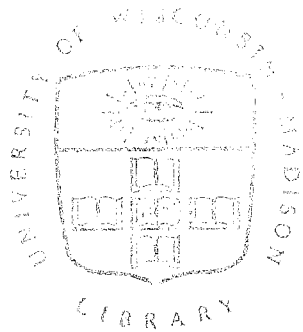


Ann Shola Orloff

The Politics of Pensions

A Comparative Analysis of Britain,
Canada, and the United States,
1880–1940

The University of Wisconsin Press



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1

The Problem of Old Age and Modern Social Provision

In the last years of the nineteenth century and the first years of the twentieth, social reformers, labor leaders, and political elites across Europe, North America, and the Antipodes were actively debating the “social question.” This term referred to a range of issues, all of which in some way touched on the question of how increasingly well-organized and politically mobilized industrial working classes were to be integrated into the polity. A key aspect of the social question concerned the character of the provision that should be made available by the state for the relief or prevention of problems of economic insecurity and poverty. Some of these problems—such as sickness and old age—had existed before capitalist industrialization, while others—unemployment and industrial accidents—were largely its creations. But all were exacerbated by the changes that transformed families that were largely self-sufficient in rural, agricultural regions into families supported by wage earners in urban-industrial areas. Wage earning created a new form of vulnerability; when people lost their jobs, or depended economically on someone who did, their options were quite limited and unpleasant. The first line of defense for those without income from wage-work was their families. In the poorer classes of society, families were often severely impoverished themselves and unable to offer aid; moreover, especially with the great geographic mobility and high mortality rates of the period, it was not unlikely that people could reach the ends of their lives without ties to any nearby kin. This left public poor relief or private charity—given not as a right of citizenship, but as a degrading alternative to it (Marshall 1950, p. 24). //

In a political context that was changing as dramatically as the economy and social structure were, the concerns of wage earning families were brought to the fore. Not surprisingly, poor relief was a policy that became increasingly out of favor as those who worked for wages developed political strength. Many Americans, Britons, and Canadians argued that pensions were a fairer alternative than poor relief or institutionalization for the aged “soldiers of labor” who //

had built up their societies but could work no longer. They, like others in many parts of the world, recognized that the new social and political conditions created by capitalist industrialization and urbanization had fundamentally changed the situation of the aged. Thus, in 1908 a Canadian observer of social politics, M. A. Mackenzie, noted that "public orators, with both eyes on the next election, may talk in a large way about the soldiers of the industrial army who have been crippled or worn out in the competitive strife of our civilization, and we will all agree that such a man should have some claim upon society for the support of his old age" (1908, p. 260). Indeed, Mackenzie touched on a theme which has received consistent attention in analyses of pension politics, the electoral incentive for pensions provided by the expansion of the working-class electorate in the late nineteenth and early twentieth centuries.

Political, intellectual and reform elites were preoccupied with how to respond to the political challenges of popular discontent and potential electoral advantage, as well as to the practical problems of administering public social provision. Their questions centered on whether social policies based on the principles of deterrent poor relief should be replaced (at least for some groups in the population) with contributory social insurance or noncontributory pension programs, which would offer protection against the risk of destitution faced by wage earning families due to interruption of income associated with unemployment, sickness, industrial accident, death of the family breadwinner, and old age. Men of these elite groups allied with (predominantly male) working-class organizations in a cross-class coalition, which in all three countries was the proximate force behind the introduction of pensions. Yet the emergence of a cross-class coalition was not simply the result of the growth of the working-class electorate. In their response to the social question, elites made use of and helped to stimulate momentous changes occurring in political institutions: the growth in size of the state administration, the development of state capacities to penetrate civil society, the extension of the franchise to all adults, the re-orientation of political parties, and the emergence of new forms of political organization and action.

Poor relief was, indeed, replaced by social insurance and pensions. In the decades between 1900 and 1940, Canada, Great Britain, and the United States first debated, then adopted, old age pension and insurance legislation. Indeed, the period from Germany's pioneering institution of social insurance programs in the 1880s through the First World War has been called the classic introductory phase of the welfare state (Flora and Alber 1981, p. 54), as various social insurance and income maintenance programs were adopted in a wide range of industrializing capitalist nations in Europe and Latin America (Rimlinger 1971; Mesa-Lago 1978). The term *welfare state* has come to refer to the whole set of modern social programs offering income maintenance in cases of unemployment, industrial accident, illness, forced retirement, loss

of a family breadwinner, or extreme economic deprivation, as well as various sorts of educational, preventive, and regulatory programs (see Flora and Heidenheimer 1981). Although scholars now routinely discuss the "origins of the welfare state" in the pre-World War I period, the term *welfare state* did not actually emerge until World War II. Prior to that time, contributory insurance and pension programs were usually called workingmen's insurance or social insurance, which meant both contributory and noncontributory programs. To avoid the anachronistic usage of the term *welfare state* for the period before World War II, when I refer to the programs in question collectively, I will use the terms *modern social provision*, *social benefits*, *modern welfare programs*, or *social insurance*.

This book offers an explanation of when, how, and why poor relief was replaced by modern social insurance and pensions for the elderly in Britain, Canada, and the United States and accounts for the characteristics of that modern social provision. Old age pension and insurance systems represent an especially important component of the welfare state—one well worth examining—for several reasons. First, popular pressure for new state welfare activity commonly originated in demands for provision for the dependent aged outside the traditional poor law framework, under which assistance for the poor was limited to relief in semipenal workhouses ("indoor relief") or inadequate, unpredictable cash or in-kind grants ("outdoor relief"). In fact, for most countries, income maintenance programs for the aged represented the first break with long-standing deterrent policies for dealing with the indigent (Flora and Alber 1981, pp. 51–52). Second, mass support for the new welfare programs for the aged, which were, at least initially, the most popular of the modern welfare and social insurance measures (Gilbert 1966, p. 160), often provided a crucial momentum toward other, less immediately popular programs such as unemployment and health insurance. This was indeed the case in Canada, Great Britain, and the United States. Third, old age pensions are a key aspect of what some feminist analysts call the paternalist welfare state, that is, those sets of programs that bolster the position of wage-earning male breadwinners (see, e.g., Skocpol forthcoming). Pensions contributed to elderly men's ability to maintain independent households and alleviated the burden on working-aged men who often were called upon to support widowed aged mothers or mothers-in-law. The provisions of contributory old age insurance more directly bolstered the male breadwinner–female homemaker family through making women's benefits dependent upon their husbands' taxes. Fourth, even labor officials and organizations that focused their efforts on improving wages and viewed state social insurance with some suspicion, as did many in the labor movement in the United States, Canada, and Great Britain, considered noncontributory old age pensions acceptable and, indeed, necessary, given the enormity of the task of saving for old age even for the best-paid wage earners (Castles 1985, pp.

86–87; Reed 1930, pp. 117; American Federation of Labor 1919, pp. 303–4). Pensions complemented rather than contradicted their vision of the gender and class orders, in which “independent” working-class men would support their families either through wage-earning activities or honorable pensions. Thus pensions were a policy around which a wide range of interests—including those often seen as liberal or voluntaristic—could rally. Finally, public provision of support for the elderly, either through pensions or insurance, has come to be the largest single social undertaking of most national governments in the West, both in the numbers of people involved and the amount of money spent (Hecló 1974, p. 13).

One might wonder about the relevance of a study of the origins and early development of public social provision while, throughout the advanced capitalist world, “welfare states” have fallen on political hard times. Politicians and scholars alike are rethinking the welfare state, yet the impact of recent restructuring and indeed whether or not this restructuring is experienced politically as a “crisis,” has differed cross-nationally (Alber 1987). It has differed because the ways in which international trends affect particular systems of state social provision are shaped by historically specific institutional structures and capacities, policy legacies, intellectual, discursive, and ideological orientations, and political coalitions (see, e.g., Esping-Andersen 1985, 1990; Weir, Orloff, and Skocpol 1988; Castles 1985; Hecló 1974). Francis Castles offers a cogent justification for historical investigation in social policy research:

Once reform initiatives are framed as policies and once historic compromises are effected among conflicting interests, what follows is a bureaucratisation and institutionalisation of social choice. This is not so much a question of the determination of such particularities as levels of spending and the specific programmes offered, but of *the basic shape of the system and its trade-off priorities*. Policy change, thereafter, tends to develop in a predetermined way, not infrequently on a growth path, but usually in such a way as not to disturb the established policy implementation modes and the balance of incorporated interests. . . . if we are to seek explanations for the adoption of divergent strategic options and policy trade-offs, we must examine the *historical evolution of policy formulation*, going back to the point where reforms were the live substance of political conflict rather than the dead routines of administrative agencies or the taken for granted orthodoxies of contemporary public opinion. (1985, p. 75, my emphases)

Certainly, if we want to understand the possibilities and constraints that face us now, we will need to examine the particular paths along which our national systems of social provision have developed.

Poor Relief or Social Insurance?

In Britain, Canada, and the United States, as across Europe and in Australia and New Zealand, a number of social policy reforms, including old age pensions, workers’ compensation, mothers’ pensions, and health and unemployment insurance, were proposed and enacted in the years between the turn of the century and World War II. The common impulse behind all of the innovations in public social provision was [to help groups considered to be “worthy” with relief given outside the poor law and private charity, and to remove the worthy poor, especially children and the elderly, from public poor relief institutions.] Poor relief was based upon two central tenets: “less eligibility,” the principle that the position of any pauper (anyone receiving public poor relief) should be no better (“less eligible”) than that of the poorest laborer; and the “workhouse test,” the principle that no assistance should be offered to able-bodied adults outside of the semipenal workhouse, on the assumption that only the “truly” needy would accept help under such deliberately dreadful conditions. Moreover, paupers forfeited the rights of citizenship. In theory, the elderly could be aided in their own homes; this practice was called outdoor relief. In North America, and in England by the 1870s, outdoor relief would not be offered until any possible support from relatives was extracted, and recipients often might be required to pay back their doles out of any estates they might leave after their deaths. Toward the end of the nineteenth century, institutionalization within public poor relief institutions—so-called indoor relief—became more and more common for the aged poor, particularly for those who had no kin or whose relatives could not be coerced into supporting them by poor law authorities (Haber 1983; Thomson 1983, 1984a; Anderson 1977).

