THE (GOLDEN) AGE OF THE WELFARE STATE: INTERROGATING A CONVENTIONAL WISDOM

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The idea of a (golden) age pervades most academic analysis and debate about the welfare state. This article interrogates this largely unquestioned epochal image of welfare history which is, in effect, a shared conventional wisdom. That vast and often disputatious scholarly literatures should share a conventional epochal axiom is remarkable. So is the absence of academic debate focused on this idea, which is both pervasive and vague. Perhaps paradoxically, our easy recognition of the (golden) age of the welfare state may contribute to the lack of precision in its use: taken-for-granted concepts are often sloppily deployed.

INTRODUCTION

Dividing history into epochs can appear self-evident, commonsensical or natural – a preliminary, pre-analytical scholarly task. But assumptions laden with theoretical significance are inevitably embedded within historiography of this kind. In particular, our conceptualization of the welfare state has been shaped by this kind of historiography, which has an epochalist character. Adopting an epochal approach to welfare state history:

1. Implicitly presents a common historiography of the welfare state in general – that seems to apply across the Western world (even to Western countries that are not always deemed to qualify as welfare states); represents the history of an abstract welfare state, rather than reflecting the experience of any particular (or some average) country; is used as a synecdoche, standing for the totality of an earlier historical period; and runs a strong risk of idealizing the past.

2. Typically lacks clarity, or is poorly specified – offering only a vague definition of the content or character of the age of welfare; leaves unclear the relationship between various potential dimensions of the welfare state and cognate policy fields and state commitments (such as that between social insurance and macro-economic policies); may occlude distinctions between different variants of the epochal argument; and largely ignores cognate literatures.

3. Provides us with a pre-ordained conceptualization of change – as taking place at moments of epochal transformation; typically linked to crises (generally wars or moments of economic turmoil); and tends to direct attention away from ‘within period’ change.

Because major economic crises and wars are widely seen as the causes of epochal change, this approach dovetails nicely with materialist analysis (e.g., Gourevitch 1986). Yet epochalism is not the exclusive preserve of materialists – if anything, it has had a stronger hold over ideational analysts. For example, Blyth treats ideas as crucial to the explanation of change: during crisis periods of epochal transformation agents act under ‘Knightian uncertainty’; between them epochs are defined by conventional institutional-ideational stability (Blyth 2002, pp. 30–4, 41–4). The possibility of significant change

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within an epoch – whether in institutions or ideas – is excluded almost as a matter of definitional fiat.

Within welfare state analysis epochalism often serves as a preliminary orienting device or a framework for analysis rather than being an explicit focus for analysis. Of course, epochs could be used in other ways – say as dependent variables in the explanation of transition processes or time-limited political economy structures whose elements hang together in interesting and important ways (exhibiting internal interdependence and distinction from other structures). But even if epochalism is predominantly used as a taken-for-granted frame for analysis, that hardly diminishes the force of a heterodox critique of the conventional wisdom. Indeed, if empirical and/or materialist analyses can be shown to be shaped by and constrained within the framework of a conventional wisdom, that would provide grist to the ideational mill.

The next section analyzes varieties of epochalism, mapping the extensiveness of this (implicit) framework and its hold over welfare state-related debate. Its primary concern is the unclear specification of the welfare state’s (golden) age, although the section also touches on the conceptualization of change and the range of countries included within these epochalist frameworks. An empirically-focused section follows which considers comparable quantitative indicators of welfare performance. As debates about golden age capitalism, Keynesianism, and the welfare state intertwine, this section also examines comparative unemployment rates. It focuses on timing/periodization issues and cross-country patterns. Building on this analysis, the final substantive section identifies and recovers non-standard periodizations implicit in – or perhaps hidden in plain view within – major contributions to welfare state analysis (see especially, Esping-Andersen 1990, 1999). Explicit analysis of the timing or periodization of change draws distinctive but neglected aspects of this work to the surface and allows proper emphasis on ‘within-period’ dynamics. The conclusion, emphasizes the risk of idealizing the past due to the inherently stylized and abstract quality of the golden age periodization.

VARIETIES OF EPOCHALISM

The idea that there was an ‘age’ or ‘era’ associated with the welfare state comes in two main forms. These are distinct, but they generally reinforce each other rather than being mutually exclusive. Its first form, deployed across several disciplines and numerous theoretical traditions, defines, conceptualizes, or characterizes recent decades in contrast to an earlier ‘age of the welfare state’ (which is consigned to history); its second identifies the post-war period as a ‘golden age’. The two elements converge in the readily recognized concept of the ‘golden age of the welfare state’ (GAWS – used, inter alia, by Gough 1979; Pierson 1998a; Castles 2004, p. 45; Mishra 1999, p. 29; Moran 2000; Taylor-Gooby 2002; Cox 2004). Its standard periodization – between 1945 and the mid-1970s – is so familiar as hardly to require setting out. But remarkably little analysis has focused directly and explicitly on the GAWS idea (Pierson 1998a, pp. 121–8, 131–5 is a rare exception); its pervasiveness is matched by the allusive way the idea is often used.

