Social Security and National Security in a Cold War World

An Exploratory Study of the Cold War International Context as an Exogenous Variable Influencing Elite Consent to Postwar Social Welfare Development

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University of Michigan
Prof. Michael Kennedy

Michael A. Dover
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SECTION ONE: INTRODUCTION

The goal of this paper is to prepare for future research by exploring theoretical, epistemological, methodological and empirical aspects of a topic of historical and contemporary concern: the relationship of the Cold War and postwar social welfare development. The paper begins by exploring one aspect of a master narrative of postwar social welfare development: the notion that military and social expenditures have been implacable enemies of each other. According to such a discourse, an end to the Cold War and the related arms race can and should bring enhanced social welfare spending, yet no such peace dividend has been forthcoming. Possible flaws in the logic of the master narrative are examined, and a different posing of the proverbial guns and butter question is proposed. Next, a variety of theoretical perspectives relevant to the examination of the proposed topic are explored. Theoretical amendments to the existing body of theory are proposed. These amendments are threefold. The first is a macro-structural, exogenous factor affecting social welfare development, specifically the structural context of an historically unprecedented bi-polar system of states centered upon the United States and the Soviet Union. The second is an agency-level, intervening variable between the effects of this structural factor and postwar social welfare development: elite consent, motivated by a need to project what Szelenyi has called the “human face of capitalism”. Third, George Steinmetz’s use of the concept “regulating the social” to describe state efforts to address the “social question” is revised (Steinmetz 1993). The term “securing” rather than “regulating” is used. The nature of the “international question” facing nation-states is also stressed. The relationship between the social question and the international question is posed in terms of the concepts social security and national security. The relationship between the dual role of the state in securing the “social” and securing the “world” is thus explored.

In the epistemology section, the role of a realist epistemology in the proposed research is described. The realist approach is adopted subsequent to the consideration of a variety of epistemological outlooks, beginning with the role of personal standpoint, and including orientations towards social explanation, methodological individualism, radical historicism, and various metaphors of discovery. In the methodology section, one methodological approach, adapted from Knoke and Pappi (1991), is adopted for use in the analysis of policy decisions in the proposed research. Another, adapted from Martin Rein (1983), is described as a
template for the analysis of discourse in future research.

Next, empirical research relevant to the proposed topic is reviewed and critiqued, including polity-centered approaches; the logic of industrialism approach; and social-democratic and class struggle outlooks. Then, several alternative hypotheses are presented. A preliminary examination is made of their veracity. These include the view that social welfare “took off” prior to the Cold War, and had its roots in Imperial Germany, pre-war England, and the Depression era in the United States, where it developed for reasons largely independent of exogenous factors.

In the section on working hypotheses, a number of logical statements (or hypotheses) are presented, and preliminary examinations are made of the implications of several of them, in order to ascertain whether there is any basis for further research along these lines. These include brief examinations of the “guns and butter” issue in the postwar era; the relationship of the Cold War context and Western social welfare development; a section on the Marshall Plan and social welfare; and sections on the relationships of the Cold War to educational policy and to civil rights efforts.

Tentative conclusions are drawn in a way which contributes to ongoing discourse among social workers and social scientists about the fate of social welfare in the post-Cold War world. Finally, the fruits of the exploration are considered in light of the need to focus upon a more tightly construed research question: namely the specific relationship between the Cold War context, elite and popular outlooks, and two key events in 1950: the passage of the watershed 1950 Social Security amendments and the promulgation of National Security Memorandum #68 (Nitze 1950).

**Larger issues of concern: guns vs. butter**

As the Cold War drew to a close in the late 1980's, the possibility of a peace dividend captured the public imagination. Many social workers and social scientists had higher hopes of creating a society focused on human need satisfaction, rather than one devoted to the care and feeding of an overgrown military-industrial complex. In 1990, Coretta Scott King called for support for the alternative budget of the Congressional Black Caucus (King 1990). Others also called for cuts in military spending and increased spending on domestic social problems (Miller
The notion of a post-Cold War budget was advanced (Beatty 1990). The onset of the Gulf War in 1991 demonstrated that the path to reordered national priorities would not be smooth. A post-Cold War arms market began to flourish, freed from constraints imposed by previous bipolar spheres of influence (Thee 1991). But social workers continued to press for a renewed commitment to social welfare (Jansson 1991; Goldberg and Rosen 1992).

Common to this discourse, and to earlier efforts to transfer funds from the military to civilian programs during the Carter administration (Holtzman 1977), was an outlook that assumed a zero-sum relationship between military and social spending, both in this country (Dumas 1977) and around the world (UN Development Program 1994). The Cold War was seen as having limited social welfare expenditures in the United States, and an end to the Cold War was seen as creating conditions for social welfare growth (Trattner 1989).

Beginning as early as President Dwight D. Eisenhower’s well known speech, extensive debates had addressed the advent of a military-industrial complex. Few analysts argued that a social-industrial complex had also evolved, and that the United States had evolved into a warfare-welfare state (O’Connor 1973; Lasswell 1941). Still, some analysts saw a more complex and indirect relationship between military and social spending, with military spending causing inflation, capital shortages and unemployment, leading to elite demands for reduced social expenditures (Dykema 1977). Others saw inherent limitations on social welfare under monopoly capitalism (Nixon 1969; Prigoff 1978). These analyses led to conclusions that advocates of social spending need to develop anti-corporate or anti-capitalist as well as anti-militarist movements. By and large, however, the prevailing social science and social work discourse was that military expenditures were largely responsible for holding back social welfare growth.

The assumption that one form of spending grows at the other’s expense was made both by advocates for strengthened social welfare policies and proponents of growing military might. From Paul Nitze’s call in National Security Council Memorandum #68 for reduced non-military expenditures (Nitze 1950) to the activities of the Committee on the Present Danger (Boies 1993), a wing of elite opinion vehemently opposed any redirection of public resources towards social spending and away from the military. But elite opinion has been sharply divided on matters of foreign policy and on government measures to reduce income inequality and guarantee jobs (Lerner, Nagai and Rothman 1990). Public opinion
polls have shown that people who shared the assumption that military and social welfare budgets were in competition with each other were less likely to support social welfare spending than those who saw no contradiction (AuClaire 1984). Guns and butter has apparently won more public and elite support than either a guns-primarily or butter-primarily position. A guns and butter dual-emphasis apparently has a constituency in its own right, but resulting policy may also represent a compromise between advocates of one or the other state priority.

Intriguing parallels to these debates could be found in the period immediately following World War Two. Then, too, there was a substantial debate about the conversion from military to civilian expenditures. Many of the recent proposals for peacetime conversion of Melman and others (Melman 1985; Dumas 1977) were foreshadowed by legislation introduced during that period. As the war drew to a close, the Roosevelt administration supported the Kilgore-Truman-Murray bill, a liberal project for peacetime conversion that had social welfare components such as transitional unemployment benefits. This bill went down to defeat in the Senate in 1944. Truman's strong support of the bill marked him as on the liberal side of the debate on the nature of the postwar political economy (Hamby 1995: 273). But Skocpol has pointed out that it was military Keynesianism (not New Deal expenditures) which was primarily responsible for stimulating the national economy and ending the Great Depression, and that the New Deal itself might not have survived without the advent of World War II (Skocpol 1980), an assertion which was also made by Berkowitz and McQuaid (1988: 148):

Not only were social welfare measures in trouble, the war also threatened to destroy the entire New Deal. Roosevelt and other New Deal leaders gained support by appealing to people’s fears about the economic situation.....In political, as well as social welfare terms, success bred failure.

In that era as well, the argument that military and social expenditures were either complementary or contradictory was by no means settled.

The experience with reconversion after World War II may have lessons for the fate of a post-Cold War peace dividend. But efforts to understand these two crucial turning points in 20th century social welfare history require a fundamental re-examination of the relationship between military and social expenditures within modern national states. As part of such a research agenda, there needs to be a more specific examination of the impact of the Cold War itself on post-W.W. II social welfare development. Such a re-examination needs to be open to the possibility that
rather than growing in opposition to each other, military and social welfare spending grew in tandem with each other as part of the formation of the modern national state, and may decline together as the role of national states changes in the post-Cold War world.

**Substantive problems of concern**

This paper will explore a relatively underexamined aspect of 20th century social welfare development - namely exogenous factors influencing national social welfare development. The development of 20th century social welfare took place firmly within the context of the contention between capitalist democracies and Communist-governed forms of state socialism, a conflict which was ideological (Marxism-Leninism versus bourgeois democracy), systemic (socialist versus capitalist economies), geo-political (conflicts between contending states and blocs of states), military (as expressed in the arms race and through the wars fought by combatants armed by the superpowers), political (in both domestic and international polities), and economic (competition for world trade and raw materials).

The more specific goal of this paper is to better understand the effects of the Cold War context on the expansion of Western state intervention on behalf of human needs satisfaction during the postwar era. During this period, what role was played by exogenous factors such as the international context in arriving at social welfare policy? What seemed to be the relationship between foreign policy and domestic social welfare policy, if any? Also, how did the Cold War context influence the changing attitudes and actions of both masses and elites towards social welfare in the United States and elsewhere? To what extent did various elite factions favor, oppose or merely consent to the development of a growing social welfare system during the Cold War? What are the implications of the end of the Cold War and the collapse of Communist-governed forms of state socialism for the fate of social welfare?

The major hypothesis of such a research agenda is that one factor explaining Western social welfare spending during the Cold War was a largely exogenous variable: the existence of the above described contention\(^1\) between the United States

\(^1\) The term contention may best capture the combination of conflict and competition which characterized the relationships between the bloc of “Soviet-type societies” (Kennedy 1991) and of
and its allies and the Soviet Union and other Soviet-bloc nations. Within the framework of this international context, it is argued that there was consent for social welfare development on the part of an influential segment of national elites. These policies were consented to for a variety of factors, but among them was the way in which these policies (and related educational and civil rights policies) demonstrated to the world the human face of capitalism in light of Cold War ideological contention with the East. In addition, these policies were seen as resulting in reduced labor, minority, academic, professional, and other domestic opposition to Cold War foreign policy.

**Importance of selected topic**

There are a number of reasons why social workers and social scientists need to be concerned about the subject addressed by this paper. First, in the post-Cold War era, it is essential to rule out or confirm that such an exogenous context and related political processes helped to explain Western social welfare development during the Cold War years. For if the Cold War context was an important factor, and the lack of a socialist bloc providing political competition to capitalism no longer stimulates elite consent to demands for social welfare, then stronger majoritarian coalitions in favor of social welfare spending will be necessary in order to defend and expand social and human welfare in the post-Cold War world. If support is found for the hypothesis that Cold War contention fostered the growth of the post-World War II welfare state, then the collapse of Communist-governed forms of state socialism in the East could lead to the removal of one of the motivations (on the part of elites in any case) for maintenance of effective social welfare systems in the West.

