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## FROM PAUPERISM TO SOCIAL POLICY TOWARDS A HISTORICAL THEORY OF SOCIAL POLICY\*

**SUMMARY:** The first part of this paper establishes the outlines of social policy in the course of the nineteenth century using Great Britain, Germany and France as examples, with particular emphasis on the differences arising from the varying political cultures of these countries. In the second part the paper attempts to establish comparisons for a generalized framework, also covering developments into the twentieth century. "Social policy" in this instance means all state measures to safeguard the physical and social existence of employed workers on the basis of a criterion of fairness which is derived from their citizenship, it is political in other words. Safety at work is as much a part of this as protection during illness, old age or unemployment. This study as a whole sets out to achieve some standardizations which will be useful in the analysis of the history of social policy and may also be helpful in the discussion of current socio-political problems.

### *1. History of social policy: the example of Britain*

"The King is advised to tell the parliament [. . .] that we are in a state of unexampled prosperity, and that this prosperity must be permanent, because all the great interests are prospering. The working people are not, then, a 'great interest'? They will be found to be one, by and by." This, said in 1830, is the quintessence of the social question and of both the responses to it: socialism and social policy. William Cobbett, who said it, was the most warm-hearted of the allies of the working people in the difficult years of transition to industrial capitalism, although he and many others claimed to know little of such a transition, confronting the uncertain and threatening

\* Though individual works on aspects of social policy are numerous there are few historical accounts of the whole field. They include Gaston V. Rimlinger, *Welfare Policy and Industrialization in Europe, America and Russia* (New York, 1971); Henri Hatzfeld, *Du Pauperisme à la sécurité sociale* (Paris, 1971); Florian Tennstedt, *Sozialgeschichte der Sozialpolitik* (Göttingen, 1981); Karl H. Metz, *Industrialisierung und Sozialpolitik. Das Problem der sozialen Sicherheit in Grossbritannien 1795–1911* (Göttingen, 1988); and Gerhard A. Ritter, *Der Sozialstaat. Entstehung und Entwicklung im internationalen Vergleich* (München, 1989).

This paper deals mainly with the emergence and formulation of social policy in the nineteenth century. There will be a further piece in due course covering developments in the twentieth century.

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future with the image of a past in which the “poor man” had had as much food, security and honour as the master. In any case, whether one trusted the old powers, as the social conservatives did, or looked towards a new cooperative form of socialization, as the early socialists did, the ego-maniacal irresponsibility of the *new* masters, the dominance of sheer financial greed, was thought to be an established fact. The new masters, however, claimed that security could not be realized from the ideas and feelings of an overriding “social responsibility”, but only by the self-interested parallelism of the egoisms. The liberal recommendation of cooperative self-help to those who derived no security from property because they owned none followed on from this. The protection of “paupers” in the new Poor Law of 1834, which provided for maintenance of the body rather than the person, was strongly at odds with the idea of security through self-help. The protection of the body came under the protection of property, and this became a classic element of the liberal argument for a limited social policy. In Britain especially the debate over social policy was mainly a liberal one. Supporters and opponents were on the same side or at least recognized the same model of commercial society, the exception being the social conservatives and the early socialists who, however, exercised no lasting influence. Care of the poor accordingly was sharply delimited regarding the body as a security pledge as it were, albeit always redeemable if independence was regained. The preservation of the body was in keeping with the maxims of the modern state as expressed in *Leviathan*, by which the physical body was protected from wilful damage, a protection, which was also used for the purpose of social discipline. If, as in the liberal view, the aim of all social assistance was to maintain as comprehensive a level of self-help as possible, assistance for the poor could only have a negative emancipatory effect. The conceptual image underpinning this was that of man as a rational being, weighing up desire and suffering. Work was regarded above all as a misfortune which could only be overcome by greater suffering, hunger or punishment. Work and effort could also lead to achievement, which brought social respectability. This was the aim: a society of individuals responsible for themselves, fulfilled by the spirit of self-help. Only this kind of society could count as free, able to force the state into margins of social life, to transform the old bond between master and servant into a new bond based purely on money. That is why the norm was to be the “free individual agent”, a “self”-centred person, pushed forward by “self-reliance” and “self-discipline”. Emancipation in the liberal nineteenth-century sense was then the internalization of discipline as a precondition of individualization. Thus self-help, the capacity to support oneself permanently even in times of need, was considered the most significant mechanism of internalization of this kind, alongside which the mechanisms of an “emancipatory” social policy, that is respectability and the

“cold shower” of the New Poor Law. Seen from the individualistic viewpoint of self-help an altruistic relationship with the poor seemed impossible, for poverty was now a state of consciousness, the external expression of a character defect, the result of a lack of moral socialization. All social assistance therefore had to be educational. This applied especially to philanthropy, this core of altruism, which no longer hinged on need or subjective feelings but was required to stimulate the recipient’s capacity for self-help. Although the pressure for self-help arising from the Poor Law was to discriminate against only the able-bodied poor, the classic pauper stock (the physically or mentally handicapped, the aged, homeless women with young children etc.) became contemptible too, because no institutionalized differentiation between the two groups of paupers was introduced.

