The International Social Security Association

The aim of the International Social Security Association, founded in 1927, is to protect, promote and develop social security throughout the world. As a world-wide organisation, the ISSA brings together official agencies responsible for the administration of social security. The Association enjoys a special relationship with the International Labour Office and has been granted consultative status by the Economic and Social Council of the United Nations.

Its Members
The affiliate members of the Association are government departments, central institutions or national federations of institutions which administer social security or one of its branches. National institutions interested in the development of social security but which have no administrative responsibility are eligible for associate membership. The ISSA currently has 237 affiliate members and 69 associate members in 121 countries.

Its Structure
The General Assembly, the principal organ of the Association, is composed of delegates from each of the member organisations and meets every three years. The Council is composed of one delegate from each country in which the ISSA has affiliate members. It meets on the occasion of each General Assembly. The Bureau consists of the President, the Treasurer, the Secretary General, the Chairman of the 10 Permanent Technical Committees and 30 other members elected by the Council. It meets at least once a year.

The General Secretariat of the ISSA has its headquarters at the International Labour Office in Geneva, with regional offices in Africa (Lome), America (Buenos Aires), Asia and the Pacific (New Delhi).

Its Activities
The Association pursues its aims through three main programmes of activity:

Technical activities are the responsibility of the Permanent Technical Committees, which examine at the world-wide level the problems specific to each branch of social security (old age, invalidity and death; occupational risks, unemployment; and family allowances) or those which are common to all branches (e.g. actuarial, statistical questions, organisation and methods, legal aspects).

Regional activities in Africa, America, Asia and the Pacific, as well as in Europe, are designed to meet the special needs of the member organisations in these continents. The regional activities include the organisation of regional conferences, round tables, working groups and other technical meetings, as well as training courses and seminars for officials of member organisations.

Research and documentation activities are primarily concerned with the analysis of developments and trends in social security as well as the identification of future problems and issues in the field. The programme includes the organisation of research meetings, the conduct of studies and enquiries, and the collection and distribution of technical information.

Its Publications
Apart from the reports of the Permanent Technical Committees and other documents connected with the technical activities of the ISSA, the Association also publishes news sheets and documentation series related to its regional activities. Within the framework of its research and documentation programme the Association publishes the World Bibliography of Social Security: Current Research in Social Security, and the series Studies and Research. The main publication of the ISSA is the International Social Security Review, the only international quarterly publication in this field, which is published in four languages.

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Class interests and the post-war welfare state in Europe: A historical perspective

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It has long been common in analyses of the welfare state to see a particular connection between the working class, its occupational organisations, its political representatives and the development of the welfare state. Workers, in the logic of this view, were that class most hard-hit by natural and social calamity and therefore that group most inherently interested in the redistribution of the costs of risk made possible by social insurance. In those nations, especially in Scandinavia, where they were sufficiently strong and well organised, their interests in a wide-ranging reapportionment of social burdens were able to be implemented.

Other classes, in this view, whether the traditional independent bourgeoisie or the new salaried white-collar middle strata, have had a primarily negative interest in the welfare state. Although it would be hard to deny the stake held by the middle classes in certain forms of statutory intervention (whether tariffs and agricultural subsidies, state-financed higher education, or family allowances), it is often held that those social groups who were in a better position to provide for themselves than workers were actively uninterested in any wider a sharing of burdens than they could avoid. They therefore sought to limit the welfare state to a minimum, or at least to shape it according to their own concerns. Welfare states other than those determined by workers’ interests were, in this view, conservative or, at best, liberal. The conservative welfare state was one which, in terms of the defining features of its social insurance system, resembled Bismarck’s: it was limited to certain classes, the working class in particular, because of its Bonapartist hopes of pacifying the proletariat with the Zuckerbrot of social policy. It was financed through premiums or regressive consumption levies rather than through progressive income taxes so that burdens were not effectively spread very far beyond the circle of those whom welfare measures were supposedly to aid. It gave benefits graded according to income in order to reflect, not undermine, the hierarchy of the marketplace even in times of old age or disability. Thus, according to this view, was a form of social insurance created that did not threaten the middle class’s wish to preserve the status quo.
Historical foundations

This view of the working class as the inherently solidaristic class, the bourgeoisie as its opposite, has been based on particular historical foundations. The working class as the social base of the welfare state was an insight that was far from immediately obvious when looking back on the history of the development of social policy. Workers could hardly claim credit for the institution of the first Liberal reforms in the United Kingdom. Even worse, in terms of this interpretation, a rival system of social insur- ance, Bismarck pursued with his first social insurance reforms. The early working-class movement accordingly rejected social insurance as an attempt by employers to avoid the expense of higher wages for all by targeting increases at only the needy, or, more generally, as a means used by society's elite to pacify dissatisfaction that might otherwise be vented as revolt.