State forms . . .

Although it may not be labelled as ‘golden’, the idea of an ‘age’ of welfare is often invoked in the wider social science literature. Much of this literature focuses on the historical succession of state forms, rather than having the welfare state itself as a primary analytic concern. So, cutting across the disciplines of Law, Sociology, Economics, and Political
Science, regulatory theories point to the replacement of the welfare state (sometimes the Keynesian welfare state (KWS)) – by a (putatively new) form of regulatory state (from a socio-legal perspective, see Scott 2000; Braithwaite 2005 provides a rare heterodox alternative). Majone’s influential analysis of the European Union charts a shift from the stabilization and redistribution (of the KWS) to regulation (Majone 1996, pp. 54–6).

Majone drew on Chicago School economics, but a similar shift is evident in work inspired (inter alia) by French Marxist regulationists. Jessop’s (2002) state theory depicts a change from Keynesian National Welfare State (KNWS) to Schumpeterian Post-national Workfare Regime (SPWR). Cerny (1997) uses the labels ‘Welfare State’ and ‘Competition State’ to identify broadly the same change. All seek a general characterization of the state (or post-statist political regime). They pay little attention to the particular histories of individual countries and the precise timing of the changes they discuss is often left vague. They use the welfare state in a highly stylized, allusive, and largely rhetorical manner: it is a device deployed in contrast with, and thus to define, what came later.

...Keynesianism...

One element often invoked in the literatures on state-forms – Keynesianism – has been closely analyzed, sometimes within an epochalist framework (for example, as a ‘Keynesian golden age’ – Desai 2002, p. 205; Marquand 1999; Skidelsky 2008) and occasionally in a self-consciously stylized manner (Peck and Tickell 2002). But Keynesianism has also prompted work that stands in sharp contrast to this stylized approach: these analyses typically eschew or repudiate golden age language. Here, particular cases are subjected to close analysis (on the UK, for example, see Tomlinson 1981, 1984; Booth 1983) often set within an explicitly comparative framework (Hall 1989, Notermans 2000). While allowing that Keynesianism may have had a generalized influence, the accent is as much on differences in when and how far this framework was adopted in various countries (e.g., Allan 2005 on its limited impact in Germany). While the Keynesian ‘age’ is generally seen as coming to an end in the 1970s, in contrast to the invocation of 1945 by welfare state scholars, the possible influence of Keynesian ideas is typically traced back to the 1930s, and responses to the Great Depression.

That the fate of Keynesianism has been hotly debated, with clear alternatives proposed to the mainstream view, is a further contrast to GAWS. So, Notermans has argued that ‘Keynesian contracyclical demand management policies’ were ‘irrelevant’ between the mid-1940s and the early 1970s: ‘they have only been ‘pursued in Germany during 1926 and, on a broader scale during the seventies’ (when ‘the policies proved largely unsuccessful and short-lived’ in both cases – Notermans 2000, p. 120). Rhodes extended this critique, arguing that there ‘was no such thing, strictly speaking, as “the Keynesian welfare state” during the so-called “golden age”’ (Rhodes 2002, p. 309).

...and the role of ideas

Analysis of Keynesianism drew attention to the role of ideas in social and political analysis (see, in particular, Hall 1989). Although often more concerned with Keynes than Keynesianism, scholars emphasizing the role of ideas in institutional change began from this literature (see, in particular, Hay 2001; Blyth 2002, pp. 20–2). The focus of these ideational scholars on the economic domain (Blyth 2002; Hay 2002, p. 215) and on episodes of crisis both merit emphasis. The first might represent an attempt to address materialist explanations on their home turf. Equally, ‘the economic’ might be especially prone to ideational influences, if markets have a particularly reflexive character. But concentration
on economic ideas might represent ‘second order’ or residual economic determinism: even if the economy itself is moulded by ideas, dominant economic forms then shape wider social and political life.

Ideationalists have also sought to define crises in non-materialistic terms, by insisting that ‘what actually constitutes a crisis’ is a discursive construction and emphatically ‘not a self-apparent phenomena’ (Blyth 2002, pp. 10, 9, original emphasis). Even if ideationalists treat actors’ interests as ‘constructions’ in principle, to date according to Hay they have generally fallen ‘back on an essentially materialist conception’ of “‘structurally derived interests’” (Hay 2010, p. 70, citing Blyth 2002, pp. 33–4) at key points. If so, this residual materialism casts their concentration on periods of (economic) crisis in a different light.

Hay proposes a new ideational research agenda, of ‘detailed ethnographic research that maps and charts the development and redevelopment of interest perceptions’ (Hay 2010, p. 81), to break the hold of residual materialism. Two remarks are in order here. First, there is no reason to limit this agenda to crisis-episodes: for example, while the 1960s is typically treated as a ‘normal’ period (at least in this literature), the ‘re-development’ of gendered ‘interest-perceptions’ (to take one example) during this period also merits attention – as do perceptions of such matters as sexuality and equality. Second, close analysis of particular countries features prominently in existing ideational work (for example, Blyth 2002 on the USA and Sweden, Hay 2001 on the UK), but the changes detected are presented as part of a general transformation (Blyth 2002, pp. 11–13). These analyses of changing (economic) ideas must also account for (or repudiate) their broadly similar timing across the western world. More attention to seemingly rapid ideational diffusion across space/languages/cultures might prove valuable.