What was poor relief like? Many draw images from the mid-nineteenth-century descriptions in novels such as Charles Dickens’ *Oliver Twist*. I offer the sketch contained in a rather ordinary speech, given in 1898 by the Honorable John Keller, the head of the New York City Department of Public Charities, to the annual meeting of the National Conference of Charities and Correction:

The other day, going to the island [the location of the city’s poorhouse], there was a sleety rain falling; and down from the city hospital came two men bearing a stretcher, on which was an old woman. The icy rain fell on her face; and they put her down on the pier, and left her lying there, exposed to the storm, while the prisoners in stripes were carrying bags of potatoes under shelter. They would have left her there till the whole cargo had been put on the boat if I had not happened to see her, and ordered her brought under cover. (Keller 1899, p. 217)

Indifference, much more than deliberate cruelty, was characteristic of poor relief everywhere, as was forced work, meager provisions, and the separation

of spouses in sex-segregated wards. These harsh poor relief practices were based on the premise that the "worthy poor" were to be helped by private charities, which were expected to be more generous. Receiving aid from private charity did not entail loss of citizenship. In practice, however, private charity never had sufficient funds to meet the needs of all those deemed worthy, and like public poor relief, private charity was quite intrusive in the lives of clients (demanding support from relatives, checks of "character," and so on). Thus, many were forced to depend upon the overseers of the poor for erratic, puny doles, to be separated from spouse or family in the prisonlike workhouse, or to endure great hardships in avoiding public or private charity.

During the nineteenth century, poor relief came under attack from a number of sources. Popular sentiment had probably never been favorable to deterrent poor relief, but popular movements aimed at changing the character of public social provision gained strength—as did the weight of popular opinion—as the franchise was extended and working-class and women's organizations and other groups emerged as important political actors. Moreover, members of various elites—social scientists, social reformers, and politicians—developed new views about poor relief. Pioneering social scientific surveys and the work of some charity workers revealed that large numbers from among "worthy" groups, especially the aged, widowed mothers, and children, in fact had to rely on inadequate, demeaning poor relief and were often forced into institutions, which led to the breakup of families "for poverty alone." Others uncovered some of the societal forces that led to poverty, undermining individualist explanations and the rationale for a deterrent poor relief policy. Modern pension and insurance programs were suggested as alternatives to poor relief for those who were poor through no fault of their own.

Most older people in Canada, Great Britain, or the United States around the turn of the century did not end up in poorhouses; indeed, in none of these countries were more than ten percent of the aged population institutionalized between the 1880s and 1910s. Yet the risk of such a fate faced far larger numbers of the population, and it was in this context that the poorhouse became such a potent symbol for those who wanted to reform public social provision. Charles Henderson, professor of sociology and founder of the Terre Haute, Indiana, Charity Organization Society, wrote in 1899, "When we consider the anxiety, the terror with which the average thoughtful wage earner regards the problems of accidents, sickness, and the infirmities of old age, and when we take into account the grave social unrest which springs from the solicitude about the future, we may well give a large place in our social studies to the modern inventions for distributing the burdens of provision for the emergencies of the workman's life" (cited in Tishler 1971, p. 75).

Such a risk was politically constructed, as well as being the result of socio-economic trends such as the rise of waged work. For example, Keller observed

that the inhumane treatment of New York's wards and the dilapidated, unsafe physical plant over which he presided reflected the fact that previous administrations "seem to have thought that because the Department of Public Charities has to care for paupers, the department itself ought to be pauperized" (1899, p. 212). Keller was on a crusade to increase public appropriations for poor relief, which would reverse the cutoff of funds for public relief which had occurred about two decades earlier. Indeed, in the 1870s, under the banner of a "crusade against outrelief," charity officials and reformers across Britain, the United States, and Canada had deliberately made the administration of poor relief far harsher than it had been even as Dickens composed *Oliver Twist*. A key aspect of this policy movement was to institutionalize those elderly people who had no kin or whose families could not or would not support them. The improvement of treatment within the poor relief framework that Keller championed was also paralleled in other U.S. cities, Britain, and Canada around the turn of the century. Although these reforms of poor relief had some successes, they were ultimately inadequate to stem growing popular and elite disgust with the poor law. Indeed, we cannot understand the politics of pensions except as a reaction against the poor law policy legacy.

The most important alternative to the poor law was what was then called workingmen's insurance or social insurance, which in common usage implied noncontributory pensions as well as contributory benefit schemes. This was "a complete and connected system of insurance for workingmen . . . against all the contingencies where support from wages is lost or interrupted by any cause other than voluntary cessation of labor" (Frankel and Dawson 1910, p. 395). Social insurance was based on the idea of sharing risks embodied in commercial insurance, but social insurance by definition could not live up to the "exacting laws of actuarial science" (Rubinow 1913, p. 11). The class of workers whose need for insurance was greatest—as they faced the greatest risks and hazards—was "unable to meet the true cost of insurance conducted as a business" (Rubinow 1913, p. 10). Thus, argued social insurance advocates, the state must take on the burden of providing protection to its citizens. "Social insurance, when properly developed, is nothing if not the well-defined effort of the organized state to come to the assistance of the wage earner and furnish him something he is individually quite unable to obtain for himself," which was precisely an income to maintain an independent household, as American social scientist and reformer Isaac Max Rubinow wrote in his 1913 book, *Social Insurance* (p. 9).

Recent feminist analyses have focused on the gendered character of these early initiatives (see Pedersen 1989; Skocpol and Ritter 1991; Skocpol forthcoming; Jenson 1986; Gordon 1990; Hernes 1987; Shaver 1990). "Workingmen's insurance" was indeed aimed at bolstering the position of male breadwinners when they were unable to support their families financially due to loss

of jobs or wage-earning capacities. In the late nineteenth and early twentieth centuries, across most countries in the industrializing West, alliances of overwhelmingly male working-class movements and male intellectual, political, and reform elites upheld the sexual division of labor within the family and believed that families were, and ought to be, constituted of male breadwinners with their economically dependent wives, children, and (sometimes) elderly kin. Pensions, unemployment and sickness insurance, and workmen's compensation all would go to clienteles of working-class men to allow them to maintain their position as breadwinners even when they were unable to continue wage-earning activities. Thus, some analysts have referred to these systems as "paternalist" welfare states. Meanwhile, this period was also marked by the attempts of feminists and women reformers to valorize caring work and motherhood as bases for claims to honorable citizenship benefits. Feminist scholars are rediscovering a crucial, "maternalist" strand of early welfare politics that proposed to provide state support to women in their role as mothers, through various programs of infant and maternal welfare (see Michel and Koven 1990; Skocpol forthcoming; Gordon 1990). By focusing on old age benefits, I will be concentrating on the paternalist side of social provision, although it is important to note that pensions—more so than unemployment and sickness insurance—were understood as potentially benefiting women as well as men, even if the political concerns of those who led in the campaigns to introduce them centered on the "aged veterans of labor."

Our task is to understand the significance and the causes of the policy shift from poor relief to old age pensions and insurance. Traditional and modern assistance schemes reflected quite different conceptions of the rights of citizens and of the proper role of the state in such provision. "Modern" social programs offer assistance as a right of citizenship, rather than as an alternative to it, as was the case with poor relief (Marshall 1950, p. 24). Their benefits are distributed to universally defined categories of citizens, while poor relief offered aid on the basis of the particularistic judgments of local overseers of the poor or charity organization functionaries. For elites, an important element of this policy shift was the professionalization of public provision, as they looked to build and staff agencies that were created and re-created in the course of the development of public social provision. Thus, social policy reform encompassed conflicts over administrative procedures within the state as well as over the reach of the state into civil society. The struggles over the character and control of these agencies, themselves shaped by distinctive national institutional structures and political practices, importantly shaped the politics of pensions and policy outcomes in each country. This shift in policy was certainly an epochal one which characterized the entire industrialized West. Still, there are significant cross-national differences in the timing of the shift, in the character of the programs which came to replace poor relief, and in the configuration of causal factors

which combined to produce policy change. Even in countries with many structural, political, and cultural similarities such as the United States, Canada, and Britain, one sees notable policy differences.

The Sociological Significance of the Welfare State

Social benefits are consequential for the standard of living and life-chances of various social groups and as such are worthy of social scientific attention. We may also link the varying features of modern social provision to broader sociological issues of power and to changing macropolitical and social processes and structures. As Gøsta Esping-Andersen and others have pointed out, the questions which guide current debates about the welfare state are "the legacy of classical political economy" and concern the relationship between capitalism and welfare: "Can the welfare state fundamentally transform capitalist society?" (Esping-Andersen 1989, p. 11). Feminists might add, "Can social policies transform systems of male dominance?" (see Pascall 1986; Hernes 1987; Piven 1985), while other analysts might ask about the possible effects on relations based on racial, ethnic, or religious inequalities. The question might well be rephrased to be inclusive: To what extent can the state transform social structures and relations? Which groups are empowered by modern welfare programs? Whose interests are furthered by specific social policies? To address the relationships of policy, power, and interests, we need to look closely at the provisions of social programs, which set benefit levels, eligibility requirements, and so on. Another issue concerns the mutual effects of social policy developments and state-building: In what ways does modern social provision reflect and promote changes in the character and capacity of the state? Here, in addition to looking at the provisions of programs, we can examine the timing of policy innovations, as these tap the capacity of states to intervene in civil society. Finally, given the significance of modern social provision, the causal factors behind its emergence have been explored extensively. A particularly important current controversy focuses on the extent to which state officials act autonomously—independent of both dominant and popular forces.

The Welfare State, Power, and Interests

The programs that make up the modern welfare state differentially advantage and disadvantage various social groups. In addition, asking which groups are empowered by public social provision is another way of looking at the debate about the functionality of modern social provision. Old-style functionalists saw the welfare state as stabilizing society as a whole; radical functionalists assume that modern welfare provision, by promoting "accumulation" and "legitimation," is primarily a tool of dominant classes to maintain exploitative regimes.

Others operate on the premise that benefits based on citizenship rather than on market criteria have the potential to be an important resource to subordinate groups, helping to offset their weaknesses vis-à-vis dominant groups in the market, in the family, and in other social spheres. To the extent that policies address need (even if inadequately) rather than market value as the basis for allocation of resources, they are at odds with—and may even undermine—the capitalist logic of the market.¹ Similarly, social programs may offer resources to subordinate groups which give them greater leverage within other relationships based on unequal power, such as marriage (see Okin 1989). Some examples of programmatic variation may illustrate the variability of interests embodied in different schemes of social provision. Some retirement programs offer a universal benefit to all aged citizens; others, a means-tested, somewhat discretionary benefit. In addition, some programs structure entitlement so that men and women qualify simply by virtue of being a certain age, and sometimes of having a certain income level, while others base entitlement on financial contributions, thus limiting coverage to wage earners. In the latter type of program, women typically qualify for benefits based on their status as economic dependents. Finally, programs may offer coverage only to people in certain occupations, effectively excluding certain ethnic or racial groups who disproportionately work outside these jobs. In short, modern welfare programs embody the interests and demands of conflicting groups. The potential for social policies to work against markets and to offer independent resources outside of family relationships is variable, and this variability is significant. When characteristics and expenditure levels of social policies are determined by political mechanisms in a democratic polity, politics can indeed offset the effects of market and family. Thus, in all advanced capitalist democracies, questions concerning the initiation and character of such programs have assumed central political importance.

