to account for the nature and development of modern social policy. That interpretation which bestrides the field of the Scandinavian welfare state most sovereignly, which stakes the best-founded claim to explaining why it was that the nations of the North have been able to evolve the most elaborate, generous and solidaristic social policy, why they have become the embodiments of what is meant by the welfare state, is one which might be called the Social Democratic or laborist theory. Sometimes it is presented as the “power resources theory”. I have preferred to call it the social interpretation of the welfare state in order to emphasize the broader methodological context, its location within a larger social explanation of modern European history – an explanation of historical change by

<sup>1</sup> Some of the ideas here were first presented at the conference on “The Welfare State in Transition”, Bergen, 24–27 August 1989. I am grateful to Stein Kuhnle, the organizer of the conference, for this opportunity and to those participants who offered more or less bracing comments and criticisms: Francis Castles, Robert Erikson, Maurizio Ferrera, John H. Goldthorpe, Olli Kangas, Walter Korpi, Ivar Lødemel, John Myles, Claus Offe, Robin Stryker and Göran Therborn.

<sup>2</sup> His criticism is in Sven E. Olsson, “Working-Class Power and the 1946 Pension Reform in Sweden: A Modest *Festschrift* Contribution”, *International Review of Social History*, XXXIV (1989), pp. 287–308.

reference back to the consistently pursued interests of various social classes that, although now under major attack across the board, was until recently perhaps the most commonly used methodology within the historical profession.<sup>3</sup> I have thereby borrowed a term that Alfred Cobban immortalized in the process of attacking the classic example of such an approach: the French revolution as a bourgeois revolution.<sup>4</sup>

According to this laborist theory of the welfare state, varying balances of social and political power are likely to produce different kinds of social policy. The distinct degrees of comprehensiveness, generosity and solidarity that distinguish national welfare states from each other are thus explained in terms of socio-political variables. Different social classes have divergent stakes in the welfare state. Workers are the inherently solidaristic class.<sup>5</sup> They seek a redistribution of burdens through social policy, while the bourgeoisie, the self-reliant class, wishes to limit any such reapportionment to a minimum.<sup>6</sup> Where the working class, the labor movement and the Left have been strong and well-organized, they have been able to realize a solidaristic version of the welfare state against the middle classes' desires to restrict social policy.<sup>7</sup> At stake has been not so much the *size* of the welfare

<sup>3</sup> For this contextualization, see Baldwin, "The Scandinavian Origins of the Social Interpretation of the Welfare State", *Comparative Studies in Society and History*, 31 (1989), pp. 3–24. For specific instances of this methodological revision: William Doyle, *Origins of the French Revolution*, 2nd ed. (Oxford, 1988), part 1; David Blackbourn and Geoff Eley, *The Peculiarities of German History: Bourgeois Society and Politics in Nineteenth-Century Germany* (Oxford, 1984); and Peter Baldwin, "Social Interpretations of Nazism: Renewing a Tradition", *Journal of Contemporary History*, 25 (January 1990), pp. 5–37. Most generally, William M. Reddy, *Money and Liberty in Europe: A Critique of Historical Understanding* (Cambridge, 1987), ch. 1.

<sup>4</sup> Alfred Cobban, *The Social Interpretation of the French Revolution* (Cambridge, 1964).

<sup>5</sup> "The 'welfare state' is one particular outcome of demands that logically flow from the position in which wage earners find themselves." Gösta Esping-Andersen, "Power and Distributional Regimes", *Politics and Society*, 14 (1985), p. 227.

<sup>6</sup> "Labour movements have tended to strive for institutional structures which unify as large sectors of the population as possible into the same institutional contexts, and the Right has favoured attempts to divide the population through the creation of separate programmes and institutions for different sectors and groups. [...] [S]ocialist labour movements attempt to create 'institutional' welfare states, in which politics assumes as natural a place in the distributive processes as the market and the family. Bourgeois forces, in contrast, strive for 'marginal' types of social policies, where public policy is appropriate only when the market and the family fail in their natural role as providers for the individual." Gösta Esping-Andersen and Walter Korpi, "Social Policy as Class Politics in Post-War Capitalism: Scandinavia, Austria, and Germany", in John H. Goldthorpe (ed.), *Order and Conflict in Contemporary Capitalism* (Oxford, 1984), pp. 181, 185. Similarly, Esping-Andersen, "Power and Distributional Regimes", p. 224.