Golden age theories . . .

Although widely used, GAWS is not the only ‘golden age’ formulation deployed by welfare state analysts. Some describe a ‘golden age of capitalism’ (Esping-Andersen 1996, 1999), perhaps specified as ‘welfare’ or ‘post-war’ capitalism’ (Esping-Andersen 2000, and Streeck and Thelen 2005, respectively). Less often (if perhaps more precisely) than the welfare state per se, the golden age is sometimes seen as an epoch of ‘welfare state expansion’ (Ferrera 2005; some analysts use both formulations: Taylor-Gooby 1994, 2002; Cox 2004). Although the discussion of the KWS is common, reference to its ‘golden age’ is surprisingly rare (but see Ellison 2006, p. 50). Occasionally, the phrase is left open: Pierson (1994, p. 2) refers to the ‘Golden Era’ without immediate further specification or qualification. Perhaps the clearest distinction within this welfare state literature is between those for whom the golden age is a characteristic of capitalism in general, which in turn conditions (and is conditioned by) the welfare state (Esping-Andersen 1999; Streeck and Thelen 2005) and others for whom the golden age was an epoch of (some aspect of) welfare state itself (Gough 1979; Castles 2004, p. 45; Mishra 1999, p. 29; Pierson 1998a; Moran 2000; Taylor-Gooby 2002; Cox 2004).

Of course, the welfare state is about more than a set of programmes: it also connotes ideas and perceptions, patterns of social and political support. The golden age of the welfare state evokes a notion – perhaps rather nebulous – about the legitimate role of the state. In this respect, the relative security enjoyed by the population during the 1950s and 1960s might justify the label ‘golden’ if compared to the extremism and mass unemployment of the 1930s and the insecurity of the Second World War. Moreover, discourses of welfare state crisis strengthened during the 1970s in the academy as well as political and popular debate. In ideational terms, then, might it be possible to rescue a notion of the golden age?
Contemporary perceptions and discourses about welfare state crisis in the 1970s also merit closer analysis. These discourses wove the (adverse) economic impact of the welfare state together with arguments about its social and political consequences. The former echoed the criticisms of the 1950s (concerns with inflation and anti-growth impacts translate as 1970s stagflation and unemployment – Esping-Andersen 1999, p. 2), while the latter largely concern the very rapid growth of popular and political demands on the state: a ‘revolution of rising expectations’ that caused ‘ungovernability’ or ‘government overload’ (King 1975). That is, these debates suggest an ideational – or political–cultural – transformation occurred at the end of the putative golden age, as popular expectations of the (welfare) state ballooned. Viewed like this, how far these new expectations were repressed, or whether they were (partly) normalized after the 1970s becomes a key topic for further research.

Perhaps unexpectedly, ‘golden age’ ideas are present in recent analyses that seem to reject epochalist conceptions of change. From the early 1990s, welfare analysts generally emphasized post-golden era continuities in social provision (despite the avowed objectives of right-wing governments since the 1980s and the pressure of permanent austerity – Pierson 1994, 1998b). Close reading of Paul Pierson’s invocation of golden age ideas shows that it concerns the relative stability of the welfare state, which endured the critical juncture better than ‘other arenas’ of public policy (Pierson 1994, p. 4).

Contesting the stress on continuity, the new gradualists emphasize the cumulative impact of small changes, through process of policy displacement, layering, drift, conversion, and exhaustion (Hacker 2005; Streeck and Thelen 2005; see also Pierson 2004). The gradualists seek to minimize the significance of episodes of sudden transformative change, although in aggregate small changes produce a far-reaching political economy of liberalization across the western world. But Streeck and Thelen seem unable to resist the golden age climacteric (although they do attempt to sideline it): ‘why the “Golden Age” . . . came to an end is [a] . . . subject . . . that we cannot and need not summarize in this essay’ (Streeck and Thelen 2005, p. 3). Despite arguing that the ‘time and pathways of’ the ‘liberalization’ on which they focus ‘differed greatly between countries’, their initial argument crucially suggests that the common trajectory was triggered by a single critical source: the end of the golden age.

This ‘stability versus gradual change’ debate suggests that no settled agreement exists about the character of the post-golden age period. But there is no equivalent to this debate for the welfare state during the golden age itself: Pierson, Streeck, and Thelen all appear to view it as a general description of a homogenous past period in the history of political economy (and the welfare state). Streeck and Thelen (2005) provide us with valuable tools for the analysis of gradual and cumulative processes of change (and political institutions more generally), but they have not used these tools to analyze the golden age itself (although see Beland 2007).