That at least was the ideology, that a free society could only exist as a society of free individuals who were broadly responsible for themselves. This kind of society was most in keeping with the general and even more with the specifically British conditions for the development of industrial capitalism. It was a case of establishing patterns of behaviour and values in a society marked by increasing social change which would promote this change in an individualistic-capitalist way and at the same time secure the emergent economic predominance of “manufacturing interests” morally. The property-owning society having replaced the corporate order as the regulator of social behaviour, the question of physical protection was now even more urgent for those whose only property was their body. Physical protection for workers was one area, hygienic protection was another, and out of them a new social policy emerged which no longer addressed itself to “the poor” but to those owning a minimum of property, their bodies. This policy saw itself as acting only in a regulatory way, avoiding material assistance and simply offering supervision, imposing in the factory laws for example a minimum age on women’s and children’s work, a maximum length on the working day, minimum hygiene rules and safeguards on dangerous machinery. Adult men as so-called fully responsible free agents remained excluded. In the sphere of hygiene, however, a definition such as this would have been meaningless, since it was precisely the free agents who needed protection. Preventive hygiene as protection of this property characterized “public health” as a problem of social responsibility, which emphatically excluded “private” individual illness, because this would have required material assistance. For this the individual alone was held responsible. Failing to meet his responsibility, he became a creature of mercy and disgrace, a creature of poor relief or charity. Disgrace or mercy, since they were linked to material assistance, served in an educationally orchestrated way to extend a formal, regulatory social policy to the marginal social groups. As material assistance it was a straightforward mechanism of marginalization of “protection” rather than universalization. It thus fitted

into the framework of emancipatory social policy while contradicting all welfare policy thinking.

Here then we have the pattern for an “emancipatory” social policy: individuals must assume full responsibility for their material existence and thus also for its “ponderable” uncertainties; the state should intervene only to provide protection against risks which cannot be regulated through self-help, and even then only in a formal sense, providing supervision and regulation, not material benefits. This kind of social policy seeks to consolidate and extend the market mechanism, not restrict it. It is fully geared to an accumulative bourgeois society, and in its ideas it reflects the ideal which this society casts for itself and which it calls a “morality”. The aim of this kind of social policy is to incorporate the wage-earning majority into a structure of social behaviour and values which is foreign to it. That would be *one* aim of social policy, the earliest one, and one which emerged in Britain because of the strong individuality principle in this country. “Individuality” here means personal responsibility and free organization of life within a broad framework of formal legislation, a high degree of division of labour and mobility and, finally, the conceptual reference to the individual rather than the general. Individualism of this kind was the thread running through capitalism and bourgeois democracy. Because of developments since the seventeenth century this individualism was incomparably stronger than elsewhere and had taken root in the national tradition, not least because of its connection with non-conformism, in whose “voluntarist” convictions individualism found its clearest expression. The social conservatives took the opposite view. They counted on an aristocratic reaction against emerging free enterprise, in vain of course, since the British nobility and gentry had remained an autonomous group, governing the state instead of being absorbed by it, unlike in absolutist countries, where the dependence on the state gave them a very different, more defensive attitude towards social change. The social conservatives’ central idea was one of broad *social* responsibility. They were critical of liberal individualization or privatization of responsibility for the uncertainties of life, which they saw as hypocritical. The powerful effects of the new capitalist and individualist socialization showed up most clearly in the factory. The struggle for factory legislation was regarded both by factory owners and by social conservatives as a fight for principles and power. It was “resolved” by the invention of a formal social policy which took socioeconomic inequality into account without having to contradict the abstract requirement of equality in law and private responsibility. Sociopolitical intervention could be kept marginal only as long as this succeeded. Only when it came to the individual ponderability of risks and to the question, whether they could politically be considered acceptable, did the call for a material social policy surface. In sociopolitical terms the socialist politicization of the workers’ movement,

its renunciation of liberalism and its striving for independence as a party, was behind this change. In Britain it only came about after the long ascendancy of industrial capitalism and its individualist mechanisms such as free labour, labour discipline, self-help and the whole “self”-centring of the self-reliant individual. To advocate a material social policy now meant recognizing the social security of the working people politically as a “major interest” and being able to criticize the model of individual emancipation without having to reject industrialism. Pauperism, that is, mass poverty which threatened to overwhelm every attempt at material support, was also conquered. The rigid individualism of early industrial social policy had taken formal precautions against it. Yet after two generations the industrial productivity revolution had challenged the old assumption that work meant poverty. The social acceptability of poverty began to crumble. The concretization of the idea of equality in the gradual extension of the franchise or the increasing demand for equality of opportunity, especially in the sphere of education, gave evidence since the late nineteenth century of signs of a collectivization of emancipation, whose most important result was the above mentioned rise of the workers’ movement to political independence.

This was not as astonishing as it may have seemed to many contemporaries, for the modern class problem is a protest against inequality, it is the call for equality. Despite significant improvements in the lives of even the lower income groups, the distance from the middle classes who set the parameters of a respectable way of life had scarcely been reduced, and most of the working population had failed to make the transition from subsistence level to a standard level of existence, including standard protection. The “social question” as a collective or “class” problem reared its head again and could not in the long run be deflected by restricting it in an individualizing way to character and character defects. Integration was therefore needed, the incorporation of extensive population groups whose rather loose inclusion via wage labour, the legal system and the police was disturbing. The emancipation of the individual, now regarded as a right to be demanded from the state, only seemed possible if individual workers were relieved of their burden of risk and the ordinary contingencies of life (particularly old age, sickness, unemployment). The concept of social responsibility was thus given a central position, as the social conservatives had given it, albeit in a completely different social context. The risk idea took on a broad supra-individual significance which went well beyond the anonymity of “imponderable” health risks (epidemics, lack of hygiene). Accordingly the orientation changed from identifying supposed character defects to identifying social causes. Sociology, which supplied the concepts for the change of paradigm at the turn of the century, described the necessity of a positive material social policy against the background of a cycle of poverty which made even predictable risks intolerable for those

affected, the mass of the working people. As long as deeply unequal socioeconomic living conditions continued, these risks also needed to be collectivized, that is transferred from the private to the social sphere of responsibility. With the Pensions Act of 1908 and then with the introduction of social insurance in 1911 for sickness and unemployment, social responsibility for ordinary contingencies had become established in Britain. The subsequent transformation of poor relief into social assistance, the extension of unemployment insurance, the gradual realization of equality of opportunities particularly in education and the availability of medical care for all fill out the picture of the newly emerged model and develop it into the welfare state, a structure in which as many risks as possible are lifted from the individual and which is governed by the imperative of equal opportunity in all spheres of life, from education to sickness to convalescence. Individual's control over their lives was hugely extended at the same time as the individual's area of responsibility was reduced.