Such a weakening of elite consent to social welfare would come at a time when Tilly and others have pointed out the nation-state itself is being weakened by

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2 The metaphor of the “human face” has in the past referred to efforts at reform in Eastern Europe. Its use in the context of Cold War capitalist democracies was suggested by Prof. Ivan Szelenyi in a private communication during a visit to the University of Michigan, Ann Arbor Michigan, Fall 1994. Prof. Szelenyi also suggested that the proposed Cold War context be considered as merely one of numerous exogenous factors which have been neglected in accounts of social welfare development.
globalization of capital and other factors (Tilly 1990; Camilleri and Falk 1992), and during which economic competition from low-tax and low-wage Third World and Eastern European nations may create strong competitive pressures to reduce social welfare spending in the advanced capitalist nations, a phenomenon observed as early as Germany in the 1890's (Steinmetz 1993). Hirst and Thompson (1995) provide an important corrective to the growing trend to argue that the nation-state is in its final stages. On the one hand, they argue that state policies had been influenced all along by transnational agreements between states. And they project that states may become even less autonomous in the future. On the other hand, they point out that nation-states will also become the essential source of legitimacy of new international institutions. Without the threat of war as a rationale for a national monopoly on the use of force within a given territory, new forms of communication may form the basis for both international and local civil societies, with both universal and culturally unique qualities. Nation-states would continue to define borders and enforce constitutions and laws, but would also serve as the facilitator of both global and local institutional development. The examination of this hypothesis, then, is essential for a consideration of the fate of social welfare in the post-communist era. Second, there are a number of key unresolved theoretical problems which can be addressed by study of this topic, some of which are discussed in the theoretical overview and theoretical amendments section below. Third, there are a number of ontological, epistemological and methodological issues which can be clarified by a research agenda related to this topic. They are discussed below in the methodology section.

**Intellectual rationale of research**

If theoretical, methodological and substantive issues can be addressed in a preliminary way in this paper, a basis will have been established for ongoing debate and for an ongoing research agenda. Such an agenda would have the value of being both of historical interest and of contemporary policy significance. By making links between a contemporary social policy dilemma (the post-Cold War fate of social welfare) and analogous previous debates (the post-World War II debates on the relative role of military and social expenditures), it also becomes possible to make a stronger link between two previously disparate fields of study: the study of social welfare history and scholarship on U.S. foreign policy. Such a course of study
could help to clarify major unresolved questions as to the extent to which piecemeal reforms, “radical reforms” (Olson 1982), “transitional reforms” (Dreier 1979), or a more advanced form of social policy transformation (Dover 1992) could be achieved short of a transition to socialism (Lee and Raban 1988), or whether a revolutionary movement is necessary in order to ensure the rights of women, children and people of color (West 1990). Finally, research in this area can contribute to the discourse on a fundamental question for historical sociology: namely, the extent to which history is seen as continuous or discontinuous, and as unidirectional or characterized by periodic historical regressions. In this respect, we need to better understand whether or not the substantial levels of social welfare development seen since World War Two are natural progressions of previously established forms of social welfare development or are an historical anomaly stimulated in part by the emergence of bi-polar systems of national states engaged in an all-consuming Cold War struggle for survival.

SECTION TWO: THEORETICAL OVERVIEW

In this theoretical overview, extant theories of the state and of social policy formation will be reviewed with respect to two conceptual frameworks which are relevant to the theoretical amendments being suggested in this paper. The first conceptual framework is one which seeks to understand how existing theory addresses the role of elite consent, as opposed to elite control and elite defeat. Few theories are purely theories of elite control or elite defeat, but the identification of typological extremes helps to emphasize the neglected role of elite consent. The second conceptual framework seeks to understand the neglected role of exogenous factors affecting the state. Thus, theories are discussed in terms of the extent to which they concern the “social question” or the “international question”.

Various Marxist and neo-Marxist theories of the evolution of social welfare were criticized by Mishra (1984). Mishra pointed out that many Marxists debunked the social democratic view that social welfare evolved primarily from working-class pressure. To the contrary, he essentially asserted that the state under capitalism

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3 There is certainly a theory base used in the field of international relations, largely within the discipline of political science, but this literature has not been reviewed at this stage. The literature on international political economy has been partially accessed.
might well serve as the tool of working class interests, much as many neo-Marxists have asserted that representatives of the capitalist class had the decisive influence on state policy (O’Connor 1973; Miliband 1969). But both before and since that time there has been a movement towards a convergence of Marxist and social-democratic theories of social welfare, and towards a reconciliation with elements of pluralism as well. This evolution is described in this section, and an effort is also made to re-incorporate elements of a neglected theory base: corporate-liberal theory (which has been eschewed by social democrats, neo-Marxists and pluralists alike). The utility of the regulatory theory base outlined by Jessop (1990) and utilized in revised form by Steinmetz (1993) will also be discussed. Finally, theoretical amendments are made concerning the role of elite consent; the influence of exogenous influences on state policy formation; and the conceptualization of the two goals towards which the “securing activities” of the state are said to be directed: the social question (Steinmetz 1993) and the international question, in other words: social and national security.

Piven and Cloward, in their book The New Class War, recognized the importance of civil disorder (as in their earlier model), but gave increased emphasis to the role of sustained working class pressure for the achievement and maintenance of social welfare (Piven and Cloward 1982). In 1979 Gough (1979) was one of the first academic Marxists to stress the role of working class pressure. Block (1977a) also developed a theory which more fully took into account the role of class struggle in the formulation of social welfare policy. He argued that state policy is determined through what might be called the invisible interplay of the capitalist class, the managers of the state apparatus, and the working class: invisible, in that Block referred to this process of rationalization of capitalism (partial compensation for market forces by state planning) as occurring "behind the backs" of each set of actors.

However, using Block's theory can result in evading or obscuring the extent to which particular state policies (as opposed to state policy as a whole) are determined by one set of actors as opposed to another. Furthermore, Block's theory didn’t explain the possibility that under certain sets of political circumstances, the influence of one of the three sets of actors might be substantially reduced. Domhoff pointed out that there is considerable evidence that corporate elites exercised strong influence on foreign policy, but there has been less consensus that they also exercise similar influence on domestic social welfare policy (Domhoff 1971), where working
class pressure and the influence of state managers have been seen as more ascendant. Even if this were the case, however, the question arises as to whether the consent of the third element in the triad is necessary when two others favor a particular set of policies.

Avoiding such a dilemma, research based upon polity-centered theory incorporates most conceivable forms of influence on state policy, including the influence of elites and masses, politicians and bureaucrats, the effects of established political parties, constitutional structures, and the historical path dependence of new policies on established policies and precedents. In one example of a polity-centered approach, Skocpol placed methodological emphasis on historical specificity, event-oriented and agency-oriented analysis (Skocpol 1992). Skocpol’s polity-centered theories can be classified as a significant contribution towards the development of state theory, one which more fully incorporates into the polity the role of state managers and the influence of the structure of established political, policy and governmental processes. By broadening the unit of analysis from the state to a polity which also included courts and parties subject to influence from voluntary associations, Skocpol watered down previous state autonomy theory, since political actors within society were given a greater role in influencing state policy.

Skocpol did not draw a link between pluralism and her work. This may be because she viewed the state-centered approach as having stemmed from the work of Weber (Skocpol 1985a: 7-8, cited by Steinmetz 1993: 229 fn 35). However, Skocpol’s recent work can be viewed as an integration of pluralism with previous theory of the relative autonomy of the state. Although relative autonomy theory has now been declared dead by Domhoff (1992), Steinmetz’s new work uses the term “semi-autonomous state”, even though he recognized the partial influence of pluralist dynamics in Imperial Germany (1993). Steinmetz’s work, then, can be considered another example of a theoretical integration which incorporates pluralist theory. Steinmetz also pointed out that proponents of state-centered theory rarely denied the possibility of the influence of societal factors, and instead stressed the potential autonomy of the state - its ability to defy the preferences of civil society upon occasion, not its constant practice in doing so (Steinmetz 1993: 23).

The similarity of pluralist theories and the concepts of Nicos Poulantzas has been noted by Mizruchi (1992). As pointed out in a study of Poulantzas by Bob Jessop, the trajectory of his theory was as follows (Jessop 338):

State power (not the state apparatus as such) should be seen as a form
determined condensation of the balance of forces in political and politically-relevant struggle.

Jessop's interpretation was a logical extension of Poulantzas' contention that the state is a material condensation of a relation of forces among classes, and that the state is an ensemble of social relations, just as capital is a social relation. Jessop argued that at the end of his life, Poulantzas became particularly interested in a Foucauldian analysis of the micro-physics of power and of the "state's organizational form as a system of political class domination..." (Jessop: 341). Quadagno has also pointed out that in State, Power and Socialism Poulantzas spoke of the role of the state as an embodiment of class contradictions, to which it responds by mediating between the efforts of various fractions in the dominant power bloc to influence parts of the state (Quadagno 1987). But even during the earlier period, when he more strongly stressed the relative autonomy of the state, Poulantzas recognized that the state under capitalism was related to socio-economic relations indirectly through the political actions of citizens (who were subjects in the juridico-political sphere) (Jessop: 62-63).

The concept of the juridico-political sphere is reflected in Skocpol's concept of a state of courts and parties (Skocpol 1992). Poulantzas revised his relative autonomy theory to bring political actors (agency) back in (Poulantzas 1978). Skocpol revised her original project of bringing the state back in, but has moved in the broader direction of emphasizing corporatist influence on the public sphere, and vice versa. In both cases, the seeds of wisdom of some of the early assumptions of pluralist theory have born fruit.

The work of Knoke and Pappi provided a synthesis of pluralist and state-centered approaches (Knoke and Pappi 1991). The English philosopher Len Doyal and economist Ian Gough, in A Theory of Human Need, followed a theoretical path which provided the basis for overcoming some of the traditional disagreements of liberals and socialists (Doyal and Gough 1991). Mark Mizruchi has pointed out that if elites are assumed to be highly unified by definition, this would not bode well for Weber's query regarding whether or not democracy and capitalism are compatible in the long run (Mizruchi 1992). Mizruchi noted that business unity is conditional: sometimes elites are unified and at other times they are not. Such findings supported a basic assumption of pluralist theory, i.e. that the deck was not stacked against any one particular interest group by the inordinate power of one highly-unified interest group, in particular a capitalist class.
The evolution of political theorists with respect to pluralism has not been in only one direction. In *Democracy and Difference*, Anne Phillips pointed out that one of the theorists best known for pluralism, Robert Dahl, had by the 1980's acknowledged some of the weaknesses of pluralism (Phillips 1993: 141; Dahl 1982), and has gone so far as to question whether political equality is compatible with a private enterprise economy (at least without drastic modifications) (Dahl 1989). Phillips also cited Perry Anderson as arguing that Dahl is now an advocate of a liberal/socialist synthesis (Phillips 1993; Anderson 1992). Dahl raised such questions due to his realization that the transformation from a privately to a socially or publicly held economy would reduce various conflicts of interest - inherent in capitalism - that hinder democracy. But he warned that it may be an illusion to think that other forms of intractable non-economic conflict could be avoided under democratic socialism (Dahl 1989: 302). Nevertheless, it is clear that advocates of pluralist democracy are incorporating the critiques of the evolving neo-Marxist, post-Marxist and feminist cohorts of state theorists.4

The advent of theoretical integrations incorporating aspects of pluralism has been supported largely by a methodological turn towards national case studies by Skocpol and others (Skocpol 1992), despite Skocpol’s earlier support for the need to extend Block’s identification of transnational determinants of social welfare policy (Skocpol 1980; Block 1977a):

...only Block repeatedly alludes to ways in which transnational structures and conjunctures affect the course of domestic politics in advanced capitalist nations. Even Block, however, fails to accord such transnational factors the systematic explanatory weight they deserve. It is not only the interplay of capitalists’ economic decisions, working-class pressures, and state managers' initiatives that shapes political conflicts and transformations in advanced capitalism. International economic and politico-military relations also matter.