The positive connection between the working class and the labour movement and welfare policy and its expansion did not begin until the 1920s with the first significant coming to power of socialist and social democratic parties. In Germany, the social democrats of the SPD had already discovered by 1899 that what Bismarck had started for entirely different motives could also be championed by workers in their own interest. Although major social policy reforms were instituted during the Weimar years, the last democratically elected government of the Republic was tragically brought down in 1930 as part of what was —in the perfect vision of retrospect—a petty squabble over unemployment insurance. In France, matters took somewhat longer, and Jaurès had to battle the Guesdistes and other irreconcilables on the left to win over the Socialists of the SFIO for support of the 1910 pension scheme. By the time of the Popular Front and the Matignon agreements, however, the positive association between workers, their parties on the left and expansive social policy reform was unmistakable; the negative attitude of the middle classes and the bourgeois parties seemed confirmed.

Nonetheless, the historical base for the view of a unilaterally positive connection between the working class, welfare and the corresponding opinion that the middle classes have taken a primarily negative approach to such ambitions, was not the tragic thirties but the immediate post-war period, with its promise that out of the ashes of the Second World War would come rebirth, renewal and reform. There were two aspects to this historical lesson. On the positive side were the reforms that cemented the tie between the working class and the welfare state: first and foremost the Beveridge Plan, Labour's partial implementation thereof, and above all Labour Member Bevan's National Health Service, which —treating all citizens to the same essential services —seemed most perfectly to embody the new post-war spirit of national equality. While they attracted the greatest attention, the 'British Beveridge/Labour reforms were not, however, able alone to sustain this new vision of social insurance reform as the cornerstone of a new solidaristic approach to social reform. After 1951, with the Tories back in power, the United Kingdom rapidly began to lose her reforming lustre. The mantle now passed to the Scandinavian nations, especially Sweden, where long traditions of social democratic power and a new egalitarian, universalist, redistributive approach to social policy had been in the making since the 1930s. This connection between the power of social democracy and solidaristic reform was now confirmed in a series of wartime and post-war reforms that surpassed the Beveridge legislation in their apparent ability to make social insurance something that set limits to the workings of the market, that equalised conditions for all citizens when it came to facing the most basic risks of human existence, that now spoke as much to the needs of the unfortunate as to the fears of the better-off.

In both these sets of nations —briefly and less successfully in the United Kingdom, enduringly in Sweden— social insurance reform changed markedly from its Bonapartist ambitions before the turn of the century, or its limited formulation during the inter-war years, to become not only an expression of the ability of the working class to delegitimize its representatives to implement measures that favoured the least fortunate most. A kind of social insurance was therefore here implemented that differed in its basic characteristics from what was regarded as the old-fashioned Bismarckian, conservative, Continental variety. Rather than being targeted at one particular social group, benefits were now given to all citizens, regardless of social class, indeed regardless of income and their need for help. Rather than being paid for by premiums, measures were heavily financed by general taxes so as to spread burdens far and fairly. In order to indicate the state's refusal to perpetrate the inequalities of the marketplace within its own purview, benefits were often (although far from always) given in a flat-rate, allegedly egalitarian form, a measure of equal human worth rather than economic prowess.

The negative confirmation of the thesis that there was a positive correlation between social insurance reform of a particularly solidaristic sort and the working class came, in turn, according to this view, with developments during the immediate post-war years in France and Germany. Socialists in Germany emblazoned Beveridgean ideals of welfare reform on their banners; the political consensus forged within the French Resistance initially united the two parties of the left with the Christian Democrats in support of solidaristic initiatives. All to no avail. In bloom elsewhere, reform on the Continent was barren. The forces behind the new vision were not powerful enough to overcome the resistance mounted from the bourgeois camp (Berben, 1986). Because the left in the Federal Republic never gained control and in France possessed it undiluted for only a brief period, reform similar to that following from Labour's six-year reign or from the Social Democrats' rule in Scandinavia was not possible here (Abenroth, 1965; Ribas, 1952; Perrin, 1967; Grevet, 1976; Guilleminard, 1986).