In the first instance, then, "social policy" can be defined as the political assumption of responsibility for the collective insecurities of life. Its purpose is to provide institutional safeguards against such risks for all those who lack the means to achieve a specific basic level of security. "Political" here means that the state recognizes this responsibility as part of its *raison d'être*. It thus responds to changes in the socioeconomic structure of society which demand new mechanisms of political integration. "Collective insecurities" here means those risks affecting the individual which he or she cannot control with reasonable foresight, where the concept of what is tolerable is ever more narrowly defined. This includes epidemics, unhealthy living and working conditions, accidents, disablement, plus individual illness and old age. Social policy accordingly is the outcome of a politicization of the risk question, that is, the effective assertion that such risks cannot be adequately met through self-help. This introduces the idea of a basic standard and sets in train the transition towards material social policy, a transition away from the "cold shower" of an emancipatory social policy towards what was to become the "warm shower" of welfare policy. The difference is that what matters now are "standards", measured against the norm of what is respectable, not subsistence, just staying alive. And that a legal entitlement exists which is not restricted by a loss of respect. The history of the nineteenth century is the history of the gradual transition from poor-law policy to social policy in line with the change of status of the "poor man" under the pressure of industrialization. As the state assumes responsibility for collective insecurities, it adapts its goals to this change, renewing its order and purpose and at the same time its legitimacy. Adaptation of this kind is "political" because these social conflicts are to be reduced by their gradual inclusion into the state's sphere of action, the degree of social conflict deciding how far the goals are broadened. The

emphasis is on the deprivatization of risk and the nationalization of care. The history of social policy, viewed generally, is therefore the history of the politicization of the question of risk and its gradual extension. It begins with workers' protection and preventive medicine and assumes its typical form with the introduction of social insurance and then equality of opportunity. It belongs to that movement in which the "social", bourgeois society, penetrates the "political", the arcane sphere of old, state-centred politics, first as liberal constitutionalism, then increasingly as socialism, as the connection between the "stomach question" and the demand for human and civil rights.

## 2. *History of social policy: the example of Germany and France*

This course of events progressed very differently in the various European countries. In Germany for example the tradition of cameralism, which in its bureaucratic justification of the absolutist state had already allocated the goal of welfare a central position, continued to have an influence, albeit on the basis of the maxim that everything should be done "for the people but nothing by the people". Accordingly the nineteenth-century liberals concluded that the welfare state was an example of the state assuming the role of carer and at the same time an attempt to root the strongly absolutist state in the modern age and thus weaken the process of emancipation. The dispute about social policy was at the same time a struggle for the state and its dependence on civil society. Wherever oldstyle "politics" was able to maintain itself to some extent in the nineteenth century, a concrete social policy began to develop which was a continuation of the impulse, if not of the forms, of the cameralist notions of welfare. On the other hand, where the "socialization" of the state had occurred in the new century, individual emancipation and the requirement of self-help gained an absolute priority. Social policy is thus a completely society-orientated development. It involves value judgments and their social applicability, with social control, but taking account of social change by changing laws and the ideas and values which govern them. This, however, looks at only *one* aspect of values; the *other* would be the sharing of culture, the recognition that all those who live "without culture" in ignorance, without education, in misery and poverty, are equally capable and in need of culture. This is an enlightened idea, embodying the ideal of human dignity. It would be too narrow a view to attribute this solely to the interests intent on stabilizing bourgeois dominance. By insisting on individuality and education the bourgeoisie demarcated *society* from the (aristocratic) *state* and from the aristocratic way of life, in Germany even more so than elsewhere. Education was more a defensive manner of demarcation, and so corresponded more closely to the weaker position of the bourgeoisie in Germany. Yet the cultural defini-

tion of the social question was also found in Britain, for example in the movement to establish academic "settlements" in the slum areas of cities from the mid 1880s onwards. More important, because it applied this definition of culture directly to the justification of state social policy, was the activity of the German "Verein für Sozialpolitik" in the 1870s and 1880s. The focus moved away from the old complaint about the secularization of the working population to the bourgeois-humanist idea of a comprehensive participation in culture as the essence of individualization. The change from the religious-Christian view to the secular-humanist view is most clearly seen in the settlement movement, which initially was still religiously motivated. The basis of this definition of culture is that "more culture" cannot be separated from "more property" and that a person without a shared culture is disfigured within his or her humanity. Therefore, the cultural definition of social policy leads on to the universalization of "standards" and imbues it with spiritual significance where the development of the industrial productivity revolution into mass consumerism gives it economic substance. Social policy is thus the generalization of the idea of standards with reference to participation in material and spiritual culture. The "lower classes" were also brought into the progress of civilization in this way. In the cultural participation of the worker the moral basis of socialization is renewed, and from it develops something like a philosophy of social policy. The positing of participation in culture as the "moral" basis of social policy also led to the critique of social insurance as "opportunist", despite the recognition of the extraordinary progress associated with it. This critique was invoked, albeit with a different emphasis, against Bismarck's "real-political" use of social insurance as well as against its "mathematical" application by Churchill two decades later.