The Welfare State and the Expansion of State Capacities and Power

During the nineteenth and twentieth centuries, the development of modern social provision has been associated with three key political transformations: the expansion of state administrative and fiscal capacities, as the government assumed important functions in redistributing resources and structuring social and economic relationships; the increasing centralization of state power and activities; and the emergence of mass politics, with an expanded franchise and

1. Even the deterrent, repressive poor law embodied a "right to exist" that might not be guaranteed under a purely laissez-faire capitalist regime such as the one prescribed by political economist Thomas Malthus, who argued for the complete abolition of poor relief (Himmelfarb 1983, p. 112, chap. 4). Yet the conditions under which one has a "right to exist" are far less harsh under modern social provision than they were under the poor law.

increased popular political mobilization. Basically, we see the growing penetration of civil society by the state—an increase in the "infrastructural power" of the state, to use Michael Mann's terminology (1988)—and the growing ability of new political forces to affect the state. Poor relief reflected the characteristics of the nineteenth century society and polity: it was locally administered and financed, reflected elite political dominance, and did not require extensive administrative capacities. The initiation of modern social provision reflects changes in state administrative capacities and practices and furthers such changes. Thus, scholars are interested in the "welfare state" as a distinctive type of state and as an institutional embodiment of the new facets of twentieth-century politics. In addition to examining these general processes of change in political institutions, institutionalist analyses have begun to demonstrate how variation in the timing and character of social programs is conditioned by distinctive state-building patterns.

Modern Social Provision for the Elderly in Canada, Great Britain, and the United States

We are interested in two aspects of policy outcomes in the three countries under investigation. First, when did the countries break with poor relief approaches to the needs of the elderly and initiate modern social provision—pensions or contributory old age insurance? Second, what was the form of the programs enacted? The timing and programmatic provisions of new policies reflect the characteristic relationship in a given country between the state and markets and households and also embody principles of rights and stratification. Analysts have called this constellation of characteristics the social policy regime (see Esping-Andersen 1990; Shaver 1990).

Great Britain adopted old age pension legislation in 1908 and other major social insurance programs within a few years. A contributory pension program was added in 1925. By contrast, the United States and Canada, as is often pointed out, were "laggards" in the institution of modern welfare programs relative to the European countries and others of European origin; the majority of their social legislation was passed in the post-World War I period when other countries were already expanding upon previously established programmatic frameworks (Kudrle and Marmor 1981, pp. 81–84). Only in 1927 did Canada enact federal or provincial pension legislation. The United States did not establish a nationwide program of old age insurance until the Social Security Act of 1935, although a few states enacted very limited pension legislation beginning in the 1920s. Subnational legislation that made these national laws fully nationwide in operation was not completed until 1936 in Canada and 1938 in the United States (Bryden 1974, p. 92; Amenta and Carruthers 1988, p. 664). Table 1.1 presents the dates of adoption of modern provision for the elderly

Table 1.1. Dates of adoption of modern provision for the elderly

| Adoption of old age insurance laws | | Adoption of old age assistance laws | |
|------------------------------------|---|-------------------------------------|---|
| Year | Countries | Year | Countries |
| 1889 | Germany | 1891 | Denmark |
| 1906 | Austria (1) | 1898 | New Zealand |
| 1907 | Yugoslavia (1) | 1905 | France |
| 1910 | France | 1906 | Australia, Great Britain, Irish Free State |
| 1911 | Luxembourg | 1909 | Iceland |
| 1912 | Rumania | 1911 | Newfoundland |
| 1913 | Netherlands, Sweden | 1919 | Uruguay |
| 1919 | Italy, Portugal, Spain | 1923 | Norway |
| 1922 | Greece, Soviet Union, Yugoslavia (2) | 1926 | Greenland |
| 1924 | Belgium, Bulgaria, Chile, Czechoslovakia, Yugoslavia (3) | 1927 | Canada |
| 1925 | Great Britain | 1926 | South Africa |
| 1927 | Austria (2) | 1935 | United States |
| 1926 | Hungary | | |
| 1933 | Poland | | |
| 1935 | United States | | |

in Canada, Great Britain, and the United States, along with the countries of Europe, Latin America, and the British Commonwealth that introduced pensions or insurance during the period 1880–1938.

The relatively late establishment of modern social provision in Canada and the United States occurred in spite of the fact that, in both countries, the issue of new state policies for the aged poor had been debated since before 1900 (Lubove 1968; Tishler 1971; Guest 1980, pp. 18–63). In fact, American and Canadian reformers and politicians were part of the same community of policy discourse as were their counterparts in Britain, Europe, and British Commonwealth nations such as New Zealand and Australia, where legislative action on behalf of the aged poor was taken in the earlier period. In the United States and Canada, as well as in Britain, pensions were supported on the grounds that they represented a measure of social justice and communal responsibility for members of society who had contributed their labor and had thereby earned the right to nonstigmatized public support, rather than poor relief, when old age prevented their working any longer (see L. T. Hobhouse, quoted in Freedman 1978, p. 205; Wisconsin Industrial Commission 1915; Nassau 1915; Squier 1912, p. 320; Henderson 1909, p. 308; National Conference of Charities and Correction Committee on Standards of Living and Labor 1912; J. J. Kelso, quoted in Canadian House of Commons 1912, pp. 13–17; Mackenzie 1908). Indeed, reform during the classic introductory phase was not unsuccessful across the board in either Canada or the United States; the majority of states and provinces

did pass workers' compensation and mothers' pension legislation prior to 1920 (Leff 1973; Strong-Boag 1979; Guest 1980, pp. 39–61; Van Doren 1918). In addition, and somewhat surprisingly given America's present reputation as a welfare laggard, at the turn of the century the United States had the functional equivalent of an old age and disability pension system for some one million of its elderly citizens (albeit predominantly male, white, and native-born) through its Civil War pension program. This remarkable system was allowed to pass out of existence with the dying of the Civil War cohort, although several Progressive Era reformers and labor leaders explicitly called for its extension into a modern pension program (Rubinow 1913, pp. 404–9; Fischer 1978, p. 171; Massachusetts Commission on Old Age Pensions 1910, pp. 333–39).

In addition to timing, we are also interested in the form chosen for these social programs. Form involves a number of dimensions. *Financing*: Which parties—employers, workers, the government—had to contribute revenues, and in what proportion? A particularly important distinction was between non-contributory programs, or “pensions,” and contributory, or “insurance” programs. The latter could be voluntary or compulsory. What sorts of taxes and revenue sources were involved in the program—earmarked contributions, income taxes, or some other source? *Coverage and eligibility*: Coverage is determined by the conditions of eligibility; we want to know who was covered, who was excluded from coverage, and how. Especially significant distinctions here are between means-tested and non-means-tested programs and between universal and targeted or categorical programs. How did eligibility requirements affect different social groups—men and women, racial or ethnic minorities and majorities, or different classes and occupational groups? How tightly did requirements bind potential beneficiaries to work or to specific family roles? *Benefits*: What were the benefit levels, relative to average wages, poverty levels, poor relief, and the benefits of other programs? Were benefits the same for all, or was variation allowed on the basis of income, occupation, marital status, sex, or some other criterion? *Administrative arrangements*: Which level of government enacted legislation? How were different levels of government—national, local, and (in the North American cases) subnational—involved in administration and financing? In all three cases, initiation of the new programs involved a renegotiation of intergovernmental relationships. What was the relationship of the new programs to poor relief and to other modern welfare programs? What were the administrative practices required? In the United States, where patronage practices lingered in many states, serious struggles occurred over civil service (merit) requirements in the 1930s. These provisions of old age policy in Great Britain, Canada, and the United States are summarized in table 1.2.

In Great Britain, the Old Age Pension Act, passed in 1908, established means-tested, noncontributory pensions for British subjects aged seventy and above (information on the British pension program is based on Gilbert 1966,

Table 1.2. Policy outcomes in Great Britain, Canada, and the United States, 1900–1940

| | 1910s | 1920s | 1930s |
|--------------------------|---|---|--|
| Great Britain | Old Age Pension Act passed in 1908 establishing means-tested, noncontributory pensions for citizens age seventy or older. | — | — |
| Canada Federal | Several old age pension bills introduced beginning in 1906, but none are successful. Voluntary old age annuities program initiated in 1908. Two parliamentary committees study pensions. | The Old Age Pensions Act is passed in 1927, giving a 50 percent financial subsidy to provinces that establish pension programs paying noncontributory, means-tested benefits to British subjects age seventy and older. | Reimbursements to provinces increased to 75 percent. Contributory old age insurance program passed but declared invalid by Privy Council. |
| Provincial | Nova Scotia enacts law for miners in 1908, but it never becomes operational. | Five provinces pass enabling legislation by 1929. | Remaining provinces pass legislation by 1936. |
| United States Federal | Several old age pension bills introduced, beginning in 1909, but none are successful. | Several bills introduced, but none are successful. | Social Security Act passed in 1935, establishing a purely national, contributory old age program for retired persons age sixty-five and over and 50 percent financial subsidies to qualifying state-level old age assistance programs. |
| State | Several bills introduced and investigatory commissions established, but no laws are passed prior to World War I. Massachusetts (1907) and Wisconsin (1911) establish voluntary old age annuities. | Legislation introduced in most states and adopted in twelve by 1930. | Twenty-eight states have laws by the beginning of 1935; all pass enabling legislation by 1938. |

pp. 221–27; Ritter 1986, pp. 181, 191; Phelps Brown and Hopkins 1981, pp. 194–95; Hecllo 1974, pp. 173–78). Receipt of benefits required a character test, and recipients must have been “habitually employed” and residents of Britain for twenty or more years. Unlike poor relief, pensions entailed no loss of civil rights or privileges. These pensions were funded entirely by the central government and were financed through direct taxes—an income tax and duties on some consumer goods. In 1910 about 45 percent of people over seventy in England received the pension; in Scotland, the figure was 54 percent, in Ireland, 99 percent. The maximum pension benefit of five shillings, received by 95 percent of pensioners, was the equivalent of about 22 percent of average earnings in 1910. Men and women received the same pension amount, and both members of married couples received an independent pension. Pensions were paid through local post offices and administered by local pension committees appointed by county, borough, or district councils. Nationally, pension administration was the responsibility of pension officers appointed by the Treasury.