<sup>7</sup> "[T]he Scandinavian model [of the welfare state] is inextricably linked with the strength of the Social-Democratic parties and the trade union movement." Lars Nørby Johansen, "Welfare State Regression in Scandinavia? The Development of the Scandinavian Welfare States from 1970 to 1980", in Else Øyen (ed.), *Comparing Welfare States*

state (the level of social spending), but the *kind* of welfare policy implemented.<sup>8</sup> More particularly, because of the strength of labor and the Left, the Scandinavian welfare states have been able to realize the concept of social citizenship that T. H. Marshall first elaborated in his celebrated lectures at Cambridge in 1949.<sup>9</sup> In other nations, where social policy remained determined by bourgeois fears of upheaval and rebellion or the functional necessities of capitalism, social policy was restricted, devious and manipulative. In Scandinavia, in contrast, a universalist, egalitarian, solidaristic approach to the welfare state marked the ability of labor and the Left to impose their own interests. Although Social Democratic parties began to exert an influence already during the 1930s, it was, in this account, especially with the wave of reform during the immediate postwar years that the foundations of the Scandinavian model of the welfare state and, more generally, what has been called the Social Citizenship State were laid. “The prevailing emphasis”, as Esping-Andersen writes of the 1940s and 1950s, “was to universalize coverage and equalize benefits within a comprehensive system of protection and to endow all individuals with a citizen right to basic security and welfare.”<sup>10</sup>

It is over the social background of the social citizenship welfare state that Olsson and I appear to disagree – over the question whether the Social Citizenship State and the Scandinavian model of the welfare state were primarily the products of strong labor movements and hegemonic Social

*and their Futures* (Aldershot, 1986), pp. 129–130. “[T]here is no doubt that social democracy has been the leading force behind Scandinavian welfare state development [ . . . ]” Esping-Andersen, *Politics Against Markets: The Social Democratic Road to Power* (Princeton, 1985), p. 156. For Korpi, the degree of working-class organization and the extent of working-class control over the political executive are the variables that explain the power resources collected in workers’ hands and thereby the varying fortunes of solidaristic welfare policy. Walter Korpi, “Social Policy and Distributional Conflict in the Capitalist Democracies: A Preliminary Comparative Framework”, *West European Politics*, 3 (October 1980), pp. 307–309.

<sup>8</sup> Esping-Andersen, *Politics Against Markets*, p. 145.

<sup>9</sup> An example of the continuing importance of the social citizenship concept in the laborist theory is in Walter Korpi, “Power, Politics and State Autonomy in the Development of Social Citizenship: Social Rights During Sickness in Eighteen OECD Countries Since 1930”, *American Sociological Review*, 54 (June 1989), pp. 309–328. The assertion that social rights and a solidaristic and universalist approach to the welfare state are Socialist conceits is in Esping-Andersen and Korpi, “From Poor Relief to Institutional Welfare States: The Development of Scandinavian Social Policy”, in Robert Erikson *et al.* (eds), *The Scandinavian Model: Welfare States and Welfare Research* (Armonk, 1987), pp. 43–45.

<sup>10</sup> Esping-Andersen, *Politics Against Markets*, p. 157; Esping-Andersen and Korpi, “From Poor Relief to Institutional Welfare States”, pp. 42, 49; Esping-Andersen, “Politische Macht und wohlfahrtsstaatliche Regulation”, in Frieder Naschold (ed.), *Arbeit und Politik* (Frankfurt, 1985), p. 483; Esping-Andersen and Walter Korpi, “Social Policy as Class Politics”, p. 185.

Democratic parties, as the laborist interpretation asserts. Olsson has taken me to task for having allegedly pushed my argument too far. He claims that I have attempted to stand the Social Democratic interpretation of the Scandinavian welfare state on its head. Where the inherited view sees Nordic social policy with its solidaristic features as the outcome of the labor movement's and the Left's ability to drive home the interests of the proletariat and society's dispossessed, I – in Olsson's portrayal – reverse matters entirely. It is now the bourgeoisie in general, the Conservatives in particular, who were responsible for those aspects of postwar social policy, and especially pension reform, that are often regarded as quintessentially Social Democratic and who determined “the guiding principles of the present-day Swedish welfare state”. “If the arguments are taken to their logical conclusion”, Olsson writes, “then it is the bourgeoisie [. . .] and not at all the working class, that represents the ‘totality’ of social interests [. . .]”<sup>11</sup>

Apparently I am not alone in pressing matters for a point, in exaggerating, for this approximates a caricature of what I have argued.<sup>12</sup> Simply to reverse the signs on the equation that accounts for the Social Democratic interpretation of the welfare state, substituting middle for working class, Conservatives for Socialists, would be unilluminating and wrong. To deny the enormous influence of Social Democrats on the development of Swedish welfare policy is pointless. The issue that I have attempted to address is a broader one that more generally concerns the social interests at stake in the development of the European welfare state.