The co-existence of multiple variants reinforces the impression that the golden age argument is both pervasive and imprecise. The absence of critical reflection intensifies this impression further: those using GAWS rarely explicitly discuss or compare its different variants. Generally, the framework is assumed to apply across all western democracies. Equally, there is little explicit discussion about its periodization. Christopher Pierson’s nuanced analysis of the golden age, sub-dividing it into an initial period of reconstruction (1945–50), a decade of relative stagnation (the 1950s), and a phase or rapid expansion (1960–mid-1970s), is an honourable exception (Pierson 1998b, pp. 121–8, 131–5). A few other notable analysts use dates at odds with the standard 1945–mid-1970s framework.
Flora (1986, p. xii) limits the golden age to the early 1960s–mid-1970s period, while Hicks (1999, p. 110) describes it as running from 1950 to 1980. But these hints do not yet amount to a heterodox counter-analysis.

... of capitalism

‘Golden age’ ideas are not the sole preserve of welfare state analysts: scholars in other fields – usually with cognate interests – have made similar arguments. The idea of the Keynesian golden age requires no further discussion. The other main variant, focused on capitalism, is the subject of an explicit debate among economic historians (Maddison 1982; Marglin and Schorr 1990; Crafts and Toniolo 1996). In contrast to GAWS, the idea of the post-war period as a golden age of capitalism has been subjected to sustained critique (Webber and Rigby 1996). Here, moreover, the basic idea exists in sharply different versions: some attribute this period’s success largely to Keynesianism and the welfare state, while others minimize these factors (compare Maddison 1982; Marglin and Schorr 1990; Crafts and Toniolo 1996). Analysts of golden age capitalism tend to identify it as covering the 1950s and 60s or running until the mid-1970s (Maddison 1982; Marglin and Schorr 1990; Crafts and Toniolo 1996–although the (related) French concept of les trente glorieuses refers to the 1945–75 period).

If important differences exist between variants of the post-war golden age capitalism, these analyses also overlap significantly. For some, this age was profoundly marked – and perhaps even fundamentally constituted – by Keynesian demand management and the welfare state (Maddison 1982; Esping-Andersen 1999). Social policy is also often swept up into analysis of economic ideas (Blyth 2002). Equally, some accounts of the golden age welfare state depict full employment as one of its defining components (Pierson 1998a, pp. 124–8). While it mirrors the historical intertwining of economic performance and economic policy with welfare provision, the overlap between these various themes also reflects a lack of conceptual precision in the literature.

WELFARE EFFORT IN HISTORICAL PERSPECTIVE

Having raised questions about the standard epochal framework, we now turn to examine some quantitative indicators relevant to welfare state development. Our primary interests here are, first, timing of changes in the trajectory and tempo of this development, and second, whether all welfare states share a broadly common history. The empirical evidence examined concentrates on explicitly comparative indicators and measures across countries and over time. For ease of exposition, the discussion will focus on four countries. Three – Sweden, Germany, and the USA – are widely taken to be exemplars of different types of welfare state. The fourth case – the UK – played a special role in the conventional periodization (see below). To provide a comparative backdrop, these four countries will always be set against the cross-country mean. Moreover, if the structure of a particular measure merits it, the experience of other countries will be discussed briefly.

There are relatively few relevant comparative data sources that cover the whole conventional GAWS period – data are particularly limited for its early phases. Three main types of indicator are used here – all drawn from influential and widely cited scholarly works: replacement rates calculated by the Social Citizenship Indicators Project (SCIP) (Korpi and Palme 2007), the Comparative Welfare Entitlement Dataset (CWED) Welfare Benefit Generosity index (WBG – Scruggs 2004), and a comparative measure of unemployment (Maddison 1982; 1991). SCIP now provides publically available measures
of social insurance replacement rates for the period from 1930 to 2000. Although only measuring one aspect of welfare statehood, doing so consistently across countries and time, means the SCIP replacement rates shed invaluable light on the GAWS periodization.

Other consistent comparative welfare indicators are available for the more recent period – even here, the 1970s data is thinner than that for the post-1980 period. Lyle Scruggs’ (2004) mammoth effort of data-collection and analysis provides an indicator that illuminates the GAWS climacteric of the mid-1970s. Scruggs provides a publically accessible comparative time-series (between 1971 and 2002) for Welfare Benefit Generosity (WBG) – effectively an operationalization of something like Esping-Andersen’s (1990) influential concept of decommodification.

Finally and briefly, we will examine comparative unemployment data (Maddison 1982; 1991). Although clearly not a measure of welfare effort, these data are relevant to assessment of the ‘Keynesian golden age’, as well as any conception of the welfare state – or welfare capitalism – in which Keynesianism and the achievement of full employment are seen as key (e.g., Esping-Andersen 1990). Here the comparable data run from 1950 to 1989, shedding light on key years within the (golden) age and the period during and immediately after its breakdown.