Such are the contrasts often drawn between successful post-war soli- daristic reform in Britain and Scandinavia and its failure on the Conti- nent. Yet, in fact, when examined more closely, these two sets of events turn out to have been largely incomparable. Anglo-Scandinavian
initiatives, far from being the unilateral demand of the left successfully im-
posed on the bourgeois parties, in fact reflected the formulation of a new
middle-class interest in social policy. Despite apparent similarities,
Communist ambitions were far more radical than the British and Nordic.
Reformers in France and Germany managed to assist the impoverished
and needy by creating a common-risk pool that included also the affluent
and fortunate. They tried to achieve the genuinely redistributive measures
that had supposedly been the goal to the north and across the Channel,
only to fail. Several factors combined to determine the fortunes of their
solidaristic aims.

Differing intentions

First, what exactly was intended? Here, superficial resemblances
obscured crucial differences. Both Beveridge and the French reform
plans, for example, were all-inclusive, but in very different ways. The
British flat-rate contributory system restricted any vertical redistribution
between well- and worse-off to a minimum. The advantage that the needy
derived from the fortunate, wage earners from the self-employed and blue
collars from white, came indirectly, to whatever degree the progression of
the tax system rested more heavily on the affluent than on the indigent.
In France, economic devastation, the tasks facing post-war state finances,
and the perennial inefficiency of the fiscal system, the object of a national
sport of evasion whose winning side always wore the colours of the self-
employed, led reformers to eye social insurance with greater ambitions.

Even a partial tax-financing of welfare reform was ruled out of
bounds here. Instead, not only was the social insurance system to be
contributorily self-sustaining, it would also by itself have to face the task
of redistributing between the fortunate and the luckless. The resources
necessary to aid the needy and indigent could not come from the state in
a veiled and oblique manner through the fiscal labyrinth, but were to be
furnished directly from premiums paid by the better-off. All were to be
included for pensions so that contributions from the affluent and advan-
taged could be used to finance means-tested benefits limited to the
poorest. Because the social insurance system was in this way to be far
more directly redistributive than anything attempted by the British or
Scandinavians, resistance to such reform was correspondingly stronger
than to the successful, but also more innocuous, Beveridgean or Scandi-
navian legislation.

Two battles were fought in France between reformers and the
middle-class groups now to be drawn into the social insurance system
for the first time in order to help alleviate burdens for workers: the first with
cadres, whose special occupational insurance systems were to be abol-
ished and their members compulsorily enrolled in the General Regime;
the second with the traditional independent middle classes who were also
to be integrated in order that the common risk pool be made as large as
possible. Although cadres were in the end enrolled in the General Regime,
The legacy of the past

Finally, there were the social policy antecedents that affected wage earners' attitudes to the changes proposed. First legislative decisions conditioned and limited the choices that later remained available to reformers. At farmers' behest, Scandinavia had chosen an all-inclusive approach from the start, and post-war reform merely extended this tradition. Britain's shift in a universalist direction was eased by her demographic homogeneity, by a partial inheritance of all-embargising legislation (the 1908 pensions) and by the comparative harmonisation of post-war reforms. On the other side, both Germany and France had a venerable heritage of contributory workers' social insurance that could only painfully have been coordinated with the sort of significantly tax-financed, flat-rate measures that Beveridge's prestige had now made the ideal. The Continental labour movements favoured, but were unable to achieve, an all-inclusive scheme with the costs of risk widely and fairly. Other aspects of British and Scandinavian reform, in contrast, meshed only ill-fittingly with Continental traditions and found little favour among the trade unions here.