The article to which Olsson responds is one part of a larger work (one which Olsson has read in an earlier version) that covers not only Sweden, but also Denmark, Britain, France and Germany through much of the century from Bismarck to Thatcher, while looking in most detail at the period following the Second World War.<sup>13</sup> One of the main problems it seeks to deal with is the tendency of the laborist interpretation of the welfare state to undermine a social explanation of developments outside of Scandinavia, to weaken a class-based analysis of the evolution of welfare states in circumstances where the labor movement and parties of the moderate Left had less influence than to the North and where the actors who allegedly were responsible for well-developed social policy therefore seem to have been absent.

To the extent that all nations, even those without the Social Democratic pedigree of Scandinavia, have become comparable welfare states for reasons of economic functionalism, the socio-political mode of explanation

<sup>11</sup> Olsson, “Working Class Power”, p. 290.

<sup>12</sup> Similar in its exaggeration is Olsson's suggestion (in footnote 11, p. 291) that “in effect” I regard the Conservatives Hagård and Skoglund as two Swedish Beveridges.

<sup>13</sup> Baldwin, *The Politics of Social Solidarity: Class Bases of the European Welfare State, 1875–1975* (Cambridge, 1990).

advanced in the laborist model would have to cede pride of place to accounts stressing other variables that are common to these countries, similar as they are said to be in terms of social policy, yet politically disparate. The practitioners of the laborist approach have been valiant in their wholly laudable effort to avoid such functionalist reductionism, in their striving to emphasize the importance of social and political factors for the varying expressions that the welfare state has found. Clearly there is a functionalist core to the modern welfare state, a residual minimum of social policy intervention made possible by a certain degree of affluence, made necessary by problems shared in common by industrial societies. Yet, beyond this basic level, the reasons why nations that are otherwise similar in these residual economic terms have nevertheless adopted quite varying approaches to the welfare state must be sought in the realm of politics.

This has been the achievement of the laborist approach: to go beyond any simple economic functionalism and, at the same time, to offer an antidote to the crude political functionalism of the Marxist/Bonapartist approach to the welfare state – the logically consequent, but historically implausible, view that social policy inevitably serves the interests of the possessing classes, however much the concessions granted by those who allegedly felt themselves threatened have varied between nations. And yet, the laborist interpretation of the welfare state, having played its role as David against the functionalist Goliaths, is now itself threatened by the danger of pedestalization and has begun to exhibit the characteristics of a surfeited explanatory paradigm: the repetition and refinement of largely similar and predictable research results, the withdrawal to familiar terrain, a sense that there is little new territory to be opened up. The laborist interpretation has become the Scandinavian, in fact the Swedish, interpretation of the welfare state and has gradually closed itself off from fruitful exploration of the vast mass of welfare states that – though imperfect in the view from Stockholm – are, alas, geopolitically of rather greater consequence.

In their attempt to avoid the reductionism of functionalist approaches, theorists of the laborist interpretation have tended to draw sharp distinctions between various incarnations of the welfare state, each corresponding to its specific social and political base: the solidaristic welfare states of Scandinavia, the conservative, residual or liberal welfare states in those nations long dominated by the bourgeois parties.<sup>14</sup> Such strict classification helps bolster the laborist interpretation, but only at the cost of significant intellectual triage – abandoning ambitions to account for nations outside Scandinavia except in a negative sense, as the mirror image of

<sup>14</sup> Esping-Andersen, "Politische Macht und wohlfahrtsstaatliche Regulation", pp. 474–477, "Power and Distributional Regimes", pp. 231–234, and *Politics Against Markets*, p. 156.

Nordic developments: the lack of a strong and unified labor movement allows only residual or partial welfare states. Olsson's insistence on the incomparability of the Swedish experience, his particularist claim that the "welfare models of Britain and Scandinavia are worlds apart" is symptomatic of the increasingly narrow Nordic redoubt to which the classic version of the Social Democratic interpretation has retreated for its last stand.<sup>15</sup>