Of course, consideration of a small number of benefit ratios – even if we also include a measure of unemployment – will not settle a question as complex as changes in state form. To do so would require comprehensive analysis of data on such areas as employment policy, education, housing, and health care – as well as a comparative-historical investigation of the conceptual language in which these issues have been debated. Plainly, such an analysis is well beyond the scope of this single article. Although itself modest in scope, this analysis of indicators that are widely used as measures of key aspects of welfare statehood might beg some previously unasked questions and suggest a new research agenda.

Welfare history in long-term perspective

We start by examining SCIP data for the four main areas of social insurance between 1930 and 2000 (see Figure 1). Averaged across countries, the evidence that their generosity increased more rapidly after 1945 is not compelling. If we exclude the war years, welfare expansion seems pretty consistent and steady from (at least) 1930 through to the 1970s. At some point after the mid-1970s average replacement rates did level off – and then fell slightly – in all four social insurance domains. But this slight decline occurred in the mid-1970s only for unemployment insurance. Sickness insurance also reached a highpoint in 1975, but sustained this level for a further decade and only declined after 1985, whereas accident insurance and pensions hit peak values in 1980 and 1985, respectively.

These averages indicate that the expansive trajectory shown by replacement rates through the middle of the twentieth century was not sustained as it drew to a close. However, the decline in average replacement rates after their respective peak values was relatively small. The final value for each cross-country average remained higher in 2000 than it was in 1970. On average replacement rates were significantly more generous in the 1980s and 90s than the ‘golden’ 1950s and 60s. Rather than representing a decisive general collapse of welfare generosity, these data may be consistent with the idea that the welfare state had ‘grown to limits’ (Flora 1986). Sometime between the mid-1970s and the mid-1980s may mark the end of a golden age of welfare expansion, but not of generous welfare provision itself.
Examination of cross-country averages can only be a preliminary step in the over-time analysis of replacement rates. In all four areas of social insurance the average conceals real complexity – a tangled knot of rising and falling rates. In itself, this challenges the idea of a common historical trajectory. Space constraints dictate that we explore only one social insurance domain. In the spirit of confronting the conventional wisdom at its strongest point, we will concentrate on unemployment insurance (see Figure 2), the policy domain in which the cross-country average suggests the orthodoxy is most plausible.

Despite experiencing periods during which the rate fell (particularly in the immediate aftermath of the Second World War and during early 1960s), Sweden enjoyed a golden age of generosity in unemployment benefit replacement rates, which grew fairly steadily from the mid-1960s until the start of the 1990s when rates fell sharply again. This evidence suggests a much later golden age than the conventional GAWS period. After a very sharp rise during the late 1950s, the German rate peaked in 1960, at high level (just below 80 per cent of earnings). Thereafter it declined steadily – although until the mid-1990s it remained significantly above the cross-country mean. Between 1995 and 2000 the pace of decline increased and the rate converged on the cross-country mean level (just below 60 per cent of earnings). The US trajectory conforms fairly closely to the conventional periodization, as the unemployment replacement rate became more generous through almost all of the post-war period, followed by a sharp fall after 1975. Only episodes of growth in generosity in the late 1980s and again in the late 1990s are at odds with the standard periodization. The UK unemployment replacement rate traced a clearer ‘rise and fall’ pattern, rising sharply from its historic level to peak in the mid-1970s, before falling off sharply. By the mid-1980s, the rate had fallen below the level achieved in the pre-war period. But if the UK’s record after 1975 fits neatly within the conventional account, the earlier period is not so easily reconciled with it. From the 1930s until 1947,
UK replacement rates were largely stable and rather more generous than average. But they remained stuck at this level until the 1960s, while Britain was overtaken by most other states. A dramatic rise in replacement rate generosity occurred only after 1960 and lasted no more than 15 years: can it be described accurately as a golden age?

In short, then, none of the four countries conforms closely to the conventional GAWS periodization. For several countries the mid-1970s was a moment of decisive change, when unemployment replacement rates peaked (Australia, Canada, and Norway as well as the UK and the USA – a largely Anglophone group). For this group rates had typically risen sharply over the previous five or ten years, and they generally also fell away rapidly after 1975 (although usually not quite as quickly as they had risen). By contrast, in Austria, Belgium, France, Ireland, and Switzerland, the unemployment replacement rate grew sharply throughout the 1970s. Italy illustrates both the volatility of unemployment replacement rates and the difficulty of generalizing across countries: its rate peaked in 1960s at some 35 per cent of earnings, before declining steadily to a derisory level in 1985. It rose sharply again after 1985, but only exceeded the 1960 level again in 2000. Japanese policy was unusual in maintaining a stable rate at roughly two-thirds of earnings right through to 2000. Overall, then, the SCIP unemployment replacement rate data do not show much evidence of a general (golden) age of welfare between 1945 and 1975.

The mid-1970s as a turning point? Welfare Benefit Generosity
Despite the inherent difficulty in representing a complex welfare state in a single number, since Esping-Andersen (1990) introduced the ‘decommodification index’, such summary indicators have proven enormously influential. If handled with care, perhaps they can balance out various aspects of welfare provision. Scruggs’ summary WBG indicator measures something akin to decommodification (which includes replacement rates – we
should note, however, that the CWED/WBG replacement rates differ from those calculated in SCIP; mean replacement rates generally maintain their level slightly more robustly in the former than the latter.)