Paying for provision by means of general taxes in Continental circumstances would most have advantaged those who had never before been members of social insurance, threatening to come into conflict with the benefits workers had long paid premiums for. Tax financing, for all its ability to distribute burdens broadly, appeared inequitable in the eyes of an industrial working class wedded to its contributory entitlement. Workers saw no reason to give other groups publicly subsidised benefits after having long marshalled efforts on their own behalf. Nor were uniform benefits of interest to the French and German working class any more than they had been in Scandinavia. Because of social policy traditions here too, however, the Continental labour movement had an easier time than the Nordic in defeating attempts to limit statutory intervention to such flat-rate minimalism. Neither France nor Germany could have altered its social insurance system at the expense of contributory entitlement already earned to income-related benefits except against the wishes of the industrial working class. The Continental left, in Germany especially, accepted uncritically for a time the model held up by Anglo-Scandinavian developments. Only after dispute with the unions did the Social Democrats abandon attempts to fashion domestic policy after such inapplicable foreign patterns. Universalist, tax-financed, flat-rate and redistributive reform on the Continent was regarded suspiciously in many respects not only by the middle classes but also by those who, in some accounts, ought to have been among its warmest supporters.

A new perspective

The failure of hopes for significant post-war reform in France and Germany thus seemed to fit, although negatively, the received view that...
solidaristic social insurance reform is won only on the backs of a well-organised labour movement and powerful parties of the left. Nevertheless, if one further follows the development of social insurance reform, especially for pensions and health insurance, during the post-war decades in these two countries, a new perspective emerges. By the late 1960s and early 1970s, reforms that much resembled the universalist Beveridgean vision of 1945 had been put into effect, but only after a new political constellation had crystallised that turned on their head many of the assumptions made during the immediate post-war period.

Economic and demographic developments, the hardships imposed during the post-war decades on the independent middle classes, altered, indeed reversed, many of the presumptions underlying the initial rejection of universalist reform by the white-collared and the self-employed immediately after the war. Many among the self-employed, earlier too self-reliant to need or want the state's attention, now found themselves adversely affected by economic contraction and the expansion of dependent employment. Wage earners as a group, in contrast, rode the crest of post-war prosperity. While measures of social insurance limited to them flourished, independents faced hard times either unprotected or as members of particularist arrangements that shared their constituency's fate. Statutory protection, once a mark of dependence, became a privilege. The self-employed, who had refused inclusion in a national risk pool out of corporate pride and eminently rational self-interest, found themselves on the outside looking in and gradually came to recognise their mistake. Conversely, wage earners, rebuffed in their attempts at all-inclusive reform after the war, now saw little reason for more magnanimity than the self-employed had earlier shown them.

Declining independents initially sought aid from their more prosperous colleagues. These, in turn, were able to displace the burden of providing for the least fortunate self-employed on to the rest of the nation, prompting, once again, solidaristic reform for selfish reasons. The socially fragmented welfare systems created or continued after the war had been motivated by those independents who were satisfied that economic circumstances favoured them, that their category's future was reasonably assured and that the best course was to arrange minimally redistributive measures among themselves. Little did they suspect that the impoverished of their group were about to become the nation's poorest and that the wage earners whose lot they had refused to share would soon sell to favourable economic winds. It did not take long, however, for it to become apparent that the social separatisn of the post-war reforms had been a miscalculation. The well-off in each independents' category found themselves locked in for the purposes of reapportioning risk with their poorer colleagues. As the declining self-employed sought aid and became of eye to their betters with unmistakably redistributive intentions, change became imperative.

The socially particularist approach to social insurance taken after the war had served the interests of affluent independents only on the assumption that the self-employed were on the whole more prosperous and less risk-prone than wage earners. As economic and demographic evolution gradually undermined such inherited certainties, the well-off of each limited and circumscribed independents' risk community discovered that, in fact, their money no longer benefited from spreading costs and burdens more widely. The solution to their dilemma, it turned out, was a full retreat: to admit the bankruptcy of the separatist solution, praising the virtues of that national solidarity only recently castigated as an asset on the comfortable status enjoyed by the affluent.10 Were prospering independents themselves not to be asked for greater redistributive efforts, then the problem now was that national solidarity threatened a reallocation of burdens at the expense of wage earners. Since the dependently employed were, in fact, profiting from the migration of independents to wage-earning occupations, swelling their ranks and enhancing the actuarial outlook of the group, the opportunity was provided to demonstrate that they, too, could act selfishly in defence of acquired privileges.