The laborist interpretation ties a particular couplet between the interests of the working class and their realization in certain welfare states. While largely plausible as far as it goes, the problem with this approach is its inability to account for variations in detail. Phrased at a level of great generality, it commands assent. Those industrialized regions of the world with the strongest labor movements tend also to have the most finely woven social nets: Europe more so than the United States and Japan; within Europe, Sweden more than France. Nevertheless, when pressed for a more fine-grained account of apparent anomalies and exceptions, matters are less obvious. How should one explain welfare states, like the Dutch, able to achieve Scandinavian standards of social policy with no history of Social Democratic hegemony? How account for French and German legislation in the 1960s and 1970s modelled after Beveridgean and Nordic patterns that passed with middle class support against objections from the left? Or, going to the heartland of the laborist approach, is the only, or even the best, way to account for the acceptance by the bourgeoisie and its parties of redistributive social policy reform after the Second World War the view that the middle classes succumbed to pressure from the left encouraging them to accept measures which, given their preferences, they would have rejected? Was the much celebrated consensus underpinning the Social Democratic welfare states of Scandinavia at best a tense cease-fire, respected by the bourgeoisie only because of the left's strength or because the hardships of war had temporarily sapped its will to resist redistributive reform? Were the terms of this agreement determined only from below? Was the middle classes' stake here primarily negative?

It has been the increasing ghettoization of the laborist interpretation, its ever stricter limitation to the Scandinavian countries, that has prompted other scholars with comparative ambitions and a cross-national perspective in recent years to revise a simple social perspective on welfare policy in favor of alternative approaches – in certain cases an examination of generally corporatist tendencies with no particular connection to Social Democracy or the Left, in others a focus on the state as an autonomous actor.<sup>16</sup> Such

<sup>15</sup> Olsson, "Working Class Power", p. 291.

<sup>16</sup> Accounts of accounts of the welfare state are legion. I give my own in the introduction of *The Politics of Social Solidarity*, but readers can equally well consult Jens Alber, *Vom Armenhaus zum Wohlfahrtsstaat* (Frankfurt, 1982), ch. 2; John Myles, "Comparative Public Policies for the Elderly: Frameworks and Resources for Analysis", in Anne-

new developments undercut, weaken or at least encourage a change in the inherited laborist approach to social policy, much in the same way that social explanations have recently been modified for other historical periods and topics.<sup>17</sup> If a social analysis of the welfare state – an explanation of the development of social policy by a causal reference to the interests of certain classes – is to regain its former potential, to go beyond a narrow focus on the Scandinavian nations, it will need to be modified. In particular, revision is needed of the overly simple couplet between a strong labor movement and social policies of a distinctive sort, and even more so of the corresponding assumption that the interests held by other classes in social policy have been primarily negative, that the middle classes seek largely to block the aspirations advanced by workers.

The dead end with which the barrenness of the laborist approach, as currently practiced, threatens all socially based explanations of social policy can be avoided by recognizing that such an account, formulated predominantly in terms of the working class's strength or weakness, is but one instance of a broader logic of social interest behind the welfare state and its development. Workers were often that group most concerned with social policy, but they have not been the only one. Nor, in a broader comparative analysis, have their interests been more than a single, however important, among many competing factors. Workers' concerns have been determined and consequently altered by historical circumstances. In the evolution of the welfare state there has been no one uniform and consistent objectively solidaristic class. In many cases, the bourgeoisie, or various subcategories thereof, also developed pressing interests in social policy, not just as Bonapartist manipulators, but as creatures subject to misfortune surpassing their capacity for self-reliance or as groups that, in certain instances, stood to win more than they lost from risk redistribution. In fact, to the extent that social policy has ever gone beyond economically and politically functional minima, it is hard to deny the role played by the bourgeoisie, especially in decisions arrived at consensually. Substantial victories for the worst-off in circumstances short of whole-scale upheaval are inherently ambiguous. Since even the full-fledged welfare states of Scandinavia were born of reform, not revolution, since they were democratically agreed to, not unilaterally imposed, those classes which apparently abandoned claims to some of their resources must also have influenced the terms of change. The simplest, and most frequently answered, questions posed to the welfare

Marie Guillemard (ed.), *Old Age in the Welfare State* (London, 1983), and Peter A. Köhler, "Entstehung von Sozialversicherung: Ein Zwischenbericht", in Hans F. Zacher (ed.), *Bedingungen für die Entstehung von Sozialversicherung* (Berlin, 1979).

<sup>17</sup> If this is a portent of things to come, the most brilliant recent work on the welfare state, François Ewald's *L'état providence* (Paris, 1986), takes a history-of-ideas approach that owes very little to a social interpretation.

state concern the nature and extent of the benefits now won by the disadvantaged. A much more intriguing problem deals with the stake developed by the comfortably-upholstered middle classes in such reform.