If the SCIP replacement rates recorded a turning point in the mid-1970s for at least a sub-set of states, the more rounded WBG index shows a different picture (see Figure 3). So far from showing a mid-1970s downturn, WBG continued to increase into the 1980s on average, and peaked in the mid-1980s. Even after the mid-1980s the mean level of WBG remained relatively steady (perhaps declining marginally). The average level of WBG in 2002 was higher than it had been at any time during the 1970s.

Turning to our four exemplary states – Sweden was clearly the most generous (below only Norway in the entire dataset). More surprisingly, however, Sweden showed the clearest ‘rise and fall’ pattern overall. By the turn of the century, Swedish WBG had returned almost to its level of the early 1970s – a level at which it remained more generous than all non-Nordic countries. As with SCIP, this evidence suggests a Swedish golden age that post-dated the ‘crisis’ of the 1970s. At first blush the German WBG data appears remarkable stable between the early 1970s and 2000. Considered comparatively, however, Germany is almost unique in showing a (very) gradual decline in WBG over the period as a whole. Having been above the cross-country average during the 1970s, it converged with the mean in the early 1980s and remained very close it for the rest of the period. By contrast, both the USA and the UK – the archetypal liberal welfare regimes – were more generous as they entered the twenty-first century than they had been at the start of the 1970s.

Again, the CWED simply does not support the idea that ‘the welfare state’ enjoyed a golden age of benefit generosity that ended by the mid-1970s. As expected, the benefit generosity scores for ‘social democratic’ Sweden and ‘conservative’ Germany remained
substantially higher than those of ‘liberal’ America and Britain. However, the comparative trajectories of change do not conform to the expectations of the standard post-golden age analysis (Swank 2002). At least on this measure, retrenchment does not seem to have been pursued most aggressively in the already niggardly Anglo-Saxon welfare states, nor did the more generous social democratic and conservative-corporatist welfare regimes prove most robust, in terms of sustaining their peak levels.

Unemployment in the ‘Keynesian golden age’

Keynesianism is pivotal to several variants of golden age reasoning, which generally predict systematically lower and more stable unemployment rates during this period than after it. The average unemployment experience across these states lends stronger support to the orthodoxy (see Figure 4) than any of the other measures we consider. On average unemployment was relatively low during the 1950s and 60s, but shot up after 1973. Despite a fall in the mid-1980s, the average unemployment rate at the end of the 1980s was noticeably higher than it had been at the start of the 1950s. However, if we dig below the surface of average unemployment performance, the orthodoxy appears much less robust: individual states differ sharply enough to make the average seriously misleading. Germany, Sweden, the USA, and the UK trace distinctly different trajectories through the four decades from 1950 to 1989.

So, between 1950 and 1989 Sweden consistently delivered low unemployment. While it did rise briefly during the early 1980s, unemployment was brought under control again by the late 1980s. During the key period after 1973, unemployment fell. At least between 1950 and 1989, then, Swedish policy-makers seemed able to control unemployment pressures. If Sweden enjoyed a golden age, it seems to have continued at least until 1989.
By contrast German post-war unemployment shows the characteristic golden age fall and rise pattern, as unemployment rose sharply after 1973 (and again after 1980). But Germany also began the 1950s with relatively high unemployment. The rate then fell consistently through that decade, and was maintained at a remarkably low level during the 1960s. Relatively brief and shallow, the German flirtation with Keynesianism was largely confined to the 1960s – a period of rapid economic growth and increasing social democratic influence in government. Faced by more challenging conditions in the early 1970s, the increasingly assertive Bundesbank undermined any Keynesian aspirations in government. Overall, Germany’s golden period for unemployment was so short as to make the standard epochalist label seriously misleading.

It is difficult to discern any sort of a ‘golden age’ in US unemployment performance, although there is something of an upward trend in the USA over the 40-year period as a whole. The rate peaked at over 6 per cent in the 1950s and early 60s (a level hit by the cross-country average only in the 1980s). It remained comparatively high throughout the 1950–89 period, and was subject to sharp short-run fluctuations. These factors suggest that any application of Keynesian policies in the USA was too unsuccessful to warrant the title of a golden age.

Finally, the UK’s historical experience conforms nicely to the orthodox historiography. Although it never matched that of Sweden, UK unemployment remained low and relatively stable throughout the 1950s and 60s. After 1974 it rose sharply, and then exploded between 1979 and 1983. Although unemployment did fall until 1989, it remained higher than any of the three other countries. As far as unemployment performance is concerned, the UK matches the orthodox golden age historiography reasonably closely.

Contrary to the orthodox periodization, several states – Austria, Japan, Norway, Sweden, and Switzerland – maintained low unemployment in the mid-1970s. Equally, around 1973 Canada, Italy, and the USA recorded unemployment rates similar to those of the 1950s or early 1960s. So, for eight of our 16 countries, the years between 1973 and 1975 do not seem abnormal: on this evidence the case for a post-climacteric rise in unemployment ending a prior golden age is, at least, not proven.