In contrast, old age pension legislation was introduced in the U.S. Congress from 1909 on, but it was unsuccessful (Commons and Andrews 1927, p. 471; Brandeis 1935, p. 611). Several American states, including Massachusetts, Wisconsin, Ohio, California, and Pennsylvania, appointed commissions to investigate the feasibility of establishing old age pension programs at the state level, but only a minority recommended pension legislation. In 1915 the territory of Alaska initiated a pension program, and Arizona passed a pension law that was declared unconstitutional soon after; no other state passed pension legislation until after World War I. Massachusetts and Wisconsin established voluntary annuities programs in 1907 and 1911, respectively (Fischer 1978, p. 165). In Canada, old age pension legislation was introduced into the House of Commons from 1906 on, but it was unsuccessful prior to World War I. Special committees were established in the House of Commons in the 1911–12 and 1912–13 sessions to investigate the feasibility of enacting an old age pension system at the federal level, but no formal recommendation was made (Bryden 1974, pp. 46–52). In 1908 a federal voluntary annuities program was established. The province of Nova Scotia enacted a law establishing public pensions for miners in 1908, but it was never operational.

A special committee was established in the Canadian House of Commons in the 1923–24 session to investigate the feasibility of enacting an old age pension system at the federal level, and this committee formally recommended pension legislation (see Bryden 1974, chaps. 4–5; Leacy 1983, ser. E44). The Old Age Pension Act was passed in 1927, providing a federal financial subsidy of 50 percent for provincial pension systems; pensions were paid out of federal and provincial general revenues. The federal Department of Labour was responsible for the administration of the pension program. Provincial programs

gave noncontributory benefits to all British subjects aged seventy and above (including both members of married couples) who had lived in Canada for at least twenty years and in the province responsible for their pension for five years. The pension, uniform across provinces, was set at twenty dollars per month, about 24 percent of the average production worker's wage in 1928. The pension was reduced by any amount by which outside income exceeded \$125 per year, resulting in a maximum income from all sources of \$365 (about 36 percent of average wages). British Columbia, Alberta, Saskatchewan, Manitoba, and Ontario passed enabling legislation by 1929 and began to pay out pensions. Provincial legislatures in Quebec and the Maritimes failed to pass enabling legislation.

In the United States in the 1920s, several pension bills were introduced into the U.S. Congress, but none were favorably acted upon (see U.S. Social Security Board 1937, pp. 156–67; U.S. Bureau of the Census 1960, pp. 94–95). More policy activity occurred in the American states, as several states appointed commissions to investigate the feasibility of establishing old age pension programs at the state level. All recommended pension legislation. Old age pension legislation was introduced in twenty-one state legislatures, and six pension systems were actually in operation before the onset of the Depression in 1929, a year in which four more laws were passed. These laws initiated “county-optional” systems, which left counties with the option to give pensions as well as the responsibility for their administration and financing (except in Wisconsin, where the state paid one-third of costs for participating counties). All were means-tested, required long periods of state and county residence and citizenship, and included a number of behavioral standards. Prior to the Depression, very few pensions were actually paid out; in 1928, only about one thousand elderly people were actually collecting pensions. These averaged \$17.37, about 15 percent of average earnings of full-time workers. Administrative arrangements differed widely across the states.

The remaining Canadian provinces passed enabling legislation for old age pensions by 1936. The federal government increased reimbursement levels to provinces from 50 percent to 75 percent in 1931, and at the same time federal oversight powers were enhanced (see Bryden 1974, chaps. 4–5). In 1935 federal administration was transferred to the Department of Finance. In the same year, the Dominion Parliament passed legislation establishing a contributory old age insurance program, but it was declared *ultra vires* in 1937, and no further changes in public old age provision were made until after World War II.

Policy activity in the United States regarding old age provision was especially intense during the 1930s (see U.S. Social Security Board 1937, pp. 156–67; U.S. Bureau of the Census 1960, pp. 94–95; Achenbaum 1978, p. 136; U.S. Social Security Board 1940, p. 201). Many more states appointed investigatory commissions, and all recommended establishing old age pension

programs at the state level. Twenty-eight states and two territories had established some form of old age provision, including “county-optional” as well as mandatory statewide programs, by January 1935. Benefit levels varied across states and counties; the average payment per month (for all states with programs) in 1934 was \$14.68, about 18 percent of average earnings of production workers. A large number of pension bills were introduced in the U.S. Congress and received favorable action in committee. The Roosevelt administration set up the Committee on Economic Security in 1934 to investigate social insurance and pensions and to draft a comprehensive social security bill. The administration-backed Social Security Act was passed in August 1935. The Social Security Act had three titles relating to programs for the elderly. Title I established a federal subsidy (of 50 percent of costs) for state-level pension programs, to be paid from general revenues, which gave noncontributory benefits to people aged sixty-five or more, subject to federal standards. This made programs mandatory statewide but did not mandate uniform benefit levels across states nor even levels that would ensure the “health and decency” of recipients. All states enacted enabling legislation under the Social Security Act by 1938; in 1938–39, the median pension payment for all states was eighteen dollars (about 18 percent of average wages); state medians ranged from six dollars in Arkansas to forty dollars in California. Title II established a purely federal program of contributory retirement benefits for retired people aged sixty-five or more who had been wage earners—thus excluding most women—outside agriculture and domestic service, an exclusion which resulted in a majority of blacks being ineligible. Title VIII provided for payroll taxes on workers and employers, which financed the benefits; the government made no contribution from general revenues. Taxes began to be collected in 1937, and the first payment went out in 1940. In 1939 the Social Security Act was amended; key changes included the addition of survivors’ and dependents’ benefits to old age insurance, thus bringing many more women into the system, and a shift in financing arrangements from a “full reserves system” to a modified “pay-as-you-go” system.

The Social Policy Regime

The concept of a social policy regime offers a useful way to think about the qualitative variation across national systems of social provision, including the timing and the characteristics of programs of public social provision. Here, a basic distinction is between “residual” and “institutional” welfare states, that is, between states whose action is taken only as a reaction to market or family failures and is limited to marginal social groups, and states which institutionalize a commitment to the welfare needs of all strata of the population (Titmuss 1958). Esping-Andersen (1989, 1990) has recently extended this notion and

developed a new typology of what he calls welfare state regimes, based on principles of rights and stratification and the relationship of state policy action to the market, households and families, and other social structures; he identifies liberal, statist-corporatist and social democratic regime types. Moreover, a number of scholars have noted that distinctive patterns of policy development and characteristic clusters of programmatic features can be distinguished in the formative period of modern social provision. Esping-Andersen (1990, pp. 24–25) sketches two kinds of early social provision: a liberal, means-tested social assistance model, and a conservative, status-differentiating social insurance model (see also Flora and Alber 1981).

In most typologies, the contemporary United States, Canada, and Britain fit into the category of liberal or residual welfare states. In countries with a liberal social policy regime, the state has tended to assume a reactive rather than a proactive stance vis-à-vis social problems such as old age poverty; in other words, the state tends to act to respond to societal “failures,” rather than intervening in civil society to prevent such problems from occurring. While social democratic regimes work proactively to change market outcomes in an egalitarian direction and conservative regimes work to preserve status differentiation, programs in liberal policy regimes tend to avoid undercutting market functioning and outcomes. Finally, in liberal regimes, the initiation of modern social programs occurred relatively late in historical time and at relatively higher levels of industrialization and urbanization (Flora and Alber 1981; Esping-Andersen 1990, chap. 1). Britain, Canada, and the United States acted later than did most states in which “corporatist-statist” or “social democratic” policy regimes emerged, thus indicating a less-developed capacity for proactive policy, but it was not so clear from the beginning that the three would converge on the residual, liberal regimes of today. Liberal elements were, arguably, predominant in all three countries’ programmatic initiatives; the first modern public programs of old age provision were means-tested, noncontributory pensions, and the initial contributory old age insurance programs established in the interwar years by the United States and Britain (and attempted by Canada) were earnings-related schemes with rather limited redistributive potential. There were also other potentials, however, as Esping-Andersen notes, using as illustrations the “social democratic” aspects of the early New Deal and the universalist initiatives made by Britain and Canada in the immediate post-World War II years (1990, pp. 25–26, 28). Certainly, we must be careful not to read today’s outcomes back into history. It will be important to determine the character of early programs as well as to compare the conjuncture of causal factors leading to the initiation of modern social provision in the three countries.

As I have stressed above, the timing and character of policy initiatives varied across Canada, Great Britain, and the United States. Clearly, the range of times of adoption across national and subnational governments in the three

countries shows diverse levels of proactive state capacities, even if all were “tardy” relative to continental Europe: Britain preceded her daughter countries in legislating old age pensions in the years just prior to the outbreak of World War I, as comparable pension proposals failed in Canada and the United States. After the war, some U.S. states, such as Wisconsin, were comparable to the Canadian federal government in timing, while some Canadian provinces, like Quebec, compared with lagging American states. The old age assistance legislation passed by Britain, Canada, and many U.S. states was relatively non-intrusive into the workings of the market and households, providing a small income to those too poor to survive without recourse to poor relief. In no sense were these benefits a “retirement wage,” and the elderly still tended to live with their families if they had kin; what had changed was the burden they represented to those families. Noncontributory pensions did not function to clear the market of elderly workers but to offer nonstigmatized support to those who could no longer work full-time or at all (Myles 1984). Old age pension legislation in the United States allowed substantial scope for state control over eligibility, which in part reflected the power of southern politicians to protect racially based systems of economic domination in their region from federal interference and the ability of all state-level officials to protect their prerogatives to set many of the terms of public provision (Orloff 1988; Quadagno 1988a, b).

In contrast with the old age assistance legislation of all three countries, the old age insurance portions of the U.S. Social Security Act showed a “premature” concern with regulating the labor market through the establishment of the retirement test, which British and other European contributory old age programs did not include in the 1930s (Myles 1984; Graebner 1980). Likewise, amendments to this legislation passed a few years later institutionalized a particular household form, the “housewife-maintaining family,” to use Barbara Bergmann’s term (1986, p. 258), through rules about wage earners’ and dependents’ benefits. This was similar to Britain’s contributory program for the elderly, established in 1925 to supplement old age pensions (and to the program Canada’s leaders attempted to establish in the mid-1930s), and contrasted sharply with men’s and women’s equal access to equivalent, though low, benefits under old age assistance programs. Old age assistance tended to go to the neediest elderly people, but racial discrimination in most southern states prevented many blacks from receiving pensions at levels equal to those paid to whites (Quadagno 1988a); eligibility provisions in old age insurance excluded most blacks altogether, again reinforcing unequal racial relations.

The Determinants of Policy Developments

The emergence of modern social provision signifies a pivotal transformation of state activities, and the varying features of its programmatic components

are extremely consequential for the life-chances and power of different social groups. Thus, social scientists and historians have engaged in lively debates about the origins, development, and consequences of those features. Industrialization and its social and political concomitants are usually invoked in explanations of the social policy developments leading to the emergence of modern welfare states. The logic of industrialization model suggests that social policies are state responses to the functional requirements for the reproduction of a changing socioeconomic system (see Wilensky 1975; Cutright 1965; Jackman 1975; Banting 1982, pp. 31–34). Concern with the effects of the welfare state on the interests and power of social groups has encouraged scholars to focus on the factors which affect the strength of political actors who have so much at stake in policy, and which therefore can be expected to affect the timing of policy enactment and to shape the character of social programs.