The welfare policy of the twentieth century is the continuation of material social policy in the democratized state. It has its beginnings in the state-centred policies inherited from absolutism, in which society was basically seen as an unstructured bundle of various groupings, different "societies", in which external cohesion was provided by the state alone. Precisely at this point this "policy" could become sociopolitical, in that it allowed the state in principle to intervene without restriction in society, whose autonomy it after all denied. This was equivalent to a rejection of emancipation, which was regarded rather as a manifestation of social disorder. Against this the strong state was given the opportunity to maintain internal peace in order to strengthen itself outwardly. Social policy here is realpolitik, recording and responding to the flowing power lines like a compass. This was the origin of a material social policy in Germany. Making social problems "public", their publicization by the press and the "movement", played a much smaller role here than in Britain, where social policy was largely the result from such publicity. The creation of publicity in England was the

driving force behind social policy and constituted the means by which social reform penetrated “politics”, because political life there was already imbued with the social as a result of the abandonment of the absolutist state. It was different in Germany, which is why the politicization of the labour issue confronted the strong state there so directly and it responded in “self-defence” with the Anti-Socialist Law and social legislation. In Germany the *bonum commune* remained by and large the responsibility of the state, it was not appropriated by society as happened in Britain or also in France. The struggle for the state ended with a defensive victory for the old power. Related to this is the formation of a socialist workers’ movement which broke with liberalism at an early stage, which in turn no doubt sharpened the conflict. The sociopolitical response to this lay in the continuation of the strong state. It is significant that state social policy in Britain or France in the nineteenth century remained under the influence of the preventive principle in factory laws and hygiene measures, whereas in Prussia protection for workers remained in the background but the idea of a material social policy moved into the spotlight. From as early as 1845 Prussia renewed the compulsory principle relating to sickness insurance, which so contradicted the liberal principle of personal responsibility, first of all for journeymen, then for factory workers, with the possibility of calling on employers to contribute. Thus a principle was introduced, albeit initially only as an option at local level, which paved the way towards the Prussian-German social policy of later years dealing with “ponderable” risks and the protection of existence. Its “paternalistic” traits bemoaned by the liberals made this kind of social policy all the more attractive to the strong state and its representatives. The struggle for social policy and its formal or material orientation remained a struggle for power and for the penetration of the “social question” – as the third-estate question as well as the labour question – into the politics of arcane statehood was at the same time a battle for the working class itself. It could thus be said that the Prussian state’s lack of democratic progressiveness led to a leap forward towards modernity in social policy, and even to the foundation of a social state as an interventionist state pursuing material social policy, reacting against both economic liberalism and socialism. The stronger the continuity of the state within a country, the greater the significance given to the material aspect; on the other hand, the more pronounced social individualism, the smaller the significance of social policy, particularly of the material type. This is shown in the different concepts of what constitutes an “individual” and a collective risk, that is, in which cases someone could or should be expected to help himself and in which cases such risks remained anonymous and thus could be covered by state-directed provisions. Here too was the threshold between both forms of social policy. With the allocation of the “ordinary contingencies of life” this threshold was crossed and the beginnings of the

welfare state became evident in social policy.

Britain and Germany accordingly demonstrate the two basic forms of social policy, formal social policy being initially the more significant. The situation in France is less clear. Since the French Revolution the principle of individual responsibility had been dominant, but there were also counter-vailing trends. The extension of civil rights to include the right to work or support, declared in 1793, only existed on paper but was nevertheless an early pointer to the basic ideas of the welfare state. The fact that this did not lead to a material social policy, and that France made the transition to this kind of policy even later than the two other countries, has to do with the impact of the Revolution. It was difficult to bestow the role of a "social" monarchy on a state which had gone through revolution. It is noteworthy that the only effort in this direction was undertaken by an illegitimate ruler, Napoleon III, with the full intention of consolidating state-centred politics by opening up the sociopolitical sphere of action and thus adapting the aims of the state to changing social power structures. The state was to be made "indispensable" to the "lower classes". The liberals, whose ideal of a society of numerous small producers in the hesitant industrialization of France was in fact attaining a degree of reality, reacted against this. The struggle for the "whole" of the third estate and against the independence of a fourth estate, which was so characteristic of the liberal movement, was largely successful despite the bloody price which had to be paid for suppressing proletarian rebellions. The important point here was that the French radical liberals possessed an integrating "republican mythology" of formally established human and civil rights and their foundation through the French Revolution. By this means public welfare had passed into the hands of society. The efforts of the social conservatives to replace the concept of broad individual responsibility with the concept of social responsibility failed. The weakness of the labour movement contributed to the further delay of the transition to a material social policy, since even though labour in every country rejected the method of social insurance at first, it was in fact its emergence that made governments implement it. It is noteworthy that France stuck to the optional principle of assistance for the poor which (as generally in the liberal model of social help) was intended as an extension of philanthropy, where the main stress of the liberal discourse on material assistance lay. Charity kept assistance within society and avoided putting it in state hands, it emphasized the private and non-political aspect of the act of giving, with the result that it could not be counted on and that the goal was the reattainment of independence. So the optional principle and the emphasis on philanthropy complemented each other and were linked to the idea of *liberté subsidiée*, a voluntary (old age) insurance whose attractiveness was to be enhanced by state subsidies (1850). It became clear, however, that voluntary insurance appealed only to a narrow group