To analyze the role of the middle classes in the development of even generous and solidaristic social policy is not, however, willfully to turn the laborist approach on its head, evicting the working class and installing the bourgeoisie as the cornerstone constituency of social policy, implausibly claiming to have replaced one key group, one social base of the welfare state, with another. It is, rather, to develop further a social analysis that the laborist account has cultivated well, but too narrowly, to explore the broader social logic of the welfare state's evolution, to resist the abandonment of all social explanations of social policy that is currently encouraged by the failure to develop a more broadly applicable version. The welfare state does benefit the needy and risk-prone at the expense of those less malevolently buffeted by misfortune and injustice. Yet, the precise identity of these actors with the most pressing concerns for the risk redistribution allowed by comprehensive social policy has varied remarkably with historical circumstances. To speak of the welfare state's social basis is therefore misleading except within narrowly circumscribed temporal and geographical limits. In a broader comparative perspective, the welfare state has been founded on differing combinations of social bases.

It is this need for reform of a social approach to social policy, the desire to reinvigorate an explanatory model that otherwise threatens to ossify, that has informed my search for a new analysis of the class backing of the welfare state, one that could seriously entertain hopes of explaining the course of events in nations outside the Scandinavian heartland in something other than a negative sense. In particular, I have been concerned to examine the logic of interests developed under various circumstances by social groups other than the working class (whose position on the matter has, after all, been exhaustively documented) in or against welfare policy. That certain forms of social policy – broadly defined – have traditionally appealed to the middle classes should come as no great surprise: family allowances that spoke to natalist and eugenic concerns and promised to help stimulate the fecundity of an otherwise procreatively circumspect bourgeoisie;<sup>18</sup> publicly-financed universities that relieved tuition burdens on the *Bildungsbürgertum*; the massive agricultural subsidies that – in Denmark, to take but one

<sup>18</sup> Ann-Katrin Hatje, *Befolkningsfrågan och välfärden: Debatten om familjepolitik och nativitetökning under 1930- och 1940-talen* (Stockholm, 1974), pp. 178–183; Lisbet Rausing, “The Population Question: The Debate over Family Welfare Reforms in Sweden, 1930–38”, *Europäische Zeitschrift für Politische Ökonomie*, 2 (1986), and Ann-Sofie Kälveborn, *More Children of Better Quality? Aspects of Swedish Population Policy in the 1930's* (Uppsala, 1980), pp. 55–57. Also Alva Myrdal and Gunnar Myrdal, *Kris i befolkningsfrågan* (Stockholm, 1934), pp. 202–203.

example – put farmers in the enviable position formerly occupied by the working class as the recipient of the state’s most solicitous attention.<sup>19</sup> My work has focussed on the contexts in which a similar middle-class interest has developed even for those aspects of social policy (especially social insurance) normally considered a particularly working class preserve within the welfare state. For France and Germany, it turns out – for example – that universalist, solidaristic, sometimes tax-financed pension and health reforms of the sort which in one era won support from the Left and the labor movement, were later (during the 1960s and 1970s) resisted by these groups and in fact championed by the middle classes, who expected in this way to derive advantage at the expense of wage earners.<sup>20</sup>

In examining Britain and Scandinavia (the latter the focus of the article Olsson attacks), my concern has been with a more precise political and social analysis of the much vaunted consensus on which was founded the significant welfare reforms for which these nations are known. Consensus is, after all, an ambiguous term that is difficult to reconcile with too simple a version of the Social Democratic interpretation of the welfare state. If the Left is sufficiently strong to impress reform on an otherwise unwilling bourgeoisie, then consensus is an unlikely outcome. In fact, as Olsson admits, consensus is predicated on the attitude of the actors who are normally seen as deriving least from the welfare state, the parties of the Center and Right and their core constituencies. It was the ability of these groups to contribute significantly to a formulation of reform in their own interests and thereby to accept it that allowed consensus. At the same time, precisely this positive association between the bourgeoisie and reform undermines any simple equation between a strong Left and a well-developed welfare state. Even if the laborist interpretation rejects the idea of a postwar social policy consensus and attributes reform largely to the power of the Left, it must deal with the direct interests developed by the parties of the Center and Right in reforms that too often are regarded as the outcome of Socialist efforts alone. It is in this context that my analysis of the close connections between the Swedish Conservatives and the “people’s pension” reform of 1946, on the one hand, the rather ambivalent and initially faltering approach taken by the Social Democrats, on the other, should be seen.

My claim is, of course, not – as Olsson would have it – that the bourgeoisie had replaced the proletariat as the new “universal” class. It is, quite to

<sup>19</sup> Before the war, the working class as working class had received seven times the public monies earmarked for farmers. By 1963, this ratio had been reversed. Henrik Christoffersen, *Det offentlige og samfundsudviklingen* (Copenhagen, 1978), pp. 104–106; Jørgen S. Dich, “Udviklingen af skatte- og tilskudspolitikken siden 1939: Et bidrag til forklaring af de politiske kræfter in Danmark”, *Økonomi og politik*, 39 (1965), pp. 243–249.