To sum up: the quantitative evidence reviewed of social insurance replacement rates and WBG offers little support for the GAWS periodization as a general or encompassing comparative analysis. There may be more evidence of a golden age – whether of a loosely defined Keynesianism or capitalism – in the historical record of unemployment performance for some countries. Even so, this indicator does not offer unambiguous support a general golden age of low unemployment. And, while relevant for it, unemployment performance is not a direct measure of welfare statehood. So we have identified a significant mismatch between the timing of welfare state developments and the conventional golden age periodization as well as questions about the general application of the golden age framework (beyond particular states). Having identified these issues, we now reassess some major welfare state analyses, focusing on neglected arguments made about timing and sequencing of policy change.

REVISIONISM AND PERCEPTIONS: A HETERODOX PROSPECTUS

Viewed against the ‘golden age’ conventional wisdom, my argument here is unorthodox. Yet, it receives support from a close reading of some modern classics of welfare analysis, which seem to ‘hide’ a heterodox periodization in plain view. So, despite his dominant influence on welfare state analysis, Esping-Andersen’s argument that the ‘Golden Age’ of
'the 1950s and 1960s ... was surely not an epoch of mature welfare states and generous social rights’ (Esping-Andersen 1999, p. 1) has not received much attention. And it is not an isolated or atypical comment: he appears critical of nations’ ‘self-proclaimed’ status as welfare states during the post-war period and the equation of ‘the welfare state with post-war capitalism’, ‘without ... giving it much thought’ (p. 34).

Little robust scholarly evidence about popular and political perceptions of social policy exists for the (putative) golden age decades. While new and extended social policies were undoubtedly popular during the 1950s, they were not immune from elite criticism (for causing inflation and suppressing economic growth – see Esping-Andersen 1999, p. 2). Neither did the supporters of these policies typically use the terminology of the welfare state to describe them – at least before the late 1950s or 1960s: instead, the welfare state was initially used as a term of abuse by its critics (see Wincott 2011).

Esping-Andersen dates the movement towards full welfare statehood rather later. His 1990 analysis of de-commodification suggested that ‘welfare states are, in practice, of very recent date’, noting key changes ‘in almost all nations’ during ‘the late 1960s and early 1970s’ (Esping-Andersen 1990, p. 23). Moreover, the exemplary Nordic welfare states only acquired their social democratic ‘essence’ as they moved ‘ahead into the 1970s and beyond’ (Esping-Andersen 1999, p. 87, see also pp. 77, 79). Here, Esping-Andersen’s analysis may dovetail with those who see the golden age as one of welfare expansion, rather than the welfare state as such – especially if that expansion is seen to date from the 1960s. A few others echo Esping-Andersen’s emphasis on the 1960s and 1970s: Baldwin’s (1999) meticulous comparative history shows that ‘solidaristic’ social policies took form in France and Germany only during the 1970s; Flora’s (1986) careful empirical evaluation dates the golden age from the 1960s; and several others note a dramatic welfare expansion starting in that decade (Gough 1979; Pierson 1998a; Hicks 1999, pp. 153–5). Alongside expansion in traditional domains of welfare, the range of social policy commitments – particularly in social services mostly focused on the non-working population – was also extended during the 1960s (see Alber 1995 on older people, Morgan 2001 and Wincott 2010 on childcare).

If evidence for a general transformation of welfare provision in the 1940s and its reversal in the mid-1970s is weak, how has GAWS developed such a strong hold on the social scientific imagination? First, it is difficult to refute the GAWS idea (in particular, there is thin evidence for and little analysis of its early years). Second, the conventional pattern fits the experience of some (model?) countries reasonably well. So, in Britain the ‘first coherent and systematic architecture of a universalistic welfare state’ was legislated between 1945 and 1948 (Ferrera 2005, p. 54), while the UK and USA both experienced a welfare downturn during the 1970s. Given both the scholarly significance of the English language and the role of Britain – home to Keynes, Beveridge, and Attlee – in general welfare state narratives, GAWS may be a false generalization of Anglo-Saxon experience (Flora and Heidenheimer 1981; although close analysis of British history raises significant doubts about its accuracy even here – Wincott 2011).

Despite his scepticism about the credentials of the welfare state during the 1950s and 1960s, Esping-Andersen does describe welfare capitalism in epochal terms. He depicts it as ‘the reigning political economy in the advanced economies over the past half century’ when it ‘served to capture the Zeitgeist of an era’ (Esping-Andersen 1999, p. 7). He stresses the significance of developments during the 1930s, at least in some countries, describing ‘Roosevelt’s New Deal and Swedish social democracy’s “People’s Home”’ as ‘parallel efforts to rewrite the relationship between citizen and state’ (p. 34). Because it
encapsulated the ‘spirit of the age’, he suggests that it ‘would probably be futile to search for a precise definition of [welfare capitalism]’ (p. 7). Esping-Andersen is, nevertheless, clear on one point: ‘At century’s end, the epoch of welfare capitalism as we know it is in decline’ (p. 9).