of workers who were already earning better as well as employees and small traders, and excluded the great majority of working people. They continued to rely solely on the wage nexus to safeguard their existence. Every interruption of cash payments threatened them with impoverishment or drove them to request poor relief or charity. Self-help could scarcely combat the "military attack on the peace budget of the working family", as Gustav Schmoller once described the effect of so-called normal and preventable risks. The individual principle of personal responsibility proved unsatisfactory if basis insurance for as many working people as possible was considered essential on political grounds. In countries of a liberal stamp such as France or Britain this transition to a material social policy was effected by extending the arrangement which had always provided material help, poor relief. The offer of certain medical services, then of pensions financed from public money, formed the link with social insurance, which differed from a method based on a system of contributions in that it adhered to the criterion of need. These sort of measures were still aimed at "the poor". On the other hand they gave the poor a legal claim to support and refrained from linking entitlement with disdain. The question of individual guilt disappeared. This continuation of poor relief by different means, particularly by making the government the responsible body instead of the municipalities, was in keeping with the restriction of material help to poor relief but at the same undermined its social function, which was to keep the distribution of material help marginal by a combination of poor relief and the attribution of guilt. Hence also the great significance placed on private charity. But understanding "welfare" as political rather than philanthropic meant breaking down the exclusivity of individual responsibility which the liberals had long regarded as indispensable. The shift of responsibility from the individual, a central event of the twentieth century, corresponded with a shift towards a general collectivization of responsibility and "guilt". The regulation of state-financed poor relief remained a mere episode which led on to social insurance. The vertical order which had been so decisively established for poor relief disappeared. Vertical assistance always applied to poor people, "horizontal" help to peers. The controls of formal social policy had remained in the horizontal sphere; material social policy on the other hand shifted material assistance from the vertical to the horizontal. Thus the state assumed a sort of standard liability even for the remaining area of what was now called "social assistance", formerly poor relief.

The break with the liberal idea of social help dovetails with the imputation of social "guilt", the social definition of poverty, the protesting juxtaposition of the idea of equality and existing socioeconomic inequality. The aim of state social policy was not to weaken the wage nexus but to intervene in the specific cases where it failed. If the wage nexus was a fundamental

factor of industrial society and if wage labour and lack of property were mutually dependent, then the complementing of the causal relationship between wage labour and lack of property by a parallel relationship between labour and subsistence could certainly be considered a definite component of the existing objective of society. By guaranteeing subsistence in the event of sickness or unemployment the state – representing the property owners – compensated those without property and at the same time renewed the moral basis for the property order. This consideration was particularly prevalent in countries with liberal forms of social assistance, where society was the starting point for discussion, unlike in Germany, where the state was the natural starting point for the supporters of a material social policy. At the end of the century Léon Bourgeois, for instance, generalized the horizontal concept of solidarity for the purpose of assistance to a social principle. Basically all the members of a social organization were linked to each other by “quasi-contracts” and solidarity was the consciousness of this comprehensive relationship, whereas in the old, associative form of “reciprocity” it was the result of actual arrangements. This solidarity embodied the quasi-moment of mutual trust in social conduct, a moment to which the state had to give reality through social policy, just as it safeguarded actual contracts juridically. The transition from “morality”, that quasi-moment in socioeconomic relations, into “law” is thus virtually completed in the epochal context of the anomie question and the threatened dissolution of the politics of the third estate in the light of the new politicization and independence of labour. *Solidarité*, or “social” responsibility, was to create a new consensus relationship acceptable to both the radical-liberal bourgeoisie and the working class. Similar developments occurred in Britain, where radical liberalism likewise sought the renewal of the social contract, or rather the “contract” between the bourgeoisie and the working class, in the organism analogy, which was now interpreted horizontally as equality of all elements. In an age ever more emphatically characterized by the driving force of equality, “vertical” socioeconomic inequality could only be consolidated and justified by the horizontalization of social assistance, and the way this help was constituted was tantamount to a transformation. Providence in respect of the social risks of lack of property and wage dependence, this core of liberal individualism, was to be transposed from being the sole responsibility of the individual to the primary responsibility of the state. *Prévoyance sociale* as the mechanism of compensatory solidarity was to take over from *prévoyance individuelle*. The majority of the labour movement in contrast rejected this insurance solution and demanded the “full return of labour” and at the very least the provision by the state of fully cover for “normal risks” to be paid for by progressive income and wealth taxes. The only kind of social policy which it supported decisively was workers’ protection,

which in Britain had been one of the basic concerns of the emerging trade union movement. Material social policy was regarded by labour with suspicion in Britain and in Germany and most effectively in France. In general the barely concealed intention of pacification was recognized, but it was less widely recognized that this transition to a material social policy promoted rather than hindered the collectivization of emancipation. Or put another way, this is a discovery of the twentieth century, prepared by politicians such as Ramsay MacDonald, Jean Jaurès and Eduard Bernstein.

### *3. Historical theory of social policy: conditions*

Social policy is history. It emerges at a particular time under certain social conditions. More specifically, it is a consequence of the process of emancipation which becomes socioeconomic in the context of industrialization. Social policy is one of several historical forms of social assistance which make up the basis of socialization. Social assistance allows human beings to experience altruism as practical solidarity without which there can be no trust in a society. Trust is indispensable for peaceful cohabitation because in the condition of socialization human beings become dependent, and this to a great extent prevents them from determining their own lives. That is to say that a society without social assistance cannot be long lasting and that acceptance and discipline can be effected by such assistance. Here the degree of division of labour is a crucial factor. The more pronounced the division of labour, that is the more the workers produce for the needs of third parties, the more dependent they themselves become. The straightforward dependency of living together as a household gives way to an abstract concept of free individuals living in an urbanized society. The poor man becomes the modern proletarian. The older pattern of poor-law policy disintegrates.