Given the earlier emphasis by Skocpol on such factors, it is surprising that the international context played little or no role in Skocpol’s examination of the evolution of modern social provision in the 19th and 20th century United States (Skocpol 1992). Skocpol’s approach emphasized historical continuity and progress

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4 Lipset himself linked elections and democratic class struggle, and cited work as early as 1943 which also made such a link (Lipset 1963).
rather than historical anomaly, and didn’t incorporate the influence of international context. McMichael has pointed out that in an earlier study of revolutions Skocpol also invoked the importance of transnational contexts on states, but didn’t not concretely describe those contexts, except to identify modernization as a key factor (McMichael 1990; Skocpol 1979).

But theoretical integrations incorporating advanced pluralist theory need not dispense with an appreciation of international context. The effects of exogenous factors of this sort can be translated into their impact on the motives and interests of actors within the polity being analyzed, their effect upon the various transnational structures which interface with national states (N.A.T.O., I.M.F., etc.), and the effects of established international polices and agreements on the evolution of the policies of national states.

Research open to advanced pluralist perspectives could then use methods which leave open the possibility of support being generated for other variations of state theory as well, including varieties of elite theory (such as corporate liberal theory), class struggle theory (including Marxist and social democratic varieties), and structuralist theories (such as those of Poulantzas and Block). This is because such a theoretically open methodological perspective can result not only in the confirmation of the theory held out for examination, but also in empirical results which support alternative theories.

For instance, in the present case, which key corporate, labor, academic, governmental and other political actors favored, opposed or consented to the postwar evolution of social welfare? To what extent was this support, opposition or consent due to the view that the United States was in a political, economic and military contention with the Soviet Union? Answers to such questions could be considered relevant data for analysis using a polity-centered approach, or for that matter using any of the extant theories of the state which admit to at least some degree of methodological individualism (and thus to the role of agency).

Did the capitalist class (or dominant sections of that class), the working class (or its leading organizational expressions), or the state apparatus (or its most powerful sectors), or some combination of the three, have an interest which was consistent, inconsistent or neutral with respect to the presence of growing military and/or social welfare expenditures, or with respect to the value of their co-existence? To what extent were such interests shaped by the bi-polar systems of states which evolved following World War II, and the contention between them?
Such social structural factors could contribute to macro-level analysis by any state theories which at least partially emphasize the role of structural factors in policy determination.

Thus, both agency and structure as determinants of state policy can be influenced by the nature of factors exogenous to the nation-state being studied, including such factors as globalization of capital, the rise of industrial development in the Third World, or the exogenous factor of present interest -- the Cold War context.

**Corporate liberal theory**

One theoretical supposition of this paper is that support may also be found for a relatively neglected form of elite theory - corporate liberal theory. After all, if latter-day neo-Marxists can both openly and less obviously integrate with pluralist theory, and if mainstream pluralists can now flirt with socialist theory, can't modern political theory entertain the notion that early observations based on corporate liberal theory may have value when applied in the light of recent theoretical advances?

Corporate liberal theory and the related welfare capitalist approach have been subjected to sustained commentary (Block 1977b; Skocpol 1980, 1992, 1995; Amenta and Parikh 1991). Branding corporate liberal outlooks as a form of instrumentalism, Skocpol criticized Weinstein, Domhoff, Radosh and others for describing “clever capitalist strategies to stabilize and revitalize a U.S. economy dominated by large corporations” (Skocpol 1980: 162). Skocpol (1980) saw such approaches as “misleading” and “purely illustrative” (Skocpol 1980: 162) and Block (1977b) saw them as implausible. Skocpol argued that corporate theory would need to demonstrate that there was a “self-conscious, disciplined capitalist class, or vanguard of major capitalists, that put forward functional strategies for recovery and stabilization and had the political power to implement them” (Skocpol 1980: 163), which Skocpol argued was not the case. However, it is arguable that corporate liberal theory - in its most cogent representations - rarely argued for either ruling class control or business consensus. It did, however, stress the role of elite influence, and often saw elite consent as a prerequisite for policy adoption.

One of the difficulties with mounting a critique of this tradition has been identifying who exactly represents this tradition. For instance, Skocpol (Skocpol
at first included James O’Connor (1973), then (Skocpol 1986) added Jill Quadagno (1984) and Berkowitz and McQuaid (1988), and finally Skocpol (Skocpol 1992) included Ferguson (1984). Berkowitz and McQuaid, however, expressed dismay that the 1980 edition of their book had been so labeled, as they had seen themselves as in the new institutionalist tradition and as theoretically eclectic, depending upon which event was analyzed (Berkowitz and McQuaid 1988). Although praising the study, Skocpol (1992) continued to see the Berkowitz-McQuaid book as included in the basic welfare capitalist genre.

O’Connor criticized the work of Weinstein, Domhoff, Eakins and others as claiming there was a “class-conscious political directorate that controlled” various state agencies (or parts of them) (O’Connor 1973: 68). O’Connor stressed the diverse interests of the capitalist class, and went on to stress that there was no single directorate, but rather a maze of influential ruling class-dominated private and public institutions, that the President and key aides must remain independent, and that monopoly capitalist class interests “emerge within the state administration ‘unintentionally’” (O’Connor 1973: 69). There appears to be much in common between this view of O’Connor and Block’s notion of policy-determination “behind the backs” of the capitalist class, state managers and the working class (Block 1977a), despite Block’s critique of corporate liberal theory (Block 1977b).

Quadagno’s own review of welfare state theory (1987) paralleled Skocpol’s classification in distinguishing a logic of industrialism approach from a social democratic/class struggle approach, and then classified her own work (Quadagno 1984), O’Connor’s and that of Domhoff as neo-Marxist, but didn’t identify a coherent corporate liberal or welfare capitalist model. Domhoff himself (1986-1987) labeled Quadagno a structural Marxist (rather than a corporate liberal theorist) and denied he was ever a Marxist! He did, however, admit to retaining the “intra- and interclass conflict perspective stressed by corporate-liberal theorists” (Domhoff 1986-1987: 303), although he preferred the term “moderate conservatives” to corporate liberal or Mills’ use of the term “business liberals” (Mills 1956).

Another problem with the critique of corporate liberal theory is the apparent ambivalence among corporate liberal researchers on the very question of corporate dominance. Some research in the corporate liberal tradition by Brents and other didn’t argue direct corporate control of political processes, but did argue for the “ultimate dominance of capitalist interests and consequently the dominance of the
capitalist class” in the policy-making process (Brents 1984). On the one hand, according to Weinstein, the large corporations have “exercised control over American politics in this century” (Weinstein 1966: xii), but on the other hand he denied a conspiracy theory. More fully, Weinstein argued (ix):

The...liberal corporate social order was formulated and developed under the aegis and supervision of those who then, as now, enjoyed ideological and political hegemony in the United States: the more sophisticated leaders of America’s largest corporations and financial institutions. This book is not a conspiracy theory of history, but it does posit a conscious and successful effort to guide and control the economic and social policies of federal, state and municipal governments by various business groupings in their own long-range interest as they perceive it.

This practice of denying a conspiracy theory (or direct control) while simultaneously suggesting something along those lines has been a common problem of corporate liberal research. For instance, the more Domhoff denied he was an instrumentalist and offered examples of how Eakins (1966; 1972) and others recognized the influence of intraclass and interclass conflict, the more he said things that sounded as if the ruling class holds sway in any interclass conflict (Domhoff 1986-87: 320):

Nonetheless, I believe that my work has shown how special interest, policy-planning, and opinion-shaping networks have been developed whereby rival segments within the capitalist class have been able to dominate the state in the United States in a relatively direct way even while competing with each other.

Quadagno (Reply to Domhoff 1986-1987) also pointed out other examples of Domhoff arguing for explicit ruling class dominance of government.

Given the prevailing discord as to the value of corporate liberal theory, it might be helpful to seek a better understanding of corporate liberal research. First of all, it should be said that there has never been a formal statement of any corporate liberal “theory”. Second, one of the most cogent expressions of the corporate liberal approach was never published in full (Eakins 1966). Although the Eakins dissertation is cited by Domhoff and O’Connor and is used as the basis for Domhoff’s chapter on domestic legislation in The Higher Circles (1971), Skocpol (1980; 1992) and other critics of corporate liberal theory didn't cite the dissertation.

In just one among many observations which are relevant to research on the relationship of social and national security policy, Eakins pointed out that many of
the people and organizations involved in foreign policy formulation were also
involved in domestic policy development (Eakins 1966). According to Eakins, one
of the tenets of corporate liberal philosophy was that within the overall Keynesian
assumption of state involvement in the economy there was “comparatively much
greater government control of foreign than of domestic policy” (Eakins 1966: 507).
In tracing the evolution of the various policy research and planning organizations
until 1966, Eakins (1966: 53) pointed out:

Most of the members of these groups had come to accept the permanence
and centrality of the large corporation in American life. Their reform
dynamism grew in part from a generally rational fear of American socialism.
They viewed socialism as a real threat in the United States precisely because
it provided an increasingly attractive alternative, both in terms of program
and morality, to turn-of-the-century capitalist industrial society.

Faced with such threats, Weinstein (1966: 254) argued that corporate liberals “have
demonstrated that when faced with immediate threats they can make the necessary
adjustments to restore at least a facade of social harmony.”

The mechanism by which a coincidence of public policy and private advice
was achieved was through the creation of a policy consensus within corporate
liberal research and policy organizations whose participants included both
government officials and corporate and other key private (including labor) figures.
Influence was achieved by (Eakins 1966: 497):
supplying information and ideas, by training personnel, and by engaging
actively in dialogues with the articulate, concerned segment of the general
public and with various elements of the executive and legislative branches of
the federal government...It is not possible at this time to develop a full
account of that influence. Neither the research organizations nor the
government (nor key individuals in both categories) are ready to open their
archives for that kind of research.

In the view of Eakins, there was (P. 497-498):

parallel structure alongside the formal government of the United States.
Furthermore, and without implying any invidious implications, there exists
today an interlocking membership between private and public structures that
operate outside the formal political process. This community defines many
questions as well as answering many questions which emerge out of the
public political process, and thus dramatizes the whole question of the place
and the power of the expert in a system of responsible government.