Although his epoch of welfare capitalism reaches back to the middle of the twentieth century, Esping-Andersen dates the welfare state’s full emergence to the very end of the standard golden age, a period usually depicted as its ‘crisis’ years. At least by implication, then, for Esping-Andersen the high watermark of welfare statehood was reached during the post-golden age period. Given his general influence on welfare state scholarship, Esping-Andersen’s apparently unorthodox periodization has attracted surprisingly little attention. If – at least in some countries – the heyday of the welfare state came after the mid-1970s, welfare analysis might profitably refocus from a framework built around (a pre-ordained set of) crises, to pay more attention to gradual processes of change in ideas, perceptions and policies that built up during the 1960s and early 1970s (perhaps drawing concepts from Streeck and Thelen 2005).

CONCLUSION

My argument is not that significant social policy development was absent between 1945 and the mid-1970s. In some places – particularly Britain – the 1940s were indeed a turning point for the welfare state. Particular initiatives – such as the Beveridge Report and the New Deal – resonated far beyond their source countries. Moreover, the 1970s was a tumultuous decade, when crisis discourses about economic performance and social provision intensified. In fact, the idea of the golden age emerged as part of the process of crisis-identification: describing an earlier period as a golden age can contribute to the discursive construction of a crisis (crisis = that which brought the golden age to an end).

Nevertheless, like any periodization the ‘(golden) age’ is an idea (albeit one that lacks conceptual precision). While potentially enormously useful analytically, periodizations are never theoretically innocent. Typically, however, the theory is hidden or disguised: therefore it generally avoids scrutiny. Treated as a fact of history (rather than an idea) a periodization can become calcified and stylized. Careful comparative analysis can minimize this problem – (for example, the approach Peter Hall (1989) used to analyze Keynesian ideas could be applied fruitfully to the GAWS idea). Currently, however, the stylized history of GAWS ‘invents’, as it were, a common generalized welfare state as its subject matter, which tends to occlude important variations both across countries and over time.

Abstracted from the histories of individual states, stylization distracts attention from cross-country variation, in this case disguising how few states fit the GAWS periodization. GAWS imposes a common starting and end point, thereby exaggerating the generality of 1945 and the mid-1970s as turning points. It entrenches the idea that significant welfare state changes are only and inevitably the product of major international ‘crises’ – especially world wars and deep economic recession. Treating the (golden) age as homogenous largely precludes the possibility of change or transformation being identified during this period. Yet, as we have seen, there is a strong prima facia case that the welfare state experienced significant (although perhaps ‘gradual’) ‘within-period’ change during the golden age, in terms of both policies and ideals.

The stylized periodization also makes an idealized version of welfare history easier to accept. It primes us to expect that key features of the welfare state were set in place
throughout its (golden) age. Seen as a ‘solid institutional compact’ (Ferrera 2005, p. 77), we assume that these welfare states guaranteed entrenched, unconditional social rights of citizenship, uncompromised by economic pressures. If we take it for granted that the 30 years between 1945 and 1975 were ‘golden’, we might easily assume that policies, benefits, and norms that have since come to be associated with the welfare state were always generously provided during its putative heyday. The same assumption can mean that more recent perceptions and expectations about the welfare state are projected back onto history – forgetting, for example, the transformation of social ideals and expectations that took place during the putatively ‘normal times’ of the 1960s. In short, we risk falling into an anachronistic fallacy, neglecting over-time changes in the meanings attached to the welfare state.

If golden age ideas do tempt social and political analysts into anachronism, this may also reinforce the idea that the welfare state belongs in the past: a logic of ‘that was then, but this is now’. Current efforts to defend or extend the welfare state will be undermined if they are invariably compared to a golden past, particularly one that never actually existed (Wincott 2001).

In conclusion, then, the golden age periodization is an idea, which seems to have led us to misconstrue the history of the welfare state. While it does, of course, contain elements of truth, the golden age idea offers a highly stylized account of the welfare state history. Our evidence suggests that neither the mid-1940s nor the mid-1970s was a universal turning point for state welfare effort. Of course, any general historical narrative is inevitably stylized, but here the conventional periodization has become so distanced from the empirical evidence that a sustained re-examination is now required – this article has sought to make an initial contribution to that task.

ACKNOWLEDGEMENTS
I have been thinking about the themes of this article for much too long – and conversations with many friends and colleagues have helped to shape my ideas about them. Big thanks are due to Mikko Kuisma for getting me to move forward with the article. He hosted the Oxford Brookes workshop at which an early version of this article was presented and helped to shepherd it through to publication. Other participants in that workshop helped to improve the argument. A later version was presented at the Department of Social Policy and Intervention at Oxford University: I learned a lot from that discussion, particularly from Martin Seeleib-Kaiser, Fran Bennett, and Rob Walker. I should like to thank the four anonymous referees for Public Administration: notwithstanding that I am sure that some of them still disagree sharply with it, I believe that their comments helped me to clarify and strengthen my argument.

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