“Poor-law policy” was the earliest form of politicization of the poor question and took the issue of dealing with the needy into the sphere of “politics”, the institutions of public power. It emerged from a charitable conception of assistance, but it was still predominantly for those who were not part of a master-relationship. In a structure in which the socially binding emotion of inequality went hand in hand with the responsibility of authority, these people became a problem as the urban economy increased in significance and labour became a marketable good. The Christian idea of assistance in which the giver’s gift has a universal meaning, common Christianity and a sharing of spiritual assets, was transformed from the late Middle Ages onwards by municipal welfare measures, whose universal was the *polis*, the order of urban cohabitation. Yet charity remained the key area of social assistance well into the present era of social policy. The lower

was the weaker, and the social hierarchy justified itself out of this weakness as the desire for help and leadership. From the sixteenth century onwards the first individualization and economization of the image of the poor becomes apparent, focusing increasingly on the person and emphasizing the poor man's duty to work and discipline which led to the definition of poverty as a defect of character.

"Poor-law policy" therefore belonged in a society whose statehood was already consolidated, with a developed but not dominant trade and industry sector, a large lower class, low productivity, and the division of labour still unmechanized. The new view of labour as a productive force rather than predominantly a subsistence force is already there in its early stages but has not yet been unleashed by machine technology. With the industrial revolution began the transformation to social policy, which reflected the basic change of the economic role of wage earners, those people who in the new vogue of equality were now proclaimed "free". The new type of worker, the "proletarian", occupied a strategic position in the process of material production which the "rabble" of the pre-industrial age had not had. Social assistance had to become labour policy and could no longer remain a policy for the poor. This was obvious from the changed nature of protest, from old-style rebellion to revolution, from the complaint about "innovations" against good old tradition to praise of what had never been. Assistance became politicized in a completely different way in the form of the "social question". The proletariat had a strategic position in production but no hierarchical status in the context of property-owning society; but because of its position it did possess an inner cohesion which the rabble had not had. The four elements of social assistance which make up its historic forms in varying degrees of importance thus assume particular significance in social policy: they are *security*, *order*, *labour* and *dignity*. "Security" represents the security of material existence, "order" the aim of integration and discipline, "labour" dependence on a wage, and "dignity" shared culture. The historically different weighting of these elements could lead to one sphere almost overwhelming another, in the same way as the factor of order and discipline which occupied an increasingly central position overwhelmed that of dignity in the eighteenth-century penal labour institutions. Labour was still not a dynamic social force. It was not the working poor but the able-bodied paupers who were regarded as socially dangerous. This emphasis on the element of policing or order assumed long-term significance in the bureaucratic absolutist states.

Labour was production and discipline all in one, producing a material and also a symbolic value of integration into the unequal structure of authority. This changed with the social interpretation of labour as being for individual gain. Security and dignity were to be the results of labour, the first as a product of providence and the latter constituting the pride of free

agency. Order was regarded as the result of self-imposed individual discipline which was essential to lead one's life independently. It no longer had to be enforced externally but came about of its own accord through association with the forms of market and competition. Independence was self-discipline, dependence externally imposed discipline. Self-discipline could be achieved through pressure of respectability, which equated social being with bourgeois rules of behaviour and which thus exercised pressure to conform on the sub-bourgeois classes. It became clear, however, that the universalization of the bourgeois model of respectability could not be achieved as long as a majority of the population remained outside the security circle of property. Once it was realized that this majority could neither acquire the security of property nor make use of the effects of quasi-property via friendly societies, a social policy guaranteeing the effects of property became the only alternative. This was in keeping with the pluralistic condition of partial socialization with a variety of patterns of social regulation instead of a few dominant ones as in the old society. The reason that socialization was only partial lay in the separation of labour from the means of production and its new association with the medium of the market and money. The emotive concept for this was "freedom", freedom of the person, freedom of property, freedom of labour. Class divisions now called the effectiveness of this partial socialization into question because workers were only socialized by one single aspect among many, that of wage labour, and beyond that there was only the state's threat of force. Education, philanthropy and social policy here provided further links, and the consumer effects of the growing industrial economy and ideological effects such as nationalism did the rest. Social policy is thus the conditional response to the social question of liberal-capitalist industrialization, while socialism and social conservatism provided unconditional answers. Social policy emerged thus from a specific kind of "discovery" of the social question. The proletariat seen from the viewpoint of pauperism and its accompanying manifestations, child labour in factories and the reserve army of labour, came to be conceived as a phenomenon of the unconditionality of impoverishment. Social policy was impossible here. But where the proletariat was regarded as separate from pauperism and as a class creating a consumable surplus rather than just as one exploited by capital, social policy emerged as an alternative. The elements of security and dignity had to be stressed and related to the labour element, which only began to relinquish its central position with the transition to welfare policy. Poverty and aid for the poor were pushed aside by labour. "Order" and discipline were then shown to be side-effects of the institutions of social policy. They were important in that nothing reinforces disciplined behaviour more than the promise to secure the future and this is exactly what a material social policy tries to achieve: the risk remains but its consequences

become manageable.

Social policy developed in various forms during the nineteenth century as a social policy of the class conflict, and consciously so. It is the institutionalization of the social meaning of industrialization, the abolition of poverty for labour, the sharing of goods which goes beyond the subsistence. It originates from the intermingling of the industrial productivity revolution and social emancipation.