This central tenet of corporate liberal theory is used by Eakins to describe the
The offices of the Committee for Economic Development had not only helped formulate the Marshall Plan, but also they were almost uniquely responsible for its implementation...the line between government policy maker and businessman was blurred, or even non-existent, in some areas. But Eakins recognized that both business and labor and academic leaders participated in the various influential organizations of the period. Corporate liberal theory was not a theory that attributed power solely to one’s position in a business corporation. Eakins explicitly pointed out that the corporate liberal “is not defined as a corporation businessman” (p 514). Reforms, he pointed out, came out of political liberalism and other sources of social reform ideas as much as out of corporations themselves.

Corporate liberal philosophy was seen as an amalgamation of two traditions: the political liberal belief in the importance of the purposeful balance of disparate societal interests and the “ancient tradition of corporatism, [arising] out of a conception of man and society as fundamentally interrelated entities” (p. 513). Unfortunately, the generic use of the term “corporate” in “corporate liberal” has apparently been misconstrued in a way which overemphasized the role given to businesspeople in formulating policy. Rather, corporate liberal theorists recognized early on the range of corporatist influences on the state that are now recognized by many researchers, including Knopke and Pappi (1991) and Skocpol. For instance, Skocpol recognized the role of “social groups” on social policy (Skocpol 1992). Eakins made this generic-specific use of the term corporate very clear:

Whatever the vagaries of its origins and early history, corporatism was reinvigorated by the industrial revolution and the modern corporation. The corporation --and the identical root of the two words provides a vital insight into this substantive relationship-- created a reality that subverted the narrowly individualistic and political conception of reality that provided the basis for political liberalism. The corporation organized and related each and every individual, and each and every function and role, into a system (P. 514).

Eakins argued that policy research organizations were a basic component of a “corporate liberal establishment” and that there the “corporate nature of the connection with the existing political economy is clear and primary” (p. 520). Eakins defined this establishment as “the effective policy makers in American
society who are both in an outside the traditional political process” (p. 520).

Still, neither Eakins nor Weinstein fully developed this notion of a corporate liberal political philosophy. They primarily described examples of influence of the alliance of political liberals and corporate figures. Nor was there a sustained effort to conceptualize the relationship of foreign and domestic policy.

However, more recent research relying in part on corporate liberal theory has taken a more sophisticated approach (Quadagno 1984; Jenkins and Brents 1989; Ferguson 1984). For instance, Quadagno (1984) criticized more simplistic corporate liberal approaches as underestimating the influence of sources of power other than corporations, but viewed corporate liberal organizations as an important mechanism translating economic power into political power. Her theory recognized the influence of the economic climate, the political structure and constraints of the state, class interests embedded in the state, and (to a limited extent) the influence of working class pressure. Quadagno identified intra-class conflict between monopoly and competitive sectors of business. Skocpol and Amenta (1985) argued that Quadagno underestimated labor influence, and argued she exaggerated business influence, overemphasized the role of local capitalists on Congress, and was wrong to de-emphasize the role of previous policies in the states.

Ferguson’s archival research lead him to conclude that a form of multinational liberalism prevailed during the New Deal and has continued to influence policy (Ferguson 1984). Based upon analysis of historical splits between the national and internationalist wings of capital and between labor-intensive and capital-intensive firms, Ferguson, writing in the international political economy journal International Organization, argued that a Gramscian historic bloc of capital-intensive industries, investment banks and internationally-oriented commercial banks forged the multinational liberal consensus behind the New Deal.

Jenkins and Brent adopted a relative autonomy stance to argue that the liberal democratic state mediates between and shapes the context of intracapitalist and interclass conflict, while also being ultimately subject to the capitalist economic context. They identified policy planning organizations as merely one mechanism (along with campaign financing) of hegemonic intraclass competition. Jenkins and Brent supported Ferguson’s specification of a labor-intensive vs. internationalist intra-capitalist split rather than Quadagno’s large/small divide. The authors criticized Quadagno (1984) for neglecting the link between policy planning and electoral influence, and for arguing that working class protest played almost no role.
They critiqued Skocpol’s state-centric approach, arguing that “liberal capitalists controlled the formulation of the major proposals, that capitalist leaders generally supported them....” (Jenkins and Brent 1989: 894), and that Skocpol also didn’t give enough attention to the role of social protests. Jenkins and Brent argued that social protests combined with a split between corporate liberal and conservative business coalitions explained the advent of major social reforms. They cited and stressed the notion of Dye (1979) that elites controlled policy goal formulation, rather than specific aspects of policy-making (legislative details, regulations, etc.), suggesting that the state-centric outlook is perhaps more relevant to policy-making than policy formulation. The key role of social protest in the Jenkins-Brent theory was explained using the work of Piven and Cloward (1977). Amenta and Parikh (1991) criticize the empirical basis for the conclusions of Jenkins and Brent about the role of both corporate elites and popular masses. Relying upon a critique of the sample of capitalists used by Jenkins and Brent, they presented data showing that larger number of businesspeople testified against New Deal measures than for them. They also argued that the role of mass protest was overstated by Jenkins and Brent.5 The Jenkins-Brent theory was applied primarily to the New Deal origins of the welfare state. It does not necessarily explain later Fair Deal and Eisenhower administration measures, which occurred at times where there was little mass pressure for such policies.

Berkowitz and McQuaid (1988), although not placing themselves in the corporate liberal tradition, did present a sophisticated analysis of the origins of the American welfare state that is rooted in longer-term historical processes. They argued that the United States was peculiar because large bureaucracies developed first outside government in the large corporations. Thus, when government needed to engage in large scale bureaucratic organization, especially during the two world wars, it turned to business to lead and staff those organizations. Nevertheless, they

5 Allen’s study of the political finance of the New Deal found that four out of the five major capitalists who contributed to the 1936 Presidential campaign gave to the Republican candidate, a result that also supported state autonomy theory. However, the characteristics of the one in five who gave to the Democrats tended to support aspects of corporate liberal theory. Allen’s results gave little support to Ferguson’s hypotheses based upon hegemonic competition theory, since there was little evidence capitalists from monopoly-sector or capital-intensive sectors were more supportive of the Democrats than capitalists from other sectors of the capitalist class. However the authors point out the design could not control for a number of factors which might have lent support to such a theory. (Allen 1991)
had an eclectic point of view (p. xi):

We believe that businessmen and bureaucrats were major actors but not the only actors. Nor were they the dominant actors during each and every phase of the lengthy creation of the American version of a welfare state. Our belief was and is that during the formative stages of the American welfare state the private sector provided the conceptual models and the administrative capacities upon which the public sector programs were based. The influence of private actors on public actions lessened over time, as the private sector accommodated its activities to the existence of a central government.

This does not mean that Berkowitz and McQuaid supported the notion of an inevitable march towards a state-centric regime, however. Politicians and business figures continued to attempt to influence social policies. State officials continued to attempt to influence policies and also to emulated policies and procedures of other countries (thus supporting exogenous factors such as diffusion). Nevertheless, they took pains to note that the specific proposals of various federal welfare officials, formulated as early as 1938, were progressively adopted by 1960. In general, the results of their research buttress both the arguments of corporate liberal theory and the findings of state-centric approaches.

Based upon this review of corporate liberal theory, it would appear that the bulk of the empirical evidence provides ammunition for the arguments of those such as Kolko (1963) who took a stricter elite control position. However, by and large corporate liberal theorists, those emerging from that tradition, and others using that theory base in part, shied away from a strict elite control argument, or even from a business unity argument. What such theorists occasionally held, but did not always stress, was a theory of elite consent. For instance, Domhoff argued (1979):

In short, the liberal-labor coalition is rarely successful without at least the tacit support of the moderate conservatives within the power elite.

Weinstein argued that “few reforms were enacted without the tacit approval, if not the guidance, of the large corporate interests” (Weinstein 1966: ix).

In the present context, an effort will be made to extend the concept of elite consent found in corporate liberal theory. Clearly, the corporate liberal research tradition can not be ignored in any effort to study the relationship between U.S. policy on national and social security in the postwar era.

**Regulation theory**
Steinmetz has pointed out that regulation theory has often been characterized by both abstract presentation and totalizing explanatory ambitions. He has sought to utilize this theory base in conjunction with an eclectic variety of theoretical perspectives (Steinmetz 1994). The goal of the present discussion of regulation theory is to glean from a variety of descriptions of regulation theory a number of useful concepts and perspectives which can inform the further theoretical amendments later presented, and which can be used in research on postwar social welfare development.6

Regulation theory developed within the general tradition of Marxist historical materialism (Painter and Goodwin 1995). Regulation theory also had its roots in Antonio Gramsci’s efforts to understand the unique forms of labor-management relationships developing in early 20th century United States (Steinmetz 1994; Gramsci 1971), as well as in Althusserian Marxism (Jessop 1990). Regulation theory has had five primary manifestations: the Parisian, French grenoblois, West German, and radical American approaches (Jessop 1990), and an emerging British school (Hay 1995).

Florida and Jonas (1991) pointed out that regulation theory utilized two basic concepts: mode of regulation and accumulation regime. Tickell and Peck pointed out that these terms are used at the macro-economic/political level of analysis to understand capitalist growth, crisis and reproduction (Tickell and Peck 1995). The regime of accumulation refers to the economic sector of society, and the existing mechanisms for determining the balance of profit, reinvestment and consumption. The mode of regulation is the historically specific institutional structure of the economy and the state and the spatial environment in which they exist.

According to Steinmetz (1994), the mode of regulation referred to as Fordism is best described as an actual social formation as well as a mode of regulation. Fordism has a characteristic combination of higher wages and productivity, reliance upon collective bargaining, stimulation of mass consumption through advertising and credit, dependence upon corporatist institutionalization of

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6 Colin Hay (1995: 388) described the manner in which a number of British researchers have also been forced to "extract the concepts of Fordism and post-Fordism from the methodology of the regulationist approach" in order to develop an anglicized version of regulation theory, rather than joining a small "Parisian enclave" of British researchers who utilize the French and continental forms of this theory base.
class contradictions, and use of Keynesian welfare state measures. The Fordist mode of regulation is seen as one outcome of the multiple social forces which respond to recurring capitalist crises in specific historical situations.

The original versions of Fordism were seen as arising endogenously in the interwar United States as the result of a combination of uncoordinated planning efforts and pure chance. But the influence of diffusion of forms of regulation between states did occur, and some variation of Fordism was adopted in the United States and Western Europe in the post World War period (Steinmetz 1994: 189), although Fordism proved to be less complete in the United States despite its origins.

As Keane has pointed out, Claus Offe viewed the welfare state not merely as a provider of social services but as a key aspect of the postwar regulation of socialization and capital accumulation (Keane 1984: 13). Arguably, the present attempt to understand the role of exogenous factors on social welfare development would need to reckon with the influence of diffusion of Fordist modes of regulation and their social welfare components, despite the often-unique forms which social welfare took across nations. On the other hand, it is important to avoid overemphasizing the role of welfare state measures within the overall Fordist mode of regulation, and to avoid underemphasizing the role of military production and the maintenance of armed forces. These warfare-state measures have in common with welfare state measures their roles as components of Keynesian budgetary practices. They diverge in that the welfare state was primarily oriented towards social security while the warfare state was oriented towards national security.