Redistribution at their expense was not the only reason for objections raised by the dependently employed to neo-universalist reform. Because aimed at impoverished independents, the new legislation provided limited, often flat-rate and partially tax-financed benefits that contradicted wage earners' interests. In Britain and Scandinavia, national pension systems, either largely non-contributory or financed by universally affordable premiums, were feasible because they preceded all but rudimentary or strictly private arrangements of contributory social insurance. In France and Germany, where a system of earnings-related social insurance financed by premiums had inaugurated developments, it was difficult to insert tax-financed measures between it and public assistance without giving independent generous non-stigmatised benefits on easy terms that dismayed a working class long accustomed to provision for itself.

Positions reversed

Neo-universalist legislation posed the confrontation over social policy between left and right in reverse of its post-war articulation. As in 1945, conflicts were sharper and more distinctly profiled in France. Numerous declining independents, inequities of the tax system, the government's reluctance to grant the subsidies needed to defang redistributive antagonisms and surging memories of post-war redistributions made disputes here sharp and protracted. Regarding such reform as a direct assault on hard-won rights, wage earners and the left did their best to block it. Neo-universalist legislation here was the outcome of a long and protracted series of battles that first pitted the least fortunate with one of the four categories of independents immobilised by the Sureau Commission against their more fortunate colleagues, eventually forcing the latter to realise that a risk pool embracing the entire nation would lighten their burdens in comparison with the cost of limiting redistribution to a narrow and demographically imperiled group. After
this insight had been won, the second round of battles pitted all the self-employed against wage earners, who now recognised all too well that, in the new circumstances, national solidarity in fact meant solidarity at their expense.

It was among farmers and peasants that the breakdown of risk redistribution organised, as the Surleau Commission had wanted it, only within occupational groups, first became apparent. Because of agriculture's peculiar circumstances, a solution that shifted farmers' burdens to the whole nation was comparatively easy to achieve. When the turn came to the other groups of non-agricultural non-wage-earners, as they are known, the situation was more difficult. It was among artisans, especially those employed in the building and construction trades and organised in the CAPEB (Confédération de l'artisanat et des petites entreprises du bâtiment), that the poorest and most risk-prone were first able to convince their more fortunate colleagues that national solidarity was a good deal for the occupation as a whole. After them, industrial and commercial independents, represented especially by the Confédération générale des petites et moyennes entreprises, followed suit, although here significantly more violent battles had to be fought. The interests of small independents, as opposed to their larger colleagues for whom a broad redistribution of risks still seemed a losing proposition, were spoken for in the sharp conflicts sparked during the 1960s by the CIDIUnATI (Comité interprofessionnel de défense de l'Union nationale des travailleurs indépendants), led by Gérard Nicoud. When the laws that were the outcome of independents' newfound interest in solidaristic reform were finally passed, providing the non-nons with health and pension insurance in a manner closely connected with the wage earners' General Regime, only the liberal professions were happy to be left alone, content with their ability to face insecurity unaided.

In Germany, the situation, though largely similar, was more pacific. Post-war battles, pitting all Germans against the occupiers, not just left versus right, had been less envenomed. Independents were not as powerful a presence and dealing with them was a less controversial issue. When raised, the question of provisioning the self-employed came up piecemeal. What to do with the artisans who had been included in the salaried employees' pension insurance by the Nazis in 1938 was the first issue. Artisans were delighted to remain insured among wage earners who helped bear their increasingly heavy burdens. White-collar wage earners, in turn, saw no reason why they should carry a cost that more rightly belonged to the nation as a whole. Artisans and wage earners struggled for many years over the issue, with the victory finally going to the self-employed. This outcome was the result of a tactically shrewd ability among the artisanal leadership, organised in the Zentralverband des Gewerkschaftlichen Gewerkschaftsbundes to use the growing influence of middle classes within the Christian Democrat party, the CDU, in combination with the SPD's unwillingness to alienate the important potential constituency that the traditional middle classes now represented. Once artisans had been provided for, other German independents proved easier to deal with. The eventual solution was to allow the self-employed membership in the wage earners' system of social insurance, as in the Federal Republic's Pension Insurance Law of 19 October 1972. Because independents were given generous concessions at wage earners' expense, such as the right to purchase entitlement retroactively at yesterday's prices, the unions were outraged at being asked to take a more solidaristic attitude to aiding the needy self-employed than independents had taken, back in 1945, to similar reform proposals, then put forth in the interests of workers.