There are a range of interpretations of the interests served by social policy and of the key actors in the introduction of such policies. A neo-Marxist approach focuses on the ways in which social policies bolster capitalist interests and economic principles. A functionalist corporate liberalism model—so far limited to the North American cases—suggests that social policies are initiated at the behest of far-sighted monopoly capitalists who believe concessions will ensure the long-term stability of the system and long-term rates of profit (Berkowitz and McQuaid 1980; Finkel 1977; Jenkins and Brents 1989; Quadagno 1984; for commentary, see Skocpol and Amenta 1985; Esping-Andersen 1989; Orloff and Parker 1990). The working-class strength model, also referred to as the power resources or social democratic model, suggests that social policies are initiated in response to working-class demands when the capacity of workers to advance their interests compels the state to set aside the objections of capitalists (Hewitt 1977; Korpi 1978; Myles 1984; Schneider 1982; Stephens 1979; Shalev 1983b). Another variant of the class politics approach sees social policies as fundamentally helpful to popular rather than capitalist interests but stresses the policy effects of right party weakness as opposed to labor or left party strength (Castles 1982).

Some scholars have suggested modifications of both the logic of industrialism and the class politics approaches by including the effect of ideology, which, depending on its character, might encourage early initiation of programs or delay their introduction (see Rimlinger 1971). Interest in the issues of state autonomy and capacity, and dissatisfaction with explanatory accounts that neglect the role of state (and other) institutions, have inspired investigations into the role of elected and appointed state officials, their relationships with powerful actors in civil society, and the institutional context that is an important legacy of state-building. Indeed, one of the most contentious issues within the literature concerns the role of state institutions and officials in explaining the timing and character of policy developments. This reflects the larger de-

bate within social science and history around societal, especially class, versus state dynamics in explaining sociopolitical events and processes. For all of these approaches, the key question is whether they will hold up to comparative analysis.

The Welfare State and State Autonomy

In the most recent discussions of the welfare state, analysts have begun to explore the extent to which state officials act autonomously in developing policy and the ways in which the character of state and political institutions shape policy developments. In other words, scholars have begun to move beyond purely “society-centered” explanations. At first, this debate was dominated by neo-Marxist scholars who examined social policies primarily as a way to adjudicate between competing “theories of the state.” Basically, they questioned whether state officials could act independent of the economically dominant capitalist class. Although assuming that state autonomy must be relative (that is, limited), they differed over how much maneuvering room was available to state officials, how direct would be the influence of dominant class interests (the debate between so-called instrumentalists versus structuralists; see Carnoy 1984), and the extent to which nondominant class interests might be embodied in social policy. In the last decade, this debate has been joined by so-called state-centered or institutionalist analysts (among whom I count myself), who have argued that states are potentially autonomous. Investigations of state policy, including social provision, offer illustrations of independent initiatives on the part of state officials (as well as instances of nonautonomy, to be sure). Moreover, in-depth examinations of policy-making reveal that the character, structures, and capacities of states and political organizations—as well as socioeconomic factors—are important to understanding outcomes. My aim is to contribute toward the resolution of the questions raised in debates over the determinants of the timing and character of policy developments—particularly the role of state officials and the effects of state and political institutions—and to properly assess the character of social programs.

Methodological Strategies for Explaining the Emergence of the Modern Social Provision

Comparative research on the development of modern social provision, of which old age pension and insurance schemes are an important part, has proliferated in the last two decades.² Analytic approaches have changed a good deal—for

2. Cross-national research on social policy was carried out as early as the 1890s, but until after the Second World War, research was almost exclusively descriptive, often highlighting programs that the authors wanted to see enacted in their own countries.

the better—since scholars first turned their attention to the modern welfare state. Initial studies attempted to explain cross-national variation in the level and growth of public welfare expenditures in the post-World War II period as an outcome of universal developmental processes in which causal factors had a linear effect on policy. More recent analytic efforts have generated new comparative strategies for understanding historically specific national policy trajectories, addressing the complexity of both the objects of explanation—policy outcomes—and the combination of causal factors which determine them. Generally, we see more focused studies that attempt to develop time- and space-limited generalizations about policy developments. The conception and design of this study reflects these intellectual trends. I hope to offer a compelling sociological and historical explanation for the emergence of a particularly important set of programs, provisions for the aged, as well as for the variations in the timing and character of these programs, in three countries with many economic, political, social, and cultural similarities: Canada, Great Britain, and the United States.

A Case-Oriented, Historical Approach

In early cross-national studies, analysts tended to consider the welfare state as an undifferentiated whole and typically used social expenditures as a proportion of GNP to represent a given state's "welfare effort." Yet it is now clear that such measures alone do not reveal the full sociological significance of the welfare state. At the very least, analysts must look at expenditure levels for different programs separately, for their determinants and effects are distinctive (see Steinmetz 1987; O'Connor 1989; Castles 1982; Kohl 1981; Cameron 1986). In a recent article, Gøsta Esping-Andersen offered a cogent critique of the way the early research operationalized the dependent variable, the welfare state, with expenditure levels:

Their focus on spending may be irrelevant, or, at best, misleading. Expenditures are epiphenomenal to the theoretical substance of welfare states. Moreover, the linear scoring approach (more or less power, democracy, or spending) contradicts the sociological notion that power, democracy, or welfare are relational and structured phenomena. By scoring welfare states on spending, we assume that all spending counts equally. . . . some nations spend enormous sums on fiscal welfare in the form of tax privileges to private insurance plans that mainly benefit the middle class. But these tax expenditures do not show up on expenditure accounts. In Britain, total social expenditure has grown during the Thatcher period; yet, this is almost exclusively a function of very high unemployment. Low expenditures may signify a welfare state more seriously committed to full employment. (Esping-Andersen 1989, p. 19)

I would argue more strongly that to address the relational issues of power, state autonomy, and capacity and to unravel the complex causality behind the multifaceted character of social provision, scholars must look at much more than even disaggregated expenditure data. Many quantitative studies have made unjustified assumptions of linear causation and have used overly simplistic—but easily quantified—measures to get at complicated notions of state autonomy or ideology. Thus, for example, the insights of the institutionalist or state-centered model have been represented in some studies with measures such as government share of GNP or the sheer number of bureaucrats. Can a measure such as "bureaucrats per capita" or the absolute number of state bureaucrats fully capture the qualitatively different effects of the patronage-dominated administration, set in a mass-democratic polity, of turn-of-the-century America as opposed to the reformed and meritocratic administration, set in the political context of expanding suffrage and increasing electoral competition of turn-of-the-century Britain? As you might guess, I think not. To take another example, ideological concerns often enter quantitative analyses only through the measure of party in power, yet we know that significant shifts in the character of liberal ideology were instrumental in gaining elite support for new social spending, although the label *Liberal* did not change.

The character of the object of explanation, conditions of causal complexity, and the qualitatively varying character of the causal factors in which I am particularly interested—state and political institutions—encouraged me to take a holistic, historical, and case-oriented approach, rather than to conduct a variable-oriented quantitative analysis. My motivation to use qualitative and historical analysis flows from the character of the problems I wanted to solve: What was the contribution of reformers and state officials to policy developments, and how did this compare with that of the leaders of business or working-class organizations and other groups? Was there evidence of autonomously generated interests and independent action on the part of state officials and politicians? How did differing state and political structures and institutions affect the meanings and methods of all political actors involved in social policy debates? How did socioeconomic and state or political factors combine to produce the different policy outcomes seen in Britain, Canada, and the United States? To answer these sorts of questions, we need an accurate picture of the "dependent variable," the qualitatively varying features of social programs—eligibility requirements, financing, coverage, administrative arrangements, the timing of their enactment, and so on—and of the character of the whole ensemble of programs—the "social policy regimes"—that is, the relationship of the state to markets and households, the characteristic modes of state action, and the impact of different regimes on particular social groups. We also need to take account of the full range of causal factors, and of their interactions, involved in producing these outcomes over time.

Research has established that the configurations of causal factors leading to the emergence of modern social provision differed across the major regime types of the countries of the industrializing West (Flora and Alber 1981), between early and late industrializers (Collier and Messick 1975), and across different programs (see Amenta and Carruthers 1988; Orloff and Parker 1990; Steinmetz 1987). The causal factors important to policy outcomes (as is the case with other macrolevel social and political phenomena) operate not in linear fashion, but in complex interaction with each other. Combinations or configurations of conditions produce change. Further complicating our task are the possibilities that different combinations of conditions may produce similar outcomes—a situation of “multiple causation”—and that the effect of specific conditions may vary depending on the overall context (Ragin 1987, pp. 24–27). Moreover, we need to take a historical approach to understanding policy outcomes, for there is no standard developmental sequence of policy-making, but rather a variety of paths to qualitatively varying policy regimes (see Skocpol 1984; Tilly 1984). The temporal sequence in which determinative processes take place makes a difference for outcomes. Some causal factors, such as the political “feedback effects” of the policy legacy, can only be observed over time, and other factors, such as popular unrest, though fluctuating in “level,” have irreversible effects on policy developments through the emergence of a discourse about the “social question” (on irreversibility, see Lieberson 1985, chap. 4). Political choices are never fully determined, and choices made at one point in time influence later options. In short, we need an approach that can examine the interplay of actions and structural contexts and that situates the explanation for policy developments in time and space.

Even had I been willing to focus on a quantitatively varying outcome—the timing of initiation or some specific set of expenditures, for example—there are serious problems for a quantitative analysis of the sort necessary to examine a range of cases and generalize broadly about the issues outlined above, assuming one could find ways to overcome problems of nonlinearity. All the cases of industrialized countries initiating modern social provision over the period 1880–1940 would still yield too small a number for a quantitative analysis including the number of potential causal factors and, most crucially, interaction terms identified as important in the literature.³

3. As Charles Ragin notes of the statistical method, “It is difficult to use this method to address questions concerning the consequences of different combinations of conditions (that is, to investigate situations as wholes). To investigate combinations of conditions, the user of the statistical method must examine statistical interactions. The examination of a large number of statistical interactions in variable-oriented studies is complicated by collinearity and by problems with scarce degrees of freedom, especially in comparative research where the number of relevant cases is often small. An exhaustive examination of different combinations of seven preconditions, for example, would require a statistical analysis of the effects of more than one hundred different interaction terms” (1987, p. 15).

Moreover, the independence of cases of national policy development is dubious at best. Policymakers and reformers shared information across borders, and the experiences of other countries significantly influenced political actors (examples will be given in chaps. 5–10; on the problem of contamination, see Lieberson 1985, chap. 3). The close observation inherent in the case-oriented comparative approach minimizes the chances that “Galton’s problem” will undermine the results without the investigator’s knowledge; more important, the analysis of macropolitical processes that has been the hallmark of the state-centered or institutional approach allows for diffusion to be incorporated into the explanation of policy developments (see Hecló 1974).