**Modifications to regulation theory needed**

Regulation theory can be a theoretical guide to the relationship between welfare state and warfare state aspects of postwar national states. But some modification is required. The reason why some modification of regulation theory

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7 For a table describing variants of Fordism in a number of European, North American and Third World states, see Tickell and Peck (1995).

8 Jenson (1989) argued that the Canadian experience with Fordism differed, as Canada's adoption of a Keynesian welfare state did not respond to class-divided party systems, but rather to the unique influence of the Canadian federal system.
would be needed is that Tickell and Peck (1995: 374) cite Lipietz (1987) as pointing out that regulation theory has placed a methodological primacy on internal causes within the context of a nation-state. Steinmetz saw Fordism as relatively peripheral to the social fields of nationalism, international relations, and the centralized state apparatus. Regulation theory has been used to study the relationship of local governance to the state, sometimes as part of what is seen as the transition from Fordism to post-Fordism (Hay 1995; Hay and Jessop 1995). Post-war U.S. urban policy has already been studied using regulation theory (Florida and Jonas 1991). The authors concluded that the specific pre-war form Fordism took in the United States placed severe limits on the forms of state intervention could be exercised in the postwar period. Consistent with the precepts of regulation theory, they identified the social forces which responded to the structural accumulation crisis represented by the Depression; stressed the influence of previously formulated New Deal policies on later policy options; and described the mutually reinforcing effects of limited state interventions and a postwar economic problems. Florida and Jonas also stressed the important spatial role of the state in what they referred to as territorial development, specifically the federal government's role in suburban development.

However, territorial development is also carried out abroad by some national states, and this was certainly a function of the postwar U.S. state. The postwar U.S. state in particular was involved in what Florida and Jonas called localized "spatial responses to economic crises and social conflicts"(1991: 353). But these may have taken place within international space as well as within domestic space. Therefore one aspect of the modification of regulation theory required is the need for a better conceptualization of the continuum between local, national and international sites of regulation.

However, further theoretical development is in process. Jessop devoted a chapter to exploring the relationship between state theory and regulation theory (1990). Hay and Jessop (1995) pointed out that the British variant of regulation theory has a unique concern with the geography of regulation, including the

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9 However, Tickell and Peck (1995) are critical of the proliferation of "post-Fordist" discourse. They argue that it not only rejects basic aspects of the regulationist method, but dangerously assumes that such recent developments as neo-liberalism are post-Fordist rather than merely variants of Fordism that reflect its continued crisis.
articulation of the supranational elements of regulation. Tickell and Peck (1995) conceptualized the Fordist and (in their view) post-Fordist map of the spatial constitution of regulation relations. Their table included spatial scales ranging from the local to the global, including one for global-national relations. They saw Fordist global-national relations as characterized by some degree of national autonomy, albeit under the influence of U.S. hegemony. In their post-Fordist world supranational bodies have emerged even stronger despite the demise of the Bretton Woods agreement. They saw globalization, however, as requiring that regulatory processes continue to be articulated at the level of the nation-state.

Not only will it be necessary to restate the central role of exogenous influences on modes of regulation within nation-states, it will be necessary to articulate more clearly the role of the national state itself. As Hays has pointed out, "regulation theory is not, and furthermore lacks, a theory of the state" (Hay 1995: 401). Painter and Goodwin (1995) also warned that it is a mistake to view regulation as merely state regulation. This is because, although the object of regulation is most often the economy, the mix of processes, institutions and practices which are the subjects of regulation vary according to the nature of the social forces leading to their development.

If both the warfare and welfare states are closely related to Keynesianism and if Keynesianism is a key component of Fordism, then Fordism as an overarching social formation and model of regulation can't fail to be relevant to a study of the international question. In other words, an amended understanding of Fordism would be a key aspect of a revised regulation theory, were it to be used in the study of the relationship of social and national security. Moreover, as Painter and Goodwin (1995) point out, it isn't necessary to adopt the historical conclusions about the Fordist mode of regulation in order to use regulation theory.

Jessop’s strategic relational approach

Hay (1995) has suggested that regulation theory can be paired with an explicit state theory, such as Jessop's strategic relationship approach (Jessop 1990), in order to develop a regulation-informed theory of the state which might yield "a set of mutually informing insights into the mutual conditioning of global, national and local social, political and economic dynamics" (Hay 1994: 403). Jessop (1990) had discussed the role of the strategic capacities of states which are involved in managing economic crises. Jessop developed this theory out of his previously
discussed view of the state theory of Poulantzas, stressing the regional and relational aspects of that theory. Jessop argued (1990: 149):

Indeed, the complexity of the state system is deemed to be such that its functional unity cannot be taken for granted and any coherence that exists among its activities is supposed to be forged in the face of structural tensions and internal political struggles.

On its face, such an approach does not stress factors exogenous to the nation. But a closer examination of Jessop’s strategic relational theoretic perspective confirms that paired with regulation theory, it can be used to study the relationship of state functions related to social and national security.

First, Jessop pointed out that the modes of regulation adopted within various nation-states are sometimes complementary, implying a division of labor amongst accumulation regimes. Endogenous factors within advanced capitalist states might be a necessary, but not a sufficient explanation of variation in the degree to which they are warfare or welfare states. In other words, the choices made by nation-states might have been dependent upon the previous choices made by other countries. Taking this as a point of departure, and examining the balance of social and national security functions of the state, we might find that the extreme cases of the United States and Sweden balanced each other out among the countries living west of the Iron Curtain.

Second, Jessop stressed two aspects of the state system: (1) the state form reflects and modifies the balance of class forces, (2) the state is involved in the constitution and development of class forces, since structures (including the state) shape forces and vice versa. To the extent that class formation, especially for the capitalist class, is increasingly international in scope, the state will reflect class forces situated outside national boundaries.

Third, according to Jessop (1990: 257), the conceptualization of a notion of state strategy began with Foucault’s observations about a global strategy of class domination, and with Poulantzas’s view that state policy is decipherable as a strategic calculation. But neither theorist claimed that the interpretable aspects of this strategy could be traced to the purposeful acts of individuals, a task which the present acceptance of a version of methodological individualism would require.

Fourth, Jessop (1990: 260) viewed the state as a site of strategy, as a system of strategic selectivity, with strategies varying among and even within states according to the “modes of intervention and resources which characterize that
system”. However, there is rarely any unified strategy for a state. It may have a formal unity as a nation-state, but rarely a substantive operational unity, given the many contradictions among state components variously influenced by different social forces. Thus, we would expect to see both overlap and divergence between the social forces oriented towards influencing social security policy and national security policy. And we would expect to see both commonality and divergence in the associated state strategies towards national and social security.

Jessop concluded that the state itself, and not merely the economy, should be seen as an object of regulation, although state institutions themselves are involved in the process and practice of regulation. Jessop’s approach reflects the complex interaction of the state and the economy. Jessop began the process of defining a regulation theory which brings the state back into regulation theory, recognizes that the state is both subject and object of any mode of regulation, and conceptualizes the role of the state as well as the economy in any accumulation regime. Moreover, Jessop stressed the importance of making reference to the roles of both the strategies of concrete social forces and the influence of structural factors. Such a theoretically open perspective enables the inclusion of those aspects of agency and structure stressed by other theoretical perspectives.

**Conclusion of review of existing theory**

In attempting to understand postwar social welfare development, it becomes necessary to understand the specific mixture of corporate liberal planning and historical accident, of purposeful regulation and of muddling through, of bureaucratic self-determination and societal influence which was found. A variety of state theories have been found relevant to this task. The proposed research can contribute to an effort at social explanation which outlines the relative strength of the historical actors and social structures (ruling class, state managers, working class, key individuals, etc.) stressed by the state theories outlined above. Such an eclectic theoretical base is consistent with the realist epistemology adopted. Such an effort would also make it possible to assess the value of the various theoretical amendments proposed, and to contribute to efforts at further theoretical integration and pairing.

**Theoretical amendment: Bringing consent into the picture**
Elite consent has largely been neglected in the theories discussed so far in this paper, and is an undertheorized concept in general in social theory. The concept of consent has found two primary manifestations in social theory. The first was related to the doctrine of the consent of the governed. Locke’s theory of the state was rooted in a contract theory which presupposed a subsequent consent (Cohen 1986). John A. Hall has pointed out that state theory has evolved in a way which counterpoises coercion to consent, despite the fact that states based upon consent of the governed are often capable of the strongest forms of coercion (Hall 1994). Such a view that state coercion and citizen consent aren’t incompatible was earlier argued by Immanuel Kant (Murphy, Woolzey and Schaff 1977). Margaret Levi (1988) also pointed out that taxpayer behavior is influenced by both coercion and consent (her term being “quasi-voluntary compliance”), with both forms of behavior conforming to a rational-choice assumption. However, the concept of consent which evolved from classical liberal and pluralist theories was applied more to consent of non-elites than to consent of elites.

A second concept of consent is found in neo-Marxist discourse. Modern neo-Marxist theorists have largely viewed consent as an aspect of bourgeois hegemony (Buroway 1979; Wright and Buroway 1994; Przeworski 1980). Buroway (1979) viewed consent as being manufactured by the internal state within the enterprise, in a process which was seen as structuring the context within which workers could engage in struggle. Buroway viewed the internal state in the firm as relatively autonomous from the influence of the government. He argued that since Marx's time, coercion (with its source both outside and inside the workplace in Marx's time) has been replaced by a combination of coercion and "spontaneous consent" (p. ix), a term previously used by Gramsci (1971: xviii). This consent is produced "at the point of production", independent of non-workplace social institutions. Thus, capitalism has evolved from the competitive capitalist phase's "despotic organization of work, in which coercion clearly prevails over consent", to the monopoly phase’s "hegemonic organization of work...based on consent predominating over coercion" (P. 194). Exogenous influences were largely discounted in Buroway’s analysis of the internal state, just as exogenous influences have been under-weighted in the theory of the national state. Consent itself was seen as a semi-voluntary adaptation to bourgeois hegemony.

Marx stressed the despotic nature of the capitalist control of the process of production at the time, but he also emphasized the dual nature of that process: that it
was both exploitative and social in nature. Marx argued that capitalist control of the process of production relied upon despotic means associated with exploitation, but Marx also recognized two cooperative aspects of the labour-process: (1) elementary cooperation stemming from previous modes of production and (2) more developed forms of cooperation stemming from the social nature of the capitalist mode of production (Marx 1967, V 1: 335):

....cooperation itself...appears to be a specific form of the capitalist process of production. It is the first change experienced by the actual labour-process, when subjected to capital. This change takes place spontaneously. Gramsci (1971), like Buroway, also saw consent as being “born in the factory” (p. 285) through a combination of force and persuasion, although both the capitalist and the state were seen as involved in the preparation of the consent of the masses (p. 259 and p. 265). Neither Gramsci nor Buroway entertained the notion that what might appear to be administered consent was historically produced by a process of cooperation inherent in the social nature of capitalist production. Yet cooperation may be a precondition for collective consent. In other words, consent on the part of a work force in a firm or on the part of a working class may not merely be manufactured as a product of bourgeois hegemony. It may be part of the birthing process of an increasingly socialized production process that stimulates both cooperative and conflictual behavior on the part of workers. Cooperation, then, when conscious, may be strategic. Consent, then, may at some point be relatively enforced (potentially subject to coercion in the absence of consent, or “quasi-voluntary compliance” in the terminology of Levi (1988)), and at other times may be purposeful and strategic. A view of consent which stresses primarily its potentially-enforced aspects, and not its strategic aspects, is consistent with the general neo-Marxist pessimism towards the possibility of the industrial working class playing a leading role in social transformation (Miliband 1969; Baran and Sweezy 1966). Both Buroway and Gramsci viewed the working class as being in a phase of retrenchment at the times they wrote, but Gramsci continued to assume that transformation of the material basis of civilization would lead to the advent of a new form of civilization (1971: p. 317). Rick Fantasia has observed that Buroway

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10 For Miliband (1987: 337) the primary reason that pressure from below "has been nothing as fierce as had been confidently predicted" was due primarily to "the influence of capitalist democracy upon the labour movements."
failed to observe the dialectical nature of the development of consent (Fantasia 1988: 115):

...-- namely, that the grievance system in American industry is the source of the collective struggle at the same time as it individuates it.