Vision fulfilled

The eventual outcome of this neo-universalist reform in France and the Federal Republic of Germany, partially fulfilling—however backhandedly—the solidaristic vision of 1945, was the result of a painful process of battle and negotiation. The groups most implacably at odds were declining independents, demanding redistribution on their own behalf, and the trade unions, who resisted such claims on wage earners' prerogatives. Between these polar interests, the politicians attempted to mediate. The centre and right straddled internal disputes. On one side were those who spoke for the interests of the beleaguered self-employed. Opposing them were old-fashioned liberals, still seeking to exclude the state from the affairs of the independent middle classes, economic modernisers, who actively sought to prevent any unjustified codding of outmoded social groups, and Christian Democratic trade unionists with workers' concerns at heart.

The parties of the left, in contrast, more consistently followed wage earner opinion in its swing against a universalist approach, although the politicians' hopes of broadening their appeal also to the self-employed helped introduce a moderating element. While the left did what it could to protect wage earners' interests, it was forced to be more receptive to solidaristic reform that now benefited independents than the centre and right had been during the Beveridge era to analogous initiatives, then proposed on workers' behalf. Independents, especially in France, remained a numerous, important and powerful group. Alienating them was risky, while winning their allegiance with concessions promised to be politically profitable. Social policy reform in this new context was but one of many concessions that declining independents were able to barter their support for. With such mixed and ambiguous motives on both sides of the political spectrum, enmities were not absolute. Where demands moderated, were the unions to accept compromises, were the political right to split over how generously to treat independents, then a grumbling agreement on some form of all-inclusive, redistributive social policy might be and was eventually reached.
Reformulating the social base

Two aspects of the history of post-war social insurance reform in France and Germany suggest that the social bases of the welfare state must be reformulated in terms that modify the usual binary approach to such questions: working-class pressure for solidaristic social policy, bourgeois resistance to measures that go beyond a residual minimum. First, the post-war reform situation on the Continent was not, despite common assumptions to the contrary, a mirror image of the successful legislative initiatives in Britain and Scandinavia. Reform in France and the Federal Republic of Germany failed not just because of the weakness of the left parties, the strength of the bourgeois camp, but because of the radical ambitions that reformers sought to realise. It is highly unlikely that initiatives of the kind proposed by Larquey, Parodi and Croizat in France, or Schellenberg and Auerbach (or the reformers among the occupying military authorities) in Germany, would have been possible even in Sweden or the United Kingdom.

Second, the reversal of the socio-political constellation behind universalist, redistributive reform between 1945 and 1970 shows that the interests of the working and middle classes were not fixed or immutable. Although workers may have been that group which most consistently pursued such reform, and the bourgeoisie that which most predictably resisted it, such a configuration of interests was only one among many possibilities. Given the right circumstances, workers have also on occasion resisted a wide-spanning redistribution of risk, and even the middle classes have been a source of solidaristic legislation. If all forms of statutory intervention are taken into account, then the stake held by the middle classes in social policy, broadly defined, has been perfectly evident: family allowances that spoke to natalist and eugenic concerns and promised to help stimulate the fecundity of an otherwise procreatively circumspect bourgeoisie, publicly financed universities that relieved tuition burdens on the educated classes, the massive agricultural subsidies during the post-war years that put farmers in the enviable position formerly occupied by the working class as the recipient of the state's most solicitous attention. What I have attempted to show is that a similar middle-class concern has evolved also for those aspects of social policy (especially social insurance) normally considered a particularly working-class preserve within the welfare state.

Historians are not naturally accustomed to being asked, as was the case with the instructions of the conference for which this paper was prepared, for the "actual or potential use of the results" of their investigations. If there is any lesson to be drawn from an analysis of the positive role the middle classes can play in the fortunes of even solidaristic social policy reform, nevertheless, then it is one that the Scandinavian nations learned long ago: the more the middle strata are incorporated into the welfare state and given a stake in its fortunes, the more stable and politically well founded it is likely to be. Even — perhaps especially — the cutbacks of the 1970s confirm the point here, having hit most harshly