Social policy preserves freedom and prevents its transformation into "fraternal" equality. It enforces a bourgeois way of behaviour and engenders a sort of individualistic solidarity in which giving something is meant for oneself, the solidarity of the so-called generation contract, the quasi-solidarity of social insurance which is concerned not with the interests of others but just with self-interest. Social policy, rather than closing the history of equality, having emerged as the social policy of the class conflict, links it up at a critical stage with the individualism of freedom. Thus privatization of risk is abolished for a specific sphere, providing an early sign of a deprivatizing and publicizing tendency. The further development of social policy into welfare policy is already outlined and the focus of the sociopolitical discourse thereby moves on from labour to dignity.

The separation of the public and the private had been one of the fundamental events of – bourgeois – "society". This society split off from the state only to form a new relationship with it. This led on the one hand to a conflict with the state which continued to be the state of the old social order. The more the state was "socialized", the less active it became in a social political sense, leading an observer like Lorenz von Stein to comment around the middle of the nineteenth century that the relationship between the state and society was the central issue of the social question. In the history of equality the state played a vital role, particularly in depriving the interim authorities of their power, asserting its own monopoly of power, and endeavouring to create a uniform citizenry. In particular the effects of bureaucratization and legalization which it engendered were strongly indicative of the welfare concept, although this initially retained a strongly authoritarian stamp. It was confronted by individualism and its insistence on privacy in the self-assertion of bourgeois society. But the state was able to continue to play its role, as indirectly as before, in the history of equality even in the encroaching democratic age, in confronting bourgeois freedom with class conflict to make itself indispensable as a balancing factor. The old state liked equality for its own sake as little as ever but in trying to pursue its goal, develop political control and keep inner peace, it adapted to the changing socio-economic conditions. The state gained new legitimacy by extending its function (made easier where tradition and absolutism continued to be felt). It was now a society of citizens from which it sought to gain both. Social policy itself turns out to be the mechanism of that gradual democratization

which it had once sought to avert. As well as contributing to the incorporation of the labour force into liberal capitalist industrial society, social policy also draws the state into the diverse duties of such a society, as shown by the spheres of labour relations and labour law.

In its “formal” beginnings, and this is the case in every country, social policy provided protection for free labour in the form of factory and health legislation. Even when it branches out into the sphere of “material” assistance, the formal beginnings are contained, extended or restructured by security policy and sometimes restricted by it. Factory law, with its stipulations on the protection of health, on working hours and the protection for specific groups, is extended by accident insurance which takes it into the material sphere and strengthens the overall trend towards incorporation in law. The abstract concept of the “free wage contract”, as impossible to realize as was the concept of the worker as a free agent, acquires a concrete element through worker protection. The extraordinary new elements which emerged here were a challenge to contemporaries, as was shown by the bitter struggle over factory legislation, which brought the law into that private, almost arcane, sphere of the employer’s property. The ensuing “publicization” of industrial labour and the gradual extension of the wage bond and the labour contract by legal requirements can have been scarcely less significant in the emergence of the social state than the changeover from poor assistance to social insurance in the development of social security. Both the sphere of social security and that of “social self-determination” jointly determine the shape of social policy in an often tense relationship. This tension is already present in the respective beginnings of “formal” and “material” social policy. Formal social policy, with its liberal basis, was a requirement of emancipation, a sort of compensation towards the *individual* self-determination of the worker. In content however this criterion remained extremely limited as far as the liberals were concerned but became linked “socially” to ideas of emancipation, which led to completely new concepts of fairness and justice. It is no coincidence that socialists from Marx and Engels onwards welcomed and encouraged worker protection instead of social security policy. Protection for workers, the strategic production role of the worker and his class condition, the “proletarian” element of his existence, came right out into the open, whereas with social security assistance the worker emerged from his unique strategic role only to become an exchangeable consumer. The socialist interpretation of the worker’s potential for emancipation sets out not so much from the idea of social protection for the worker, but from the idea of a legalization of the labour relationship. If we take social policy in its broader sense to mean reducing risk, we see that in its political motivation the legal movement is directly linked to the democratization process in that it demands participation and seeks the transformation of “hands” hired for pay into “persons”

working not just for money but with participation and legal rights. Because the wage earner occupies a strategic production role in industrial capitalist society, every piece of legislation, every extension to allow participation in the formulation of this role, exercises a direct effect on society itself, its self-image and its balance of power. The development of labour protection law links up with the formulation of the collective labour contract, which was impelled chiefly by the trade unions, which in this way sought to institutionalize themselves as a power factor. The state on the other hand for a long time only intervened occasionally, whether over the truck ban or the legal regulation of the status of trade associations, in a restrictive rather than an encouraging way. This began to change only in the twentieth century, particularly in the welfare state, when labour law became a basic element of the legal system. The social elements embodied in the legalization of the labour relationship and in the legal consequences of social security and other social directives (such as health and building regulations) only became dominant in the welfare state in the mid-twentieth century; they did not go unchallenged and clashed with the property principle. In general, formal and material social policies conferred the same degree of "social" security on the wage earner in an economic structure which, essentially because of them, became less and less private and increasingly public. The labour law policy, which was part of formal social policy, has as its central theme the aspect of dignity, whereas security is to the fore in material social policy. The fact that material security takes precedence over labour law has to do with the tendency of the security element to displace the labour element and particularly with the fact that for the worker himself labour is not a means to dignity but a means of security, that the emotive idea of labour falls on stony ground under the conditions of its industrial organization. Pathos may spring from manual labour, as John Ruskin and William Morris knew, but then it needs no labour law. This comes about, as does labour protection, when production is made anonymous and it wants the reduction of the workload, not joy in labour or becoming a person through personal labour. Whatever the ideal of the social philosophy of labour law may have been, particularly among the "ethical socialists" of the 1920s, working people were pushing for security and standards: under these banners the element of dignity was established and the successful integration into prospering capitalism occurred. In some ways they also achieved the aims of formal social policy, as envisaged by the liberals, which were to give the worker the capacity to grow stronger and achieve security and respectability. So the incorporation of free labour into law becomes part of the development of general social policy, beginning with its definition of the privacy of its "owner" and progressing to the removal of this privacy and the establishment of the public sphere instead – the publicness of the labour relationship and the workplace through the collective labour

contract, legislation to protect the worker, and the creation of conciliation and arbitration bodies. As the twentieth century progresses the social question of the nineteenth century becomes the social constitution of the twentieth century, as a socioeconomic structure and as a political and legal order. Through the mechanisms of the social movement and the state it acquires institutional shape and becomes welfare policy.