<sup>20</sup> *The Politics of Social Solidarity*, chs. 3, 5.

the contrary, that there was no universal class in this sense, that even apparently solidaristic reform turns out, upon probing, to have been the outcome of one specific configuration of particularist interests. In the introduction to the book, I attempt to account for this by proposing a social explanation of social policy development that takes as its actors not classes in the sense usually employed for an analysis of the welfare state, but risk categories – groups whose interests in a redistribution of social burdens remain constant, but whose specific social identity has varied among nations at any given moment and over the development of the welfare state within any one country. I offer, in other words, a modification of a social explanation, one that aspires to account for the anomalies of particular national developments and to provide the cross-country perspective that the inherited Social Democratic interpretation shies away from. In the particular case on which Olsson disagrees, the Swedish Conservatives – in their role as representative of significant elements of the middle class – happened for reasons I detail to have had an interest in pension reform that, by being solidaristic, by benefitting all in theory, in fact helped their own constituency most. At least half the story behind the introduction of this reform, that in the usual narratives is chalked up too simply to the Social Democrats' account, concerns the middle class and its parties. On this point, Olsson and I seem to be in substantial agreement.<sup>21</sup> We do not, however, see eye to eye on at least two more specific issues.

Olsson laments what he describes as my overly close elision between British and Swedish reforms and claims that I view Scandinavian developments through Anglo-Saxon spectacles. However, to the extent that there is a case to be made against any such overall concept of the Social Democratic welfare state with certain features that set it apart from what are often portrayed as residual or conservative welfare states in other nations, his objections should be addressed to the laborist theorists of social policy. That the Scandinavian welfare states have been significantly more successful in realizing this model than the British is beyond dispute. But that, at the time when the idea of the Marshallian social citizenship welfare state first became important, in the wave of wartime and immediately postwar reform, Britain was one of the explorers of this new path that consciously struck out in a direction different from the old, Bismarckian approach – this is equally indisputable. “The model”, as Esping-Andersen and Korpi write of reforms during the immediate postwar years in Scandinavia, “was Beveridge rather than Bismarck.”<sup>22</sup> On this point, I have

<sup>21</sup> His claim that the Agrarian Party was important in these reforms is one he asserts, but does not elaborate. In any case, it is a suggestion that I can only welcome as a contribution to my overarching point, that the time has come to move away from a myopically monocausal fixation on the Social Democrats.

<sup>22</sup> Esping-Andersen and Korpi, “From Poor Relief to Institutional Welfare States”, p. 49, and Esping-Andersen, *Politics Against Markets*, p. 157.

simply distilled the work of others in order to criticize it. That there evolved from the 1930s, but especially during the immediate postwar years,<sup>23</sup> a particular Social Democratic/Labourist form of welfare state in Scandinavia and – less successfully – in Britain which (in terms of social insurance) was distinguished by being universalist,<sup>24</sup> by often making use of supposedly egalitarian flat-rate benefits,<sup>25</sup> and by relying more on tax than contributory

<sup>23</sup> See note 10.

<sup>24</sup> On universalism as a key characteristic of the Social Democratic/Labour welfare state: In Scandinavia: Erikson, *The Scandinavian Model*, pp. vii–viii, 41–43; Korpi, “Social Policy and Distributional Conflict in the Capitalist Democracies”, p. 303, and Jürgen Hartmann, “Social Policy in Sweden (1950–80)”, in Roger Girod *et al.* (eds), *Social Policy in Western Europe and the USA, 1950–80* (New York, 1985), p. 95. In Britain: Arthur Marwick, *Britain in the Century of Total War* (Boston, 1968), p. 343, *British Society Since 1945* (London, 1982), pp. 50–51; Alan Sked and Chris Cook, *Post-War Britain: A Political History*, 2nd ed. (Harmondsworth, 1984), pp. 38–39; Eric Shragge, *Pensions Policy in Britain: A Socialist Analysis* (London, 1984), p. 42; Pat Thane, *Foundations of the Welfare State* (London, 1982), p. 267, and Brian Abel-Smith, “The Welfare State: Breaking the Post-War Consensus”, *Political Quarterly*, 51 (January–March 1980), p. 17. Similarly for France: Jean-Pierre Jallade, “Redistribution and the Welfare State: An Assessment of the French Socialists’ Performance”, *Government and Opposition*, 20 (Summer 1985), pp. 344–345. In more general terms: Julia Parker, *Social Policy and Citizenship* (London, 1975), p. 14, and Jens Alber, *Vom Armenhaus zum Wohlfahrtsstaat* (Frankfurt, 1982), p. 48. The only recognition I have found that universalism was far from a working class or union demand is in Göran Therborn, “Neo-Marxist, Pluralist, Corporatist, Statist Theories and the Welfare State”, in Ali Kazancigil (ed.), *The State in Global Perspective* (Paris, 1986), p. 224, and Therborn, “The Working Class and the Welfare State”, in Pauli Kettunen (ed.), *Det nordiska i den nordiska arbetarrörelsen* (Helsinki, 1986), p. 13. Faint traces of this recognition in Gøsta Esping-Andersen, “Citizenship and Socialism: De-Commodification and Solidarity in the Welfare State”, in Martin Rein *et al.* (eds), *Stagnation and Renewal in Social Policy* (Armonk, 1987), pp. 90–91.