At this point in our collective effort to understand the combinations of forces underlying the development and variation of modern social provision, we will better be able to resolve issues of power, state autonomy, and capacity through direct examinations of the policy-making process, which allow us to observe causal linkages and mechanisms of influence. As recent commentaries have pointed out, the comparative analysis of a few cases—three or four at most—forces the analyst to become familiar with the context of the outcomes of interest and allows for the direct examination of wholes in a way not possible when one is examining the relationships among variables for a large number of cases (Ragin 1987, chaps. 1–3; Tilly 1984, pp. 76–77; for an earlier statement of the advantages of the comparative approach vis-à-vis the statistical, see Lijphart 1975). At present, while analysts have conducted scores of quantitative studies of a range of countries—with somewhat inconclusive results (Esping-Andersen 1989)—we still have only a handful of genuinely historical case-oriented and analytic comparative studies of the welfare state or modern social programs (see Esping-Andersen 1985; Ruggie 1984; Hecló 1974; Jenson 1986; Orloff and Skocpol 1984; Amenta et al. 1987; Weir and Skocpol 1985; Baldwin 1990). While single-case studies allow for perhaps the most thorough observation of policy-making processes, one gives up a great deal of explanatory power (through, for example, the loss of any controls) by confining the analysis to a single case. If one is interested in generalization while still addressing historical specificity, allowing for the direct examination of cases, and assessing the influence of qualitatively varying factors, the ideal design is a comparison of a few carefully selected cases. Case-oriented comparison is an excellent method for generating new hypotheses, which may later be evaluated and modified in new arenas, sometimes with the use of quantitative techniques.

A Comparative Strategy

Comparative research focusing on macrosocial processes and structures is undoubtedly enjoying a renaissance in sociology. In the last few years, scholars engaged in this type of research have become more self-consciously analytic about comparative methodology and the variety of strategies present in contem-

porary research (see Tilly 1984; Skocpol 1984; Ragin 1987). Most (but not all) contemporary comparative research deals with "big structures, large processes, and huge comparisons," borrowing Charles Tilly's words. Research on modern social provision certainly falls into this category. Both Charles Tilly (1984) and Theda Skocpol (1984) have recently offered typologies of what Skocpol calls recurrent strategies in comparative research (see also Skocpol and Somers 1980). A common approach involves using comparison as a way of "highlighting difference" (Skocpol 1984, pp. 368-74). Tilly notes that "individualizing comparisons" use the contrast between cases to highlight the specific features of each case and often take an interpretive approach (Tilly 1984, chap. 5). Their contribution is "to establish exactly what is particular about a particular historical experience" (Tilly 1984, p. 88). That is no mean feat, whether done by historian or social scientist. As both Tilly and Skocpol point out, this strategy is not "a bungled attempt at generalization" (Tilly 1984, p. 88), for it deliberately eschews generalizing, yet for precisely this reason it is not likely to be satisfying for those interested in establishing causal regularities that could be applied to more than one case. Thus, those concerned with developing generalizations have turned to other strategies of comparison, applying theory to history or analyzing causal regularities (Skocpol 1984), which may be broken down into "universalizing" and "variation-finding comparisons" (Tilly 1984).

Analysts sometimes apply a general model, deductively derived, to a range of cases to illustrate that the theory "fits" history. Here, the problem is that facts might be arbitrarily chosen to "prove" the theorists' points. To guard against this potential pitfall, some analysts argue that one must apply the model to all known instances of the phenomenon in question: "Universalizing comparison . . . aims to establish that every instance of a phenomenon follows essentially the same rule" (Tilly 1984, p. 82). Yet the presence of many such instances may well push the analyst away from the direct involvement with the cases which is so important for untangling the complex causality inherent in macrolevel social and political processes and structures and remaining sensitive to the specific context needed to sort through many of the relevant causal issues (Skocpol 1984, p. 366). Skocpol thus recommends a third strategy: "analyzing causal regularities." It is this strategy that I pursue in my analysis of policy developments in the United States, Canada, and Great Britain.

The strategy of analyzing causal regularities emerges from the attempt to account for important historical patterns within specific and significant sets of cases, developing middle-range theory. It combines inductive and deductive work: existing theory and alternative hypotheses are used to guide the examination of empirical materials, but modified or new generalizations are developed inductively from the "conversation" between evidence and theory. Single-case studies may be used in this way, principally to reject certain explanations and to develop tentative hypotheses that may be evaluated fully in comparative analy-

ses. Analyzing several cases, however, is preferable for developing positive explanatory accounts.

In analyzing causal regularities, investigators make use of John Stuart Mill's logical methods of agreement and of difference (Mill 1950). Charles Ragin states that "the method of agreement is a search for patterns of invariance. . . . the investigator attempts to determine which of the possible causal variables is a constant across all instances," even though there may be variation along other dimensions (1987, p. 37). With the method of difference, Theda Skocpol notes, the analyst "can contrast cases in which the phenomenon to be explained and the hypothesized causes are present to other ('negative') cases, in which the phenomenon and the causes are absent, even though those negative cases are as similar as possible to the 'positive' cases in other respects" (1984, p. 378). The method of agreement alone cannot establish necessary links between cause and effect and may identify spurious relationships; this disadvantage, of course, is by no means unique to this method. Direct examination of causal processes and mechanisms (to the extent this is possible with historical materials) can minimize this possibility, and an examination of negative cases can best bolster findings based on the analysis of the positive cases. Of course, "the examination of negative cases presupposes a theory [or set of alternative theories] allowing the investigator to identify the set of observations that embraces *possible* instances of the phenomenon of interest" (Ragin 1987, p. 41). Thus, the search for generalization must be guided by the existing body of literature on the phenomenon in question. Both Ragin and Skocpol agree that a combination of the two methods is likely to be the most powerful explanatory strategy.

Although combining the methods of agreement and difference in a case-oriented comparative design is potentially quite powerful, there are difficulties in applying both logical methods, as Charles Ragin has discussed in his recent book on comparative methodology (1987). Of particular importance are the far-from-atypical situations in which multiple and/or conjunctural causation exists. Ragin defines multiple causation as the situation in which "several different combinations of conditions produce the same outcome" (1987, p. xii); he defines conjunctural causation as outcomes resulting from the "intersection of a set of conditions in time and space" (1987, p. 25). He argues, persuasively, that these are common situations, so common, in fact, that they constitute one of the principal arguments for preferring the holistic, case-oriented strategy to variable-oriented analysis for many sorts of inquiry. Yet a formal application of the methods of agreement and/or difference to comparative cases may be "immobilized" by these situations. How does this happen? To begin, let's recap Ragin's sketch of how the typical analyst carries out a dual application of the methods of agreement and difference (the preferred strategy by most accounts). First, the investigator identifies instances of the phenomenon of interest (posi-

tive cases) to see if they agree in displaying a particular causal factor. If they do, the investigator carries out a second phase of analysis, in which the instances of the absence of the phenomenon of interest (negative cases) are examined to see if they agree in displaying the absence of that causal factor. In effect, the presence and absence of the outcome is cross-tabulated against the presence and absence of the causal factor. If all cases fall into the presence/presence or absence/absence cells of the 2×2 matrix, then the argument that this particular factor is the cause of the outcome is supported.⁴ Ideally, the second set of cases—the negative cases—should also provide a basis for rejecting competing hypotheses, a third phase of the investigation. Typically, this is carried out through paired comparisons of the form: “Even though it appears that X (causal factor) is the cause of Y (outcome) in country A, it is not, because country B has X, but lacks Y” (Ragin 1987, pp. 39–41).

Multiple causation could create difficulties at the second stage. If there are two causal factors, X_1 and X_2 , that independently cause Y, the outcome of interest, then there would be cases in which absence of X_1 would be associated with Y as well as cases in which absence of X_2 would be found along with Y, leading to the independent rejection of both variables (Ragin 1987, p. 40). For example, “early and indigenous state initiatives on unemployment insurance in the 1930s [in the United States] required an alliance between reformers *or* organized labor *or* both and a cohesive political organization that could engineer a majority in the legislature,” Edwin Amenta and his colleagues conclude in their comparative analysis of five U.S. states (1987, p. 177; my emphasis). The “cohesive political organization” could be either a unified, popularly oriented political party, such as New York’s Democrats, or a government body, such as Wisconsin’s Industrial Commission. I have emphasized the points at which the authors show that there are multiple paths to a common outcome—the initiation of unemployment compensation. They also demonstrate that the different paths were associated with somewhat different types of programs. The mechanical application of the methods of agreement and difference, however, would have led to the rejection of both combinations of causal factors, since unemployment insurance can be initiated in the *absence* of either an alliance of reformers and labor with a state organization or such an alliance and a cohesive political party.

Conjunctural causation makes for difficulties in the third phase. Say Y happens only when there is a conjunction of X_1 and X_2 and that all instances of X_1 are instances of X_2 , but not the reverse. The analyst thinks that X_1 alone is the cause, and the data appear to support this conclusion, for all instances of X_1 would also be instances of Y, and all absences of X_1 would agree in showing the

4. Ragin cautions us not to consider this as a statistical technique, for the interest is not in probabilistic relationships, but in patterns of invariance (1987, p. 40).

absence of Y. Further, in the third phase, one would reject X_2 as a cause of Y because some instances of the absence of Y display X_2 without X_1 . Yet actually the combination of the two causal factors is critical (Ragin 1987, p. 41). This appears to me to be an underlying problem in a number of studies, limited to Western European states, which have argued that politically strong labor movements were responsible for the development of modern social benefit programs but which never consider the extent to which these outcomes reflect the combination of such labor movements and well-developed state administrative capacities, patronage-free and programmatic politics, and concomitant statist political cultures.

A final difficulty concerns the identification of appropriate negative cases in order to be able to apply the method of difference. The method of difference depends on the use of negative cases, but there are situations in which “the set of negative cases is ill-defined.”⁵ This would rule out using the method of difference and force the analyst to rely exclusively on the method of agreement. Such an approach may be acceptable if investigators are “interested in unusual or extreme outcomes” (Ragin 1987, p. 42). In this case, all (or almost all) cases—the universe—of the phenomenon in question may be examined. What should one do if the outcome in question is not an unusual or extreme outcome, but the negative cases are still hard to define or “borderline at best”? This, of course, describes the situation in regard to social policy outcomes, and the holistic, case-oriented strategy—selected in deference to causal complexity—runs into methodological complications. Obviously, systems of modern social provision are not rare phenomena, and one cannot hope to examine the entire universe of cases using anything but quantitative methods (in any event, this has already been done quite extensively). Furthermore, since all industrialized countries eventually enacted at least some programs of modern social provision, it is at least arguable that no such country is a “true” negative case.