#### *4. Historical theory of social policy: structures*

Welfare policy is a consequence of democratization. While individual emancipation seeks to free the individual from hereditary group dependency and to declare the “individual” sovereign by individualizing responsibility, democratization relates to the mass, to man as a social species. Democratization originates in the emancipation movement and continues it in a collectivist way. In establishing the historical framework of this course of events the degree of the bureaucratic organization of the state plays an important role. In Europe emancipation is resistance to society in its traditional form, it is emphasis on the individual. Generally speaking democratization stresses the social rather than the individual, albeit under the precondition of equality. This equality, as a regulatory aspect, tolerates no inequality. It therefore pushes on beyond free agency to equal citizenship, to equality of opportunity and equality of security. These three elements sum up democratization and also form the basis of welfare policy. Organization rather than personal bonds links human beings in modern society. Within the pattern of equality no one is obliged to help anyone else: there is a simple expectation of guaranteed protective behaviour, not of help or solidarity. Conduct of this kind provides security because its predictability can compensate for individual weakness in an increasingly complex – bureaucratic or money-oriented – structure of relationships. The independence of the individual is also his weakness: relying on the behaviour of other independent people its only security comes from predictable behaviour and the institutions which promote and monitor it. Everyone is equal, independent and weak. Thus equality increases rather than diminishes the importance of the state and leads to wider bureaucratization, particularly as social administration, which guarantees a sort of equality of expectation with regard to certain consequences. The social welfare state, a gradually but constantly developing modern form of the state, compensates for lack of personal solidarity in an anonymous manner. It promotes equality, responding to its social failings and demands by adapting individuals to its norms, stripping them of individuality, turning them into and treating them as particles. Long-term developments such as the transition from charity to social work, the dispossession of body-responsibility

through health insurance schemes and the shift in the care of the elderly from the family to the state are all indications of the continuing dynamic of the change from the person-related principle to a bureaucratic principle of categorization. The individualistic phase of emancipation represented only a bridging period, albeit an essential one, between the old order and modern society, the social state of organized interests. Democracy and industry follow the same impulse: they dissipate individual interest and accumulate it as anonymous demand, using the direct mechanism of money and, politically, state assistance in the form of cash payments. Thus the social state follows the generalized trend towards monetarization, the deepest socioeconomic root of the emancipation and democratization processes which undermines all personal relationships, dissolves all class differences, endeavours to impose a cash value on everything. The privacy of the bourgeois age has been dissipated in the public. The internal impulses of the self-disciplined "inhibited" individual have been superseded by the external effects of supply and consumption. The apparent paradox of the weak modern state which assumes an increasingly broad range of social duties also has a parallel here: the capacity to decide diminishes as it is incorporated into this highly differentiated society divided by labour and burdened with interests. The individual and the state become plural, a point of multiple overlap for the variety of different outlets of social behaviour.

This is perhaps the decisive point: the development of the relationship between public and private. At its interface social policy emerged as distinct from poor-law policy, and as the public spread into the private, social policy spread out around the sphere of goods and became welfare policy. This development illustrates other issues and conditions closer to specific historical events, particularly the requirement for the integration of the proletariat and the idea of "social policy" as a conditional structure which recognized "artificially created poverty" (Marx) without revolution necessarily having to follow on from it. This conditional interpretation of the social question forms the very essence of the whole sociopolitical argument. The "artificiality" of the new proletarian poverty has its roots equally in the industrial productivity revolution and the modern idea of equality. The sociohistorical basis of industrial society lies in the overlap of emancipation and the productivity revolution; its sociohistorical significance is thus nothing less than the structural separation of labour and poverty. Social policy forms a crucial component of this structure, in that there is a shift in function from the domestication of a two-class conflict to the integration of pluralistic conflicts of interests. Politically this event represents a fundamental democratization, socially it represents the emergence of a network of interest groups with workers' and employers' organizations as its core. The "conservative" concept of material social policy which is especially pronounced in Germany, the view that social policy compensates for a form

of hierarchical inequality which is laid down in the social order, disintegrates. This shows that the development of social policy is already a factor and an index of the democratization process. A further aim of this kind would be the disciplinary effect which engenders predictability and thus helps to create a basic element of security of action in a modern society, without which it becomes unreliable or collapses.

Social assistance, especially social policy, is always a struggle for the *bonum commune* and at the same time for sharing and participation, for the "right" social order, for what man "really" is. Thus it is more than a creation of institutions, more even than history, and at one and the same time it is of the present and of the future. It belongs and always will belong in the sphere of what needs to be done. In short it is the creation of the *polis*, a renewal of policy from the viewpoint of man which encroaches upon all his daily goals and gives them spiritual substance. Constant reference to the practice as well as to the theory of social policy keeps it alive in a real sense: providing a reminder despite all the tactics of politicians, all material constraints and the bureaucratic apparatus, that a social policy which ultimately is not a reflection of dignity remains unprincipled and without a transcendent purpose. But that is the final sentence of history and the beginning of political philosophy, which we are not dealing with here.