<sup>25</sup> On flat-rate benefits as particular egalitarian and socialist: Ståle Seierstad, “The Norwegian Economy”, in Natalie Rogoff Ramsøy (ed.), *Norwegian Society* (Oslo, 1974), pp. 82–84; Francis G. Castles, *The Social Democratic Image of Society: A Study of the Achievements and Origins of Scandinavian Social Democracy in Comparative Perspective* (London, 1978), pp. 72–73; Bent Rold Andersen, “Rationality and Irrationality of the Nordic Welfare State”, in Stephen Graubard (ed.), *Norden: The Passion for Equality* (Oslo, 1986); John Myles, *Old Age in the Welfare State: The Political Economy of Public Pensions* (Boston, 1984), pp. 38–41; Esping-Andersen, *Politics Against Markets*, p. 158, n.11; A. I. Ogus, “Great Britain”, in Peter A. Köhler *et al.* (eds), *The Evolution of Social Insurance, 1881–1981* (London, 1982), p. 203; Lars Nørby Johansen, “Denmark”, in Peter Flora (ed.), *Growth to Limits: The Western Welfare States Since World War II* (Berlin, 1986), vol. 1, pp. 300–301; Bob Jessop, “The Transformation of the State in Post-War Britain”, in Richard Scase (ed.), *The State in Western Europe* (London, 1980), pp. 66–67; Gerhard A. Ritter, *Social Welfare in Germany and Britain* (Leamington Spa, 1986), p. 169; Herman van Gunsteren and Martin Rein, “The Dialectic of Public and Private Pensions”, *Journal of Social Policy*, 14 (April 1985), p. 131; Massimo Paci, “Long Waves in the Development of Welfare Systems”, in Charles S. Maier (ed.), *Changing Boundaries of the Political* (Cambridge, 1987), pp. 193–194, and

financing<sup>26</sup> is hardly my invention. These are the features repeatedly used in the literature to characterize the Scandinavian Social Democratic welfare state, at least in terms of pensions. In contrast, the Swedish superannuation legislation of 1959 (ATP), with its earnings-related benefits, contributory financing and predominant (although not exclusive) focus on wage earners – a measure that Olsson regards as pathbreaking for the non-Nordic world and paradigmatically Scandinavian – did comparatively little not already accomplished by the German pension reform of 1957 (a Christian Democratic initiative).<sup>27</sup>

My concern has been to analyze the only rather limited extent to which these aspects that characterize the Scandinavian social insurance systems were, in fact, the result of Social Democratic influence, to show, in other words, that these features sometimes considered particularly “socialist” in fact originally had a more complicated pedigree, that crucial aspects of the Social Citizenship State were as much the child of the bourgeois parties as of the Left. Tax financing, as I have argued elsewhere, was an issue decided already early in the century for reasons that had little to do with the interests of the working class.<sup>28</sup> Flat rate benefits (as was revealed especially in the debate over health insurance reform that finally passed in 1953) were a demand pressed by inhabitants of the countryside against urban residents. Finally, a universalist scope for pensions in the sense of including all social categories was also a decision taken already in 1913 at the behest of farmers,

Claus Offe, “Democracy Against the Welfare State? Structural Foundations of Neoconservative Political Opportunities”, in J. Donald Moon (ed.), *Responsibility, Rights and Welfare: The Theory of the Welfare State* (Boulder, 1988), p. 222.