Luckily for comparative investigators, there are ways of coping with multiple and conjunctural causation and with problems in defining negative cases.

5. Ragin uses the example of Theda Skocpol’s *States and Social Revolutions* (1979). Skocpol herself says that she uses both the method of agreement to assess common causes of revolution across China, France, and Russia, the positive cases, and the method of difference to show that her key causal factors were absent in England, Prussia, and Japan, the negative cases. Ragin, however, argues that her negative cases are “borderline at best” and that “it would be difficult to define the set that includes all negative instances of social revolution” (1987, p. 42). Thus, he agrees with Tilly’s characterization of Skocpol’s work as utilizing a “universalizing comparison,” that is, as limited to the method of agreement by searching for patterns of invariance in positive cases of a phenomenon. Tilly claims that the negative cases “occupied a distinctly minor position” in an analysis that in his view relentlessly stressed the common features of revolutions in France, Russia, and China (1984, p. 108, chap. 6). We need not adjudicate between Skocpol and Tilly and Ragin in order to appreciate that the identification of negative cases for any given phenomenon is hardly uncontentious.

In cases of conjunctural causation in which the analyst initially finds the hypothesized causal conditions in both positive and negative cases, he or she may then search for further condition(s) which have to occur in conjunction with the first set for the outcome to ensue. This is the methodological strategy that Theda Skocpol and I pursued in our article comparing policy outcomes in turn-of-the-century Britain and America, "Why Not Equal Protection?" (Orloff and Skocpol 1984). The causal factors commonly hypothesized as significant in the emergence of modern social provision—ideological change, demographic pressure, rising labor movements—existed in both cases, but only in Britain were programs of public social protection enacted. We looked for additional causal factors that could differentiate between the two cases and found that variation in the character and capacity of state and political institutions was associated with the different policy outcomes. We then offered a modification of explanatory accounts of the emergence of modern social provision, which, while immediately applicable to the two cases we investigated, could potentially—with modifications—be evaluated in other contexts.

In situations of multiple causation, the method of agreement may show no common cause or set of causes. Rather than conclude that there are no invariant relationships, the investigator may suspect that there are actually different *types* of the outcome in question and that different sets of causes are relevant to each type. "Multiple causation is addressed by reconceptualizing the phenomenon of interest so that types can be distinguished. . . . the investigator may be able to link distinctive causal configurations with sub-types of the phenomenon in question" (Ragin 1987, pp. 43–44). This strategy may also be used when negative cases are difficult to define. "The indirect method of difference can then be applied to types because instances of other types also provide negative cases whenever the conditions relevant to a certain type are assessed" (Ragin 1987, p. 44). Likewise, Tilly recommends that if one examines positive cases of a phenomenon using the method of agreement to find the common explanatory factors but has difficulty in identifying suitable negative cases, then one should also look at variation among and within positive cases. To undertake what Tilly calls variation-finding comparison is to "establish a principle of variation in the character or intensity of a phenomenon having more than one form by examining systematic differences among instances" (1984, p. 116).

Comparing the United States, Canada, and Great Britain

I came to this project initially with an interest in making sense of the U.S. case and an attraction to then-new state-centered analytic approaches. In my view, no satisfactory explanation existed for the unusual character of American public social provision, despite many attempts to provide one. I was not convinced by the common arguments that liberal ideology and working-class weakness were to blame. Liberal ideology had been put in service of a good

many reforms in the Progressive Era and the New Deal, and the work of U.S. labor historians had convinced me that American labor was not exceptionally weak around the time that social policy reforms were first being considered. I was becoming familiar with the work of Theda Skocpol and other political sociologists that highlighted the importance of state capacity, autonomy, and structure in explaining political outcomes and with the research of scholars such as Martin Shefter and Stephen Skowronek that focused on the particular characteristics of American state-building. I suspected that state and political institutions, organizations, and processes were likely to hold the key to understanding America's cross-nationally unusual path of policy development. Thus, a complete understanding of the U.S. welfare state would require an analysis that combined these state-centered or political-institutional factors with the so-called society-centered factors more commonly invoked in the literature—demography, ideology, and the power resources of political actors.

My purposes in developing a comparative design were twofold; I wanted to make sense of the U.S. case and to highlight the causal contribution of state and political factors in producing policy outcomes—the timing and character of initial modern programs of old age protection. Thus, I decided against using cases such as Germany or Sweden, which, while very different from the United States in state capacities and structures, provided no controls for ideology or labor strength. (Such a selection of cases might well make sense if my goal had been to highlight difference; as Ragin notes of Reinhard Bendix, everybody's favorite exemplar of "individualizing comparison," "differences between the cases he selects overwhelm their similarities" [1987, p. 35]). In short, there was too much variation between these potential cases and the United States to allow me to specify the causal role of any particular factor or set of factors, much less to highlight the role of state factors specifically. Conversely, a "most-similar nations" strategy, in which one minimizes variation among control or background variables while maximizing variation along potentially explanatory dimensions, seemed ideal for my purposes (Lijphart 1971, 1975). The United States, Canada, and Great Britain share substantial similarities along dimensions which are commonly invoked to explain cross-national differences in social welfare policy. The most important of these factors are their common liberal cultural and ideological heritage and democratic political systems. Moreover, politically active innovators from all three nations participated in transnational policy reform circles, and North Americans were particularly attuned to each other and to the British example. Against the background of similarity in culture and ideology, political democracy, and reform activity, significant differences exist in state and political institutions and processes, rooted in the distinctive state-building experience of the three countries.⁶

6. Of course, there are differences along some socioeconomic dimensions as well, but these are not sufficient to explain policy variation among the three.

Theda Skocpol and I compared the United States with Britain for the pre-World War I period in which pensions and other social insurances were initially considered in both countries but were adopted only in Britain (Orloff and Skocpol 1984). Of all the European countries adopting modern pensions or insurance in the "formative period" of the welfare state, Britain had the greatest degree of similarity to the United States in ideology and culture and working-class strength (however measured), thus allowing the evaluation of the impact of variation in state and political factors. While Britain differed on some demographic and economic factors with the United States as a whole, some American states—we used Massachusetts—were quite similar to Britain along these dimensions. The comparison between Massachusetts and Britain revealed the insufficiency of explanations based solely on level of industrialization, urbanization, or population aging, echoing the findings of a substantial body of cross-national comparative research. We were able to show that differences in state capacity, the character of political institutions, and policy legacies were important contributors to the differing policy outcomes in the two countries. In this book I have expanded the initial investigation of pre-World War I Britain and America and have augmented it with an analysis of the factors leading to the adoption of modern old age protection in the United States in the 1930s and an analysis of Canadian policy developments over the period 1900–1935.

Canada provided an excellent comparative case for further evaluating the initial findings about policy developments. Canada is even more similar to the United States than is Britain, sharing with the United States a common cultural and ideological commitment to liberalism and individualism, democratic and federal political institutions, a craft-oriented trade union movement, immigration, ethnic conflict, and an absence of a feudal heritage. Alongside important common socioeconomic characteristics, the Canadian and American experiences of state-building varied. The two North American countries share some elements of the state-building experience, in particular, a relatively protected geopolitical position, the early development of democracy, and relatively delayed bureaucratization. Canada's position in the world economy, however, contributed to a greater development of state administrative capacities and intervention in the economy than was the case in the United States. In this way Canada resembled some of the world's "late followers" (Laxer 1989; Orloff and Parker 1990). Like the United States, Canada considered pensions in the years before World War I but did not adopt them. Thus, for the prewar period, a comparison of the Canadian and U.S. cases could provide a check on the findings about the factors responsible for the failure of the United States to adopt pensions. In the interwar decades, both the United States and Canada initiated nationwide schemes of public old age protection, but these occurred under very different circumstances and at different historic moments. Canada adopted pensions in the 1920s, in a period of relative political calm, while the

United States adopted social security in the midst of the turbulent Depression years. The character of the programs enacted differed considerably as well, with Canada opting for a federalized version of an old age pension program very similar to the British plan of 1908 and the United States initiating both a federal old age assistance plan and a purely national contributory insurance scheme. Here we have two distinctive types of policy, and these outcomes may be linked to the different combinations of factors which led to their enactment. A close comparison of the two cases highlights the political and state factors important for the different timing of the two cases and the different configuration of causal factors implicated in the break with poor relief in each.

The analysis involves conceptualizing the American and Canadian experiences in the form of three "cases," covering the pre-World War I period of failure to adopt modern old age coverage; the 1920s, when Canada adopted a federal pension law but the United States did not; and the 1930s, when the United States adopted nationwide programs for the elderly, including a contributory old age insurance scheme, while Canadians did not succeed in enacting contributory insurance. This follows Lijphart's definition of a case as not synonymous with any given entity, but as "an entity on which only one basic observation is made and in which the independent and dependent variables do not change during the period of observation—which may cover a long time, even several years" (1975, p. 160). For the period from the 1880s through the end of World War I, I will examine all three countries to develop an explanation of the differing policy outcomes: the debate over and eventual enactment of old age pension legislation in 1908 in Britain, and the similar debates over pensions but subsequent failure to enact pension legislation in the United States and Canada. Canada passed the federal Old Age Pension Act in 1927, while the United States failed to pass federal pension legislation during the 1920s, although several American states did enact limited pension schemes. In the 1930s the U.S. federal government passed the Social Security Act, but the Canadians failed to enact contributory old age insurance. For all three periods, I use the method of difference to pinpoint the crucial difference(s) between the positive and negative cases. In the first period Britain is the positive case, and the United States and Canada serve as negative contrasts. In the 1920s Canada is the positive case of enactment, while the United States again serves as a negative case. Finally, in the 1930s the success of the United States in enacting nationwide systems of contributory and noncontributory old age protections is contrasted with the policy deadlock surrounding extensions of old age assistance into a contributory scheme in Canada. A second set of comparisons using the method of difference involves longitudinal comparisons for both the United States and Canada, in which, within each country, the prewar failure to enact modern social spending programs for the elderly is contrasted with the later successes in enacting such policies.