In other words, it was the accumulation of unresolved grievances which lead to periodic efforts to resolve those grievances collectively through extraordinary mass actions. Clearly, the grievance system is not merely the product of an internal state dictated by the capitalist, but was won through manifestations of class struggle that resulted in compromises on the respective spheres of influence of capitalist and worker within the firm. As such, the conditions under which consent usually manifests itself are not merely manufactured under conditions of bourgeois hegemony, but are also produced as the outcome of manifested class struggles.

Poulantzas, in his later work, came to similar conclusions about the nature of the bourgeois democratic state (Poulantzas 1978). He and other recent Marxian analyses see the state as encompassing actually existing rights (Reuten 1993-4), not merely illusory ones. Within the context of such a state, citizens are not merely confined by bourgeois hegemony, but are enabled to achieve actual gains within the context of capitalism. Their consent is not merely manufactured, and their struggles are not merely narrowly constricted into a process of individualization (although this does occur). Citizens are also empowered to carry on a struggle for enhanced democracy and increasing levels of social rights, although the state as a whole remains constrained by the demands of the mode of production itself (for capital accumulation) and the state’s institutional requirements (for resource procurement and social legitimacy).

**Przeworski’s outlook on consent**

Przeworski saw such a political process as taking place within the context of a state which both monopolizes the use of force and enjoins other institutions to exercise coercion only on the state’s behalf. In exchange, the use of force may be ultimately relied upon to enforce the coercion (1980: 59). Przeworski also strove to demonstrate the economic reasons why, assuming a transition to socialism is not

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11 As Jessop (1990: 258) has pointed out, “the class struggle as such does not exist: instead class struggle is always the sum of specific class and class-relevant struggles occurring in specific conjunctures.”
possible in a particular period, a moderate level of economic militancy achieves 
(over the medium term) higher wage returns to workers than a more militant 
posture. A more militant posture would achieve higher returns only in the short 
term, and risks the provocation of an economic crisis which would not necessarily 
lead to socialism. Under conditions of moderate militancy, a cooperative game is 
played between capitalists and workers as follows (Przeworski 1980: 43):

...wage earners bid legitimizing levels of wages while threatening with 
militancy and capitalists bid increased investments out of profits while 
threatening to increase consumption.

According to such reasoning, either higher levels of worker militancy or complete 
lack of militancy would disrupt the rules of this game, to the medium run detriment 
of both parties, as would an insistence by capitalists on higher rates of consumption 
of profits (or even a lack of will to resist demands for excessive levels of what 
O’Connor referred to as social wages (1973)). To reiterate the assumption made by 
this analysis, Przeworski stated (1980: 45):

The conflict becomes a cooperative one if and only if wages are formed at a 
legitimizing level and when political conditions for an immediate socialist 
accumulation are absent.

Przeworski’s effort to identify a material basis for development of consent relied 
primarily on an analysis of the exploitative nature of capitalist production. Like 
Burawoy, he avoided discussion of the social nature of the productive process, 
despite the ability of such an analysis to strengthen his arguments about the nature 
of class compromises. However, by identifying the notion of a cooperative game, 
he brought the analysis of consent significantly forward, and explicitly established a 
basis for elite consent as well as working-class consent. He recognized the danger 
that such an analysis paralleled criticisms of Marxism which argue that there is no 
zero-sum nature to capitalism, and that it is in worker’s interests to cooperate with 
capital. By carefully specifying the conditional nature of a non-zero sum 
relationship, he creatively advanced political economic analysis. He did not deny 
that consent was organized within a system which is hegemonic overall. But 
consent takes place with a kind of “compromise equilibrium” described by Gramsci 
(cited in Przeworski 1980: 25), one which is conditional on the historical 
conjuncture.

Przeworski pointed out that workers are subjected to a form of social 
organization which is dependent upon the actions of capitalists. But Przeworski
pointed out that capitalists are also constrained, among other things by the necessity of satisfying the interests of other societal groups. He argued that in a capitalist society, the realization of the interests of capitalists is a necessary but not a sufficient condition for the realization of interests of any other group (1980: 33). Such a realization requires mechanisms such as an autonomous dictatorship or political democracy. A capitalist democracy, however, requires the establishment of consent by wage earners to the continued capitalist organization of society, at least for the foreseeable future. Even so, political democracy carries with it inherent contradictions in that it “strengthens the causes of the economic power of capitalists while it continually counteracts the political effects of this power” (1980: 30), leading to a system of conflict over the realization of real material interests (a point of view consistent with social democratic theories of the state).

Although Przeworski did not explicitly make the point, the scenario he described is also consistent with the requirement that the capitalist class (not just the working class) also consent to bourgeois democracy. This is because Przeworski pointed out that such a hegemonic system represents a form of class compromise which sets limits on the violation of the interests of both workers and capitalists. However, such a notion of consent would risk criticism that such a system wasn’t truly hegemonic. Such a dilemma can be avoided if one distinguishes between forms of consent. The historical origins of such a class compromise may be a period in which for one class, the consent was strategic, but for the other class the consent was enforced. The capitalist class may have had a choice between autonomous dictatorship, a dictatorship in partnership with another class (such as the nobility or remnants of feudalism), or a form of bourgeois democracy, and may have strategically chosen the latter.

The working class, however, may have had no choice: with socialism not on the agenda, there was either economic domination without political rights or economic domination with at least some political rights. Clearly, consent under such circumstances was enforced, not strategic. This does not mean that ongoing consent remains entirely enforced, however. During its subsequent development, the working class might gain the ability to engage in highly militant disruption of the system, with some possibility at least of making a socialist transformation. From that point on, consent becomes as much strategic as enforced. This is not to say that bourgeois hegemony does not still exist. But in order to historically demonstrate that would be a matter of testing the ability of the ruling class to
ultimately exercise control over the state’s monopoly on force. Such an eventuality is perhaps more probable for the ruling class than revolution would be for the working class, but no collective class actor can ever know in advance the outcome of an historical adventure.

Manifestations of class struggle are clearly something which both workers and capitalists engage in. Likewise, consent is something which capitalists, and not merely workers, engage in. As suggested earlier, for workers, consent may vary between instances in which it was clearly manufactured (potentially enforced) and instances in which it was relatively voluntary or quasi-voluntary (strategic, albeit within the context of continued bourgeois hegemony). In the first case, bourgeois hegemony may well have been strong, but in the latter case operational consent may be given at the point of production, as part of a strategic compromise made to win other concessions, or as part of an effort to consolidate union/worker strength for latter struggles. Such a view is consistent with the notion that workers recognize that their momentary “non-zero sum” interests may lie in a combination of conflict and cooperation with capitalists, as part of a “strategic rationality” that recognizes the value of cooperation to a collectivity of workers (Wright and Buroway 1994).

For elites, consent may also vary between when it is potentially enforced and when it is strategic. In both cases, elites may have been presented with a demand, in the present case for domestic social welfare benefits. The elites clearly have a choice: they can either actively favor or actively oppose such a demand, or they can merely consent to such a demand. In other words, they may plead no lo contendere - merely fail to actively fight the demand, or do so only symbolically. In the case where the coalition making such a demand is likely to win in any case, or where the elites do not have an effective veto of such a demand, the consent is here said to be enforced. In the case where the coalition making such a demand is rather weak, or where elites do have an effective veto of such a demand, the consent is here said to be strategic.

The most recent conceptualization of consent by Wright and Buroway (1994) recognized the simultaneous role of conflict and consent and used the term “strategic consent” (p. 77) to refer to consent by workers within a context of an asymmetrical reciprocity between workers and capitalists characterized by norms of responsibility and fairness. It is a logical extension of such a view to stress that capitalists, and not only workers, engage in strategic consent.

Most state theories have concentrated upon observable actions by historical
actors, and upon the analysis of the active influence of various social structures in constraining historical alternatives. The present theoretical amendment suggests that greater attention needs to be paid to actions not taken, vetoes not exercised, paths not followed. Theorists and researchers need to examine harder-to-observe conjunctures in which historical actors did not attempt to actively control events through their actions, but instead allowed events to unfold in the presence of their inactions. Corporate liberal theory, regulation theory and other theories can be strengthened by the incorporation of such a perspective.

**Theoretical amendment: Bringing exogenous factors into the fold**

As John A. Hall has recently observed, “the state’s emphasis on territorializing social relations means that it faces outward as much as inwards” (Hall 1994: xv). If this is the case, states may enhance their effectiveness by coordinating the policies which are associated with the inward and outward gaze into the spaces of the “social” and the “world”. External roles subject the state to the influence of exogenous factors on state formation and development. A number of theorists have recognized the importance of exogenous influences on national states. Wolfgang J. Mommsen (1976) stated flatly:

Max Weber considered a progressive social policy the necessary corollary of a successful world policy....It was essential to win the worker’s positive cooperation with the government.

As will be seen in the section examining the origins of the welfare state in Germany, Weber was a leading proponent of such a linkage of domestic and foreign policy.

During the postwar period, Richard Titmuss also reflected on the relationship of war and social policy. Tracing the history of state concern about the role of the civilian population in preparing for and conducting war, Titmuss found that at first states were concerned about the quantity and then about the quality of the potential recruits, finally moving to a concern about “the health and well-being of the entire population and, in particular, the children - the next generation of recruits” (Titmuss 1958: 80). Titmuss argued that the South African war led Britain to this stage by the early 20th century, and that most of the social policy developed during the pre-World War I time period was related to such a concern for communal fitness. A similar development was described during and after World War I. The
fourth stage of ascending scale of state interest in the welfare of the population was reached after World War II, Titmuss argued. This was state concern for civilian morale (Titmuss 1958: 82):

...war could not be won unless millions of ordinary people, in Britain and overseas, were convinced that we had something better to offer than had our enemies - not only during but after the war.

These were not idle observations of Titmuss, but were based upon his extensive research on applied social policies, as part of the Official War History studies. The implications of these observations were the need for universalistic provision for human needs and a reduction in social inequality, as prerequisites for the kind of social discipline needed in modern mass war.