<sup>26</sup> On noncontributory, tax-financed social policy as especially egalitarian and socialist, contributory as the reverse: Esping-Andersen and Korpi, “From Poor Relief to Institutional Welfare States”, p. 54; Anne-Lise Seip, *Om velferdsstatens framvekst* (Oslo, 1981), p. 16; James Dickinson, “Spiking Socialist Guns: The Introduction of Social Insurance in Germany and Britain”, *Comparative Social Research*, 9 (1986), pp. 100–101; Marcel Ruby, *Le solidarisme* (Paris, 1971), pp. 173–174; Erich Gruner, “Soziale Bedingungen und sozialpolitische Konzeptionen der Sozialversicherung aus der Sicht der Sozialgeschichte”, in Zacher, *Bedingungen für die Entstehung und Entwicklung von Sozialversicherung*, p. 113; Göran Therborn, “Working Class and the Welfare State”, p. 14; Esping-Andersen, “Politische Macht und Wohlfahrtsstaatliche Regulation”, pp. 486–487, and Gary P. Freeman, “Voters, Bureaucrats and the State: On the Autonomy of Social Security Policymaking”, in Gerald D. Nash *et al.* (eds), *Social Security: The First Half Century* (Albuquerque, 1988), pp. 153–154. But see also Iver Hornemann Møller, *Klassekamp og sociallovgivning 1850–1970* (Copenhagen, 1981), p. 202, and Göran Therborn, “Classes and States: Welfare State Developments, 1881–1981”, *Studies in Political Economy*, 14 (Summer 1984), pp. 23–24.

<sup>27</sup> On the latter, the source is Hans Günter Hockerts, *Sozialpolitische Entscheidungen im Nachkriegsdeutschland: Alliierte und deutsche Sozialversicherungspolitik 1945 bis 1957* (Stuttgart, 1980).

<sup>28</sup> Baldwin, “The Scandinavian Origins of the Social Interpretation of the Welfare State”, *Comparative Studies in Society and History*, 31 (1989), pp. 3–24.

who were concerned not to be left bereft of measures otherwise targeted only at the metropolitan classes.

This brings us to a second major point of disagreement. Olsson claims that the issue in dispute during the pension reform of 1946 was not universalism in what I have called its vertical dimension, the question of whether all citizens were to be given the benefits of the welfare state, regardless of how well-off they might be. Instead, he insists, the problem was a matter of the role to be played by means tests in social policy. This is an artificial and narrow distinction. Means tests – that is, selectivity on the basis of wealth – were a crucial element of universalism. It is, of course, true that each of the main pension reform alternatives aimed to distribute some element of benefit to all and that even the most generous one finally chosen was still coupled to means-tested supplements. And yet, the problem up for debate was more profound than merely a matter of *kronor* and *öre*. At stake was the question of social citizenship in T. H. Marshall's sense. Were benefits to be distributed according to the simple fact of citizenship, treating all in a formally egalitarian sense, or were they to be contingent to any significant degree on need. Were they, in other words, to continue their resemblance to poor relief with its aura of dependence, exclusion and stigma – the opposite of the universalist social citizenship welfare state?<sup>29</sup> The alternative put forth by the Social Welfare Committee that brought the concept of social citizenship most clearly into play, that which most nearly approximated distribution by formal equality rather than need, was the one in which the Conservatives – for reasons of narrow and immediate gain – had the most obvious interest and, at the same time, the one over which the Social Democrats had to fight a significant internal battle. The interesting question is not, therefore, the one Olsson would have me answer: why was it supposedly so easy for the Social Democrats to switch and unite behind the most generous and solidaristic alternative? This is a query that presupposes the very laborist approach it should be examining. The problem to be solved is, rather, why were the Social Democrats not behind the most solidaristic alternative from the very start, as the laborist interpretation of the welfare state would expect them to have been: the question I do answer.

Olsson claims that I set out to “refute” or “repudiate” the Social Democratic interpretation of the welfare state with the 1946 pension reform as a case in point and that I failed to achieve my goal. Had this been the case, of

<sup>29</sup> As I point out in the book, the Swedes here fought out a battle very similar to that which was debated in Britain as the question of a subsistence level of benefit (why treat all on the same terms when this meant giving even the better-off benefits they did not need at the Exchequer's expense?) and in Denmark a decade or so later, when the bourgeois parties insisted (against objections from the Left) on wholly removing means tests so that the middle classes might participate as fully in the welfare state's benefits as the poor.

course I would have. My ambition was much less extreme than in Olsson's portrayal. It was to modify the laborist approach, to breathe new life into a class analysis of the welfare state that has fallen on hard times, to offer a social interpretation that goes beyond the limitations of the Social Democratic version. I have tried to show that, even in Sweden, the welfare state was shaped by an interplay among the interests of many different social groups whose concerns cannot invariably be fitted into the simple binary logic of the Social Democratic interpretation: working class pressure confronting middle class resistance. On this account, can I not claim to have fallen less short than Olsson would have his readers believe? Exaggeration is a double-edged sword that cuts both ways.