

The evolution of the welfare state

Objective 5.1

To understand the evolution of the welfare state as an aspect of liberal democratic societies and its current threat from neo-liberal ideas and policies.

The rise of the Welfare State in the west is inseparable from the rise of political democracy and the gradual assertion of social rights as a founding principle of democratic states. This is the broad context within which we examine the role of civil society in the evolution, production, and protection of social welfare in democratic societies.

Commencing in the late 19th century in Germany, universal access to social welfare was initially adopted not only as a means of alleviating the dire living conditions of workers in industrial society, but principally as a way of building the social cohesion needed for realizing the political and social goals of the nation-state.

The idea of the state as a principal provider of social welfare expanded further when governments across Europe, and later the US, were confronted by social unrest and the growing appeal of socialist ideas. The economic depression of the 1930s and the Cold War following WWII prompted the use of social welfare schemes as a key means of diluting the political and economic appeal of socialism, as much in Europe as the US.

In this analysis, social care—conceived as a duty of the state—is the consequence of two conflicting forces. One is the social damage resulting from capitalist industrial production. The second is the social unrest and demands for reform on the part of those affected: primarily workers and their families. This, in turn, may be viewed as a classic instance of Polanyi's double movement as it applies to social welfare, and the long struggle to see social rights not as mere entitlements, as is so often portrayed, but as basic human rights as defined by the UN.

In the following readings & videos we encounter both historical and contemporary evidence that appear to validate this view.

5.0 Read “What History Teaches Us About the Welfare State.” (5 minutes)


Furstenberg, Francois. “What History Teaches Us About the Welfare State.” The Washington Post, July 1, 2011. https://www.washingtonpost.com/opinions/what-history-teaches-us-about-the-welfare-state/2011/07/01/AGGfhFuH_story.html (https://www.washingtonpost.com/opinions/what-history-teaches-us-about-the-welfare-state/2011/07/01/AGGfhFuH_story.html)

In Francois Furstenberg's telling, “What History Teaches Us About the Welfare State,” there is a direct correlation between worker and social unrest and the introduction of social welfare policies as a form of status quo protection. In reading this text, see if you can spot the parallels between the epochs of the 1890's and 1930's and the situation current in the US (and elsewhere) today.

In those times, the organizing power of labour unions was a primary driver of social action. What has

changed since then? Would you predict a similar scale of social unrest in the face of declining living standards and growing disparities of wealth? From where would the organizing power of such social mobilization arise?

5.1 “Welfare State Dynamics.” (3:51)

<p>Milton Friedman - Welfare State Dynamics</p> 
<p>Friedman, Milton. “Welfare State Dynamics,” video, 3:51, posted by LibertyPen to YouTube, April 4, 2011. https://www.youtube.com/watch?v=d8L3lb1cq2U (https://www.youtube.com/watch?v=d8L3lb1cq2U)</p>

What assumptions does Friedman make about the behaviour of individuals and of society in general to make his case against social welfare? How does this compare to the history of mutual help and friendly societies as outlined by Green? In what way does Friedman’s analysis intersect—and differ—from the earlier Liberalism of thinkers like Adam Smith, David Hume, and Alexis De Tocqueville as presented by Green?