However, in two comments, Titmuss pointed out that such observations may also apply to periods of peace (Titmuss 1958: 77):

In discussing social policy, I mean those acts of Governments deliberately designed and taken to improve the welfare of the civil population in time of war....There is, however, a difficulty here...In essence, it is the problem of distinguishing between policies related to peace-time needs and policies concerned only with the immediate war-time situation. It is bound up with the assumption that war is an abnormal situation; that peace is - or ought to be - the normal lot of mankind.

Furthermore (Titmuss 1958: 85):

It follows that the acceptance of these social disciplines - of obligations as well as rights - made necessary by war, by preparations for war, and by the long-run consequences of war, must influence the aims and content of social policies not only during the war itself but in peace-time as well.

And this influence was not insubstantial in the view of Titmuss (Titmuss 1958: 80):

...what is done in the name of ‘defence’ determines, in substantial measure, some of the roles and functions of the social services.

Titmuss also cited an ancillary explanation: the view that high military participation ratios tend to be associated with lower levels of stratification (Andrzejewski 1968 (1954)). Presumably, this relationship exists for the same reasons noted above -- the need of elites to win popular support for mobilization of recruits.

As has already been seen, in their earlier work both Block and Skocpol raised the issue of the influence of international context on social welfare development (Block 1977a; Skocpol 1980). Skocpol had earlier cited research that
argued that for the case of Britain, the increased fiscal base developed during World War II gave the state the basis for postwar social welfare expansion. Skocpol suggested similar results would most likely be seen in other countries as well (Peacock and Wiseman 1961 cited in Skocpol 1986). Tilly also argued that wartime expansion of state capacity lead to expanded capacity for civilianization of government and domestic politics after war (Tilly 1992: 206). Berkowitz and McQuaid (1988) also pointed out:

After every modern war the size of postwar federal budgets never returned to their prewar levels, a trend that had begun with the Civil War.

Of course, such an observation doesn’t account for why increased taxation was maintained, in Britain or elsewhere. However, one argument might be that the Cold War was an extension of war by other means.

Berkowitz and McQuaid outlined the evolving meaning of the word “security” in U.S. discourse, from one related to human needs under Roosevelt to one related to military security during the Cold War. However, it is possible that “security” came to have a dual connotation corresponding to its usage in the terms “national security” and “social security”. Recent discourse in the field of diplomatic history has discussed the degree to which is it useful to use the concept national security as a key to understanding the Cold War era (Leffler 1990). Leffler argued that using national security as an interpretive framework enables a link between the study of foreign policy and a recognition of the importance of domestic economic structures and core value systems.

Zald argued in 1979 that a larger percentage of the GNP would continue to be allocated to social welfare despite efforts at the time to scale back spending. But he warned that ambitious scenarios for welfare growth may affected by demographic and economic shifts, and that future welfare state development must be "set in the larger context of national and international politics and economics" (Zald 1981(1979): 178).

Abbott has suggested that exogenous factors were important factors influencing development of national systems of professions (1988). The concept of an organizational state (Knoke and Pappi 1991; Laumann and Knoke 1987) leads naturally to a consideration of states as organizations which can be influenced by processes of institutional isomorphism (DiMaggio and Powell 1983). Such perspectives would stress the effect on nation-state policy determination of being embedded in a system of states.
A stress on the notion of diffusion of innovation also contributes to a recognition of the role of exogenous factors in social welfare development (Berkowitz 1989; Collier and Messick 1975; Midgley 1984; Abbott and DeViney 1992).

The concept of a world polity has been used to explore growth in the authority of national states and changes in their organizational practices since 1870 (Boli 1987; Meyer 1987). Such a world polity concept helps demonstrate the weakness of theories and methods which don’t incorporate exogenous factors in understanding national policies. Dissertation research by Usui (1988) viewed Meyer’s work (Meyer 1987) as representing a “world modernity” model, which (unlike the modernization model) stresses “the influences of an international community and its shared norms on nations” (Usui 1988: 6). Usui operationalized that influence by examining the effect of participation in conferences of the International Labor Organization (and its predecessors) on adoption of various pieces of social legislation. This research had the advantage of incorporating exogenous influences on social welfare development, and of including Third World nations and some socialist nations. Event history analysis was used, and results provided some support to the process of diffusion subsequent to international conferences.

In his study of Eastern European social welfare, Deacon (1992) began with an excellent and up to date summary of cross-national comparative research in social welfare. He reported on the varying opinions about the influence of political factors on welfare state development. He defined a list of variables that have been invoked in these studies as having "explanatory capacity on welfare effort", including: degree of working-class strength; degree of homogeneity of populations; degree of centralization of state authority; degree and nature of religiosity; degree of social mobility; demographic factors; historico-cultural factors; differential impact of external factors; political choices; political ideology of leading party. He might have, but didn’t, include foreign policy-related factors. Deacon suggested as an additional approach the value of examining the distributional impact of welfare activity and "the degree of integration of economic, labour and social policy" (p. 16). By external factors, Deacon meant the direct and indirect influence of transnational agencies and diffusion of policies as societies learn from other nations. Deacon was careful to point out that in discussing the future of social policy in the post-Cold War world he did not mean to imply that “in the struggle between
capitalism and socialism capitalism has won, nor in the struggle between capitalist welfare and socialist welfare capitalist welfare has won” (Deacon 1992: 191). His analysis did not explicitly examine the notion of such bi-polar social welfare competition. Any such analysis would be difficult to perform. Capitalist democracies were more limited in their ability to restructure class relations, and were forced to rely upon social welfare and taxation in order to engage in resource re-distribution. The Soviet bloc was able to make massive changes in class relations, and was able to achieve re-distribution with macro-economic policies, without relying primarily upon taxation and social welfare.

David Gil has also observed that "social policies within any society tend to interact in many ways with that society's worldwide, international relations" (p. 120, 1992). The linkage between social and foreign policies Gil discussed, however, doesn't posit clear causal relationships between the two. Since the theoretical traditions of both pluralist and Marxian observers tend to stress the role of elite and popular forces within the nation-state, internal sources of social policy and foreign policy are normally stressed.

However, Charles Tilly has extensively considered the influence of exogenous factors on national states (Tilly 1990). He placed states historically into the context of clusters and systems of states, which interact with each other in determining each other’s fates. Over time this has lead to the present-day system of variations within various forms of a national state. Tilly cited a number of authors who have also recognized the influence of exogenous factors on the nature of national states. Among statist analyses, Paul Kennedy stressed the state’s international position (1988). Amongst geo-political analyses, James Rosenau identified a variety of patterns by which nations adapt to international politics (Rosenau 1970), and William Thompson used a global society perspective to describe how states respond to the structure of relations among states (Thompson 1988). Among mode of production analyses, theories of imperialism are usually cited to explain the results of international economic activity on the nature of national states. Among world systems analyses, a nation’s position in the core, semiperiphery or periphery of the world system significantly affects a state’s organization, with the state serving the interests of the nation’s ruling class within the world economy. More recently Wallerstein has argued that in the post-Cold War world, the U.S.-Soviet contention will have less influence on international relations (Wallerstein 1993). Tilly also noted that Rokkan (1975) found that
adjacent states often develop similar political orders, certainly evidence of exogenous factors on state formation.

Tilly’s own analysis described states in the evolution of the European state system, with the stage of specialization (from the mid-nineteenth century to the present) being characterized by rigid boundaries between states and an increasing specialization of various state functions such as the military, the police, the courts, etc.. During this stage, Tilly stressed that there was an increasing separation of military and other expenditures within the fiscal practices of states. In other words, budgets began to be differentiated according to state function. This created what Tilly felt was a paradox for European state formation: that states founded in war evolved in the direction of civilianization. Following wars, civilian bureaucracies became necessary into order to extract resources from society sufficient to support both the bureaucracy and the military, with the result being the stage of specialization. During this period as well, states expanded their activities in the area of distribution of resources far beyond the earlier concentration on ensuring urban food supplies. Since World War II Tilly described the export of the European state system (and its forms of national states) to the entire world. During this period, by and large, states attempted to influence other states without relying upon military conquest.\textsuperscript{12}

Based upon Tilly’s work, it would appear that nations and blocs of nations seek to influence each other’s spheres of influence by using a variety of methods, including subversion and covert operations, but also open military, economic and political and other forms of contention. The existence of such contention is here considered an exogenous influence on the evolution of the policies of national states in the area of military and social policy. The present paper explores the extent to which this exogenous factor may have affected postwar social welfare development.

Another author whose observations should not be overlooked when considering the influence of great power relationships on national social policy is the work of Karl Polanyi. Polanyi, in \textit{The Great Transformation}, grasped earlier than most the fundamental contradiction between the existence of an unregulated market economy and the protective measures of the state. The former can lead inexorably to human degradation, but the later may lead to the crippling of capitalist

\textsuperscript{12} Marullo (1993) introduced the concept of “nation-years”, and pointed out that since 1815, war was present for only 4% of all nation-years. Data are not presented for the postwar period.
development and ultimately to general economic crisis. In terms of his general
method, Polanyi sought to illustrate the human institutions which influence the
subsequent course of history. Rather than seek these in the conflict between classes,
he subordinated classes to institutions, such as the legislatively mandated post-
Speenhamland labor market, the international banking system, the gold standard,
etc.. Polanyi argued that over the long-run, class interests have only limited
explanatory power (Polanyi 1957(1944): 152): "Given a definite structure of
society, the class theory works; but what if that structure itself undergoes change?"
He argued that the fates of classes are tied up in the alliances they form with other
classes and therefore can't be considered except in the framework of the entire
society. Also, anticipating Thompson and others, he pointed out (p. 153): "...there
is the equally mistaken doctrine of the essentially economic nature of class
interests." Polanyi focused, in other words, on human inventions, on institutional
mechanisms devised to achieve particular interventive purposes in society.
Politically, he was an advocate of rational planning, advanced individual freedom
and political democracy.

Polanyi's analyses of earlier institutional developments are rich in analogies
which can be applied to the present topic. Polanyi demonstrated the centrality of
the balance-of-power system during the 19th Century, both the Holy Alliance and
the later Concert of Europe. His method was not to essentialize this group of Great
Powers as the explanatory force for maintaining peace. After all, pacts (rather than
wars) between great powers assumes peace. Peace can't explain peace, so what
does? For Polanyi, the method was to seek what he calls "some undisclosed
powerful social instrumentality at work" (p. 9). In this case it was haute finance.
Haute finance enabled a balance-of-power system of which peace was a "welcome
by-product."

How would Polanyi, for instance, view the Bretton Woods agreement and
the anti-Communist alliances of the post-World War II period? Perhaps he would
view the Western social welfare system as a welcome by-product. Just as he argued
(counter-intuitively) that imperialism, although it fought colonial wars, prevented
world war, he might have argued that during the Cold War, imperialism, while both
freeing colonies and fighting socialism in the Third World, also maintained the
peace and developed a welfare state. Unlike peace, however, he would certainly
view the welfare state not only as a form of social intervention, but also as a
powerful social instrumentality in its own right. In fact, just as haute finance was
seen by Polanyi as "an institution sui generis...the main link between the political and economic organization of the world" (p. 10) during the period of unregulated market economies, he might see the social welfare system as one such link during the post-W.W. II period.