This particular strategy is unusual in the welfare literature in that it per-

mits an explicit juxtaposition of the actual institution of income maintenance programs for the elderly in Britain with the simultaneous failure of potential parallel developments in the United States and Canada in the pre-World War I era, the success of Canada against the failure of the United States in the 1920s, and the "role reversal" of the two North American countries in the 1930s. Thus, the information gained from examining the "failures" as well as the successes can be applied to pinpointing the necessary and sufficient conditions for the adoption of these welfare state programs. Generally, comparative analyses of modern social provision have examined only positive instances of program enactment. As I noted above, however, there are potential objections to almost any way of identifying negative cases. Arguably, Canada and the United States in the pre-World War I period are "borderline at best" negative cases, given the fact that both countries did go on to enact old age protections. I think one can make a good case for "finding variation," that is, conceptualizing the three countries as having different types of policy for the elderly, which would include the timing of enactment as well as the differing dimensions of policy content. Thinking about the cases in this way allows for the method of difference to be applied to types "because instances of other types also provide negative cases whenever the conditions relevant to a certain type are assessed" (Ragin 1987, p. 44). The method of difference may still be used for highlighting the specific factors leading to different political outcomes in each period. In the end, I use the method of agreement to develop a summary model of the necessary and sufficient causal factors for policy innovation in these three liberal countries, by examining all the positive cases to see if there are any common configurations of causal factors—both presences and absences of conditions—involved in all three cases.

In the design just sketched, I am reversing the usual ordering of applications of the methods of agreement and difference. Nevertheless, if research is seen as the collective enterprise it undoubtedly is, then this book can be seen as following from a wide range of studies—both case- and variable-oriented—which have attempted to find a common causal factor (such as working-class mobilization or industrialization) responsible for all cases of the enactment of modern social benefits schemes but have faltered in the face of multiple and conjunctural causation. Indeed, problems in the search for universal causal relationships have led a number of scholars to conclude that policy outcomes are more likely to be the result of a combination of conditions and, moreover, that there is no common set of factors behind all instances of the break with poor relief. There are some preliminary typologies of systems of modern social provision—Esping-Andersen's or Flora and Alber's come to mind. Both differentiate between liberal-democratic countries and others, and this adds justification to the selection of these three liberal countries. My research will show what factors are similar across the three largest liberal countries and

which conditions differ among them that led to distinctive policies even within a generally liberal policy orientation. I hope that this offers to the collective research enterprise a new set of claims to be investigated through comparisons across and within regime types.⁷

Even once we agree that a most-similar nations strategy is warranted, the problem remains of how directly to compare federal states like Canada and the United States with a unitary state like Britain. This is addressed by including as a part of the policy outcomes to be explained events occurring across the subnational units (states and provinces) of the United States and Canada. This research strategy is justified by the fact that North American reformers consciously adopted a political strategy of pressing for uniform legislation simultaneously across states and provinces in order to achieve the results their counterparts in unitary polities could gain through national legislation.

The federal structure of the American and Canadian states was important in several ways to the policy outcomes of the early twentieth century, particularly in shaping the strategies of political actors working for change, although federalism per se cannot be blamed for the failure of the new social welfare spending initiatives in this early period—as both the success of other forms of social legislation in that same time period and the eventual success of national legislation incorporating the necessary "concessions" to federated structure would attest. But federal structure and constitutional requirements imposed certain exigencies on reformers and politicians interested in the passage of social legislation and afforded a different structure of political opportunity than did the unitary polity of Great Britain.

The British North American Act, which established the Canadian state, and the U.S. Constitution were interpreted as mandating that social welfare activities and legislation fall within the sphere of subnational responsibility (Birch 1955, chaps. 2, 6, 7). Moreover, the national capitalist economy made the subnational units themselves part of the "economics of competition" in the market

7. Another way to understand the methodology and case-selection of this study is through the language of case-control analysis (Schlesselman 1982). Case-control studies proceed, as my investigation does, from effect or outcome to cause, in an attempt to "identify antecedents that led to the . . . condition of study. . . . the case-control method uses a comparison group (controls) to support or refute an inference of a causal role for any particular factor" (Schlesselman 1982, p. 25). Thus, they are retrospective, or historical, and comparative. In the analysis undertaken here, each case is contrasted with the others, which are matched on certain conditions but differ on others. First, we try to understand why old age pension legislation passed in Britain, but not in Canada and the United States. Then we attempt to understand the differences between the two North American cases for the 1920s and 1930s. Because the three cases are matched on a range of socioeconomic and cultural dimensions—liberal ideological heritages, industrial-capitalist economies, democratic institutions, and so on—we can focus on the potentially causal factors that differ, such as state capacities, policy feedback, state structure, party orientations, and other aspects of the institutional context.

(Graebner 1977, p. 332). Historian William Graebner describes the situation in the United States, but the problem applied to federal Canada as well (see Guest 1980, p. 123). "Key business groups, largely from highly competitive industries with interstate markets, opposed most state social legislation on the grounds that it would place their firms at a competitive disadvantage in relation to firms operating in states with less advanced, and therefore less costly, programs" (Graebner 1977, p. 332). In the face of this problem and the constitutional obstacles, reformers hit upon the strategy of "uniform legislation." Reformers across the states attempted to coordinate their legislative activity, often using a "model bill" provided by a national organization—the American Association for Labor Legislation (AALL) was the main such group in the field of labor and social insurance legislation—and the simultaneous introduction of the bill in many state legislatures (Graebner 1977; Lubove 1968). The Social Service Council of Canada played a similar role in Canada (Social Service Council 1914; Guest 1980, p. 217), and the National Conference of Charities and Correction, with which the members of the AALL worked, was important in diffusing ideas for legislative action throughout North America (Splane 1973, pp. 17–19; Bruno 1957).

Sources of Evidence

Like most investigations using comparative-historical methods, this one depends principally on the analysis of secondary sources, although I have supplemented secondary sources with primary sources where needed. As in any investigation of a number of cases over a considerable period of time, here I found it would be prohibitively time-consuming to carry out primary research on each case. Moreover, historians and area specialists have produced many excellent studies covering the development of modern social policy in each of the three countries I examine as well as the various factors—working-class organization, state-building, and the like—which constitute potential causes of policy outcomes. I compiled basic information from a thorough survey of the available historical and sociological literature, asking the same questions about each case in order to assure comparability and to fully evaluate alternative interpretations of the forces leading to the initiation of modern old age benefits. Thus, secondary material is used to make explicit cross-national comparisons which are usually omitted from the literature on a particular country. (For example, in single-case studies of U.S. policy developments, researchers often assume that the observed liberalism of political culture is unusually strong—without any explicit comparison with other countries.) Of course, historians do not universally oblige the comparative researcher; not every issue I wanted to evaluate was present in the literature for each country. In these cases, I turned to primary sources of evidence to augment the basic information provided in

secondary sources; this also allowed me to familiarize myself with the evidentiary bases of historians' conclusions. Among the primary sources I used were government statistics, documents, and reports, periodical publications, and the writings of important figures involved in the development, administration, and reform of social policy. Particularly important sources of primary data were the journals published by social and labor reform organizations; the unpublished papers of a range of Canadian social reformers, whose activities have been less extensively documented than those of their British and American counterparts; and the reports of various special government commissions which worked in all three countries (and many U.S. states) to investigate the conditions of the aged and existing modes of support and policy, particularly the operation of poor relief, and to recommend policy changes.

Historians are trained to observe the kinds of biases inherent in the primary sources they use; they note what documents are likely to be preserved and what sorts are more likely to be lost, as well as the biases incorporated in the documents themselves (Schafer 1974; Bailey 1978). Historical sociologists are now learning these skills, as well as how to interpret the writings of the historians on whose analyses of primary sources they rely (see Tilly 1981; Skocpol 1984, pp. 382–83). One cannot simply assume that the "facts speak" from the pages of books and articles by historians, any more than one can make such assumptions about the documents themselves. One needs to be aware of changing intellectual trends in analytic orientation and subject focus among historians and to use this information in interpreting the findings of these scholars for new purposes.⁸

The comparative analysis focuses on events—the enactment of modern income maintenance programs for the aged—rather than on trends, such as time-series of welfare expenditures. Therefore, the information needed to evaluate the role of various causal conditions is for the most part qualitatively, rather than quantitatively, varying, and measurements of "independent variables" are categorical or ordinal rather than continuous. Nevertheless, where possible and appropriate, I use statistical information to document the level of hypothesized causal factors such as trade union organization, proportion of the population over age sixty-five, or industrialization at crucial moments of transformation in policies for the aged.

Plan of the Book

Next, I present a review of the literature on welfare states as it is relevant to the emergence of public old age provision in the United States, Canada, and

8. This is quite comparable to the work of a survey researcher reanalyzing the data of earlier scholars, who has to be aware of the biases built in to the wording of questions, selection of samples, and so on.

Britain. After these introductory materials, the book is divided into two parts: a section on the emergence of the social question as it pertained to the aged and a section focusing on the ways it was answered across the three countries. In Part 2 I discuss several aspects of the development of the social question: in chapters 3 and 4, the demographic, economic, and policy “baseline” which provided the conditions for the problem of old age poverty to become politicized, and in chapter 5, the cultural, ideological, and political processes which constituted old age poverty as an issue for public resolution. Here, I focus on the different responses of elites to forming cross-class alliances for public social spending across the three countries and to the social question over time, arguing that this represents a significant factor differentiating instances of policy success and failure. The task of Part 3 is to understand the institutional underpinnings of these different political outcomes through focusing on the state-building processes, which critically affected both the timing and character of policy developments, and on the policy legacy. There are separate chapters on Britain and Canada, explaining how relevant causal conditions combined to produce the different historical outcomes for old age pensions, for the period 1880–1910 in Britain and 1880–1940 for Canada. I have two chapters on the United States, one for the 1880–1920 period and another for the 1920–40 period. In a final chapter, I sketch out the common features in the emergence of initial modern social spending programs in these liberal countries and offer some suggestions for future research.

2 Explaining the Emergence of Modern Social Provision

The literature on welfare states offers resources for explaining the timing and character of the initial programs for public old age protection in Canada, Great Britain, and the United States in the first half of this century. This field has thrived within the social sciences and history, and a range of analytic perspectives has developed to explain various aspects of social policy outcomes. There are five principal approaches to the explanation of variation in the timing and character of modern social provision. The first four focus respectively on the logic of industrialism, cultural values, political conflict (in a large number of variants), and state capacities. The fifth, the institutional perspective, encompasses many of the factors highlighted by the other approaches and emphasizes state and political institutions. I will first review the claims of each analytic perspective and the empirical evidence relevant to it, and then I will suggest what aspects of the perspective we want to retain and what to discard. The standard of judgment is whether any given perspective can hold up to comparative historical analysis. Can it explain the variation in the timing and character of modern social provision for the aged in Britain, Canada, and the United States? While each analytic approach yields some helpful insights about the process of policy development, only the institutional approach can fully explain why and when the three countries initiated old age pensions and insurance and why these policy initiatives took the forms they did.

In the past I used the term *state-centered* to describe my analytic perspective. I now prefer the term *institutional* to *state-centered* for several reasons; most important, the earlier term tended to give readers the impression that factors outside the state were unimportant to the explanation. In fact, demographic, economic, ideological, and social factors are indeed significant for the shape of the policies in any given country, as are the character, structure, and capacity of the state and other political institutions, particularly parties. The term *institutional analysis* also signals my belief that we must consider the ways