Methodologically, Polanyi also sought to identify the accidents of history. Thus, peace was not an intended outcome of haute finance, no more than social welfare systems may have been an intended outcome of the Cold War. Rather, the outcomes were necessities for the maintenance of the causes. A hundred year's peace was necessary for capitalist development in the 19th century, and a stable social welfare state may have been necessary for the anti-Communist policy of containment after the war. Given the above observations of Max Weber, Richard Titmuss, Theda Skocpol, Andrew Abbott, Charles Tilly, Karl Polanyi, Bob Deacon, John Hall, David Gil, Mayer Zald, Edward Berkowitz and Kim McQuaid and others, it is surprising so little research has fully examined the linkage between the military/international and social/domestic roles of the state.

**Theoretical amendment: The social question and the international question**

In this section, the conceptualization of the social, as used by Donzelot and Steinmetz, is traced, and a parallel concept of “the world” is developed, in order to frame the context of state activity aimed at the social question and the international question.

Steinmetz further developed the concept “the social”, which he adapted from Donzelot (1988). In doing so, he extended regulation theory - with its usual object of the economy - to the realm of “the social”. Unlike Donzelot, he argued that “the social” is not merely as an abstract, heuristic device. Instead, Steinmetz viewed “the social” as an actually existing sphere of social structure, consisting of actual human activities and historical events: “the ‘social’ should be understood as a concept embedded in human practices, an ‘actually existing’ concept,” which “arose historically during the nineteenth century and designated a certain region of society, a space between the economy and the state” (Steinmetz 1993: 2).

Donzelot (1988) had outlined the evolution of a solidarist conception of a French state, one which ensured social rights primarily through the use of social insurance methods. Such methods strengthened social bonds and social solidarity without guaranteeing either an absolute right to property or an absolute right to
work. Social rights did not involve an interference in the basic structure of society, but did give the state some leeway in regulating them. Social rights were not an extension of any classical rights, but were a consolidation of a notion of solidarity. A discourse of solidarity thus prevailed over rival discourses represented by liberalism, socialism or traditionalism. Through "promotion of the social, that is to say a reduction in the risks of all and the simultaneous augmentation of the chances of each" (Donzelot 1988: 405), the state found a way out of the dilemma of being caught between its political responsibility (rooted in requirements for justice) and its civil responsibility (to protect freedom). This dilemma involved finding a way to simultaneously satisfy demands to "raise the civil condition of individuals to the level of their new political dignity" (p. 396), and to preserve the basic aspects of the security of property and personal freedom. The solution was seen as state action to mitigate the effects of injustice but not eliminate the sources of it. Framed as a matter of degree, the limits of state intervention were then defined by the requirement of some degree of neutrality with respect to the basic capital-labor divide.

To use these terms in the present reformulation, the issue becomes the extent to which social rights ensured by the state can actually secure the social from the deleterious effects of the economy - in other words the extent to which the state can resolve the social question. The question becomes the extent to which the social question is defined by the worker question (the nature of the relationship between capital and labor), and the extent to which a solution to the social question requires some alteration of the right to property and the terms of the labor contract.

Donzelot pointed out that Taylorism represented an alternative management strategy to the forms of state-enforced paternalism which preceded the advent of social rights. Donzelot viewed Taylorism as advocating "the rationalization of work in proportion to its normalisation through social right", with normalisation defined as fixing "criteria for the employment of the labour force on the grounds of its health and protection" (p. 411-2). But increased wages would also be involved, and they would be tied to the acceptance of a productivity regimen dictated by the requirements of the machine rather the traditional supervisor. The essence of the rationalization became the application of a criteria of economic rationality to the enterprise, albeit one which must accept and adapt to the human factor, with its potential for irrationality. By attempting to reduce the disruptive effects of power struggles at the point of production, Taylorism would enhance productivity and
profit. But there was no more an absence of contradiction between firm-based normalisation and rationalization than there was between society-level social rights and property rights, despite the best efforts at social engineering. As Donzelot pointed out, while a minimal interpretation of the health and protection of the workers is unlikely to be incompatible with economic rationality, a maximal interpretation may be. A maximum interpretation would be guided more by a social rationality than an economic rationality.

Thus, in the internal state of the firm, as in the central state, the establishment of social rights is a matter of degree. It remains unclear how much state ensured social rights and firm ensured normalisation can overcome the continued inequality of power between capitalist and worker. But the two realms are not autonomous from each other. Some of the responsibility for the health and protection of the worker is most efficiently transferred to the care of the state through social insurance funded by workers and employers. Although this point was not made explicitly by Donzelot, social insurance would thus seem to represent a form of compromise between the demands of societal social rationality and private economic rationality. Donzelot pointed out that social insurance relieves the firm of all but the responsibility for maintaining an adequate wage (and, presumably, paying taxes and obeying the law), as social protections are transferred to the state. But Donzelot also pointed out that the logic of firm-based economic rationality might be considered irrational from the standpoint of society-based social rationality, since it places profit for an enterprise above the welfare of all. This places a burden on the effectiveness of social insurance and other state measures, as they must overcome any of the remaining negative effects of the economy on social conditions. The establishment of social rights thus inscribes citizen worker and citizen capitalist "in the two antagonistic logics of social rationality and economic rationality" (p. 415), with struggles ensuing over the minimal or maximal definitions of normalisation of the relations of production (p.414):

Normalisation therefore only effects a transposition of the conflict hitherto directly opposing labour and capital to the level of these two abstractions - the social and the economic. The evolution of the debate on the social question after the First World War attests this transposition.

Workers sought to defend and expand the realm of the social, and capitalists sought to combine with each other in pursuit of greater productivity. One sought unions, the other monopolies. Each sector sought to enhance its own form of rationality,
using organizations which are dedicated either to the promotion of the social or the promotion of the economic forms of rationality. Thus, the advent of social rights did not eliminate the conflict between labor and capital or insulate the state from demands of either party. The state was still pressured to surrender its neutrality. But Keynesianism led the way out of this dilemma. Subsequent to the establishment of social rights, Keynesian policies were used to "make it possible for the state to articulate the economic and the social centrally rather than allowing either to predominate over the other" (p. 416). The state now "possesses the means for securing the course taken by the progress it guarantees" (p. 422), means which include its welfare function. Thus the welfare state is a qualitative step beyond a state which merely sought to ensure social rights using the limited means of social insurance. No longer merely in the business of promoting social solidarity so that society could pursue its own progress, the welfare state now seeks to ensure that progress itself.

But the state clearly has functions other than regulating the relationship between the social and the economic. Although the state may seem to have grown in stature primarily due to the dynamics described by Donzelot, it is arguable that societal consent for the diminution of civil society in relation to the state was motivated by more than a desire for a resolution of the social question. Clearly, the state is involved in attempts to solve the international question as well. The success of Keynesian policies required the linkage of the domestic economy with the international economy. Also, to a goodly extent, the solution to the worker question in advanced industrial economies required a solution based in economic expansion rather than conflict-producing resource redistribution. The regulation of the social required access to resources from workers and employers, resources which might not be forthcoming without an expanding economy. And expansion required trade of goods and capital in order to access external resources. Yet there has been little discourse which attempts to connect the roles of the state in addressing both the social and the international questions simultaneously.

By “the social” Steinmetz meant the space between the domestic economy and the state. However, as the 20th century has proceeded, the economy has been increasingly international in nature. So how can one conceptualize the space between the nation-state and the international economy, between the nation-state and the larger ensemble of states in which the nation-state itself is embedded to varying degrees? If the space between the state and the domestic economy is the
“social”, we can identify the space between the state and the international economy as the “world”. Such as conceptualization is consistent with regulation theory’s use of the term “international space”. The terms "the social" or "the world", as used in this paper, are used at an abstract rather than an empirical level. In other words, Donzelot's more abstract meaning of the term will be used, rather than Steinmetz's effort to reify the social. However, the parallel concepts "social security" and "national security" will be utilized at the more empirical level of abstraction. Thus, it should be possible to develop operationalizations of such concepts based in concrete state activity aimed at their realization.

But can we really think of one ensemble of regulationist institutions, within a particular nation-state, as “regulating” that space, that external environment, that world in which the state is embedded? Perhaps some particularly dominant states could marshall such a role, but other states are more restricted in their actual practices, restricted, that is, to essentially securing their place in that international order. The same can be said about the role of the state and the social question. The regulatory role of the state with respect to the social assumes a particular role for the state which may be more (interventionist) or less (laissez-faire) developed, more oriented towards social rationality or towards economic rationality. As we have seen, this is a matter of degree. The term regulating carries with it a certain bias towards interventionism, while the term securing carries a more flexible connotation, one which is consistent with state efforts to face both outward and inward, and to adapt to the varying natures of the social question, the international question and the worker question.

In other words, one consistent (and possibly more generalizable) role of states with respect to both the social and the world is a security role. States secure things, and states ensure things. States secure boundaries, they secure property (state and otherwise), they secure their monopoly on the use of violence, they secure labor required for labor markets, they secure resources required for production, they secure their populace against various catastrophes both natural and human-made, they secure the environment against natural disasters, etc. In usages of this term which have influenced public discourse, states “secure the peace” and “secure the general welfare”.

However, as states have evolved they increasingly do more than secure things. They now also ensure things, such as the kinds of citizenship rights discussed by Marshall (1963). Domestically, they ensure that various human rights
of citizens and other people within the nation-state are upheld, and ensure that various human needs of citizens and other peoples within the nation-state are met. Internationally, such state activity also takes place, as states unilaterally, bilaterally and through various international organizations attempt to ensure that certain human rights are being upheld and certain human needs are being met in the world.

When states address the social question domestically, they are engaged in broadly-defined social security activity. Securing the “social” is a matter of social security. When states address the international question, they are engaged in broadly-defined national security activity. Securing the “world” is a matter of national security. States may perform various specific regulatory roles within this general activity of securing things. Regulation is a specific means within a more general means of securing and ensuring things, with the goal being security within the domestic and international environment: security for the state, and security for the people within that state. Furthermore, security - both domestic and international - is the goal towards which the securing activities of the state are directed. This extension of regulatory theory is consistent with the observation of Steinmetz that “the nature of the goal to which regulation is being applied is not inscribed within the concept itself” (p. 3). By examining the connections of postwar foreign and domestic policymaking, and the postwar discourse on social and national security, the concept “securing the social and the world” is here developed, in order to describe an inextricably interrelated process of Cold War contention and domestic social welfare development within the postwar U.S. and British national states. By attempting to understand the ways in which the state simultaneously seeks to balance its efforts to address both the social question and the international question, it becomes more possible to understand the evolution of state activity.

**Conclusion of theoretical section**

These theoretical amendments, concerning the concept of elite consent, the influence of exogenous variables on state policy formation, and the notion of securing the social and the world, enable the present reexamination of historical processes and events concerning social welfare growth during the Cold War era. Without any theoretical innovation, such a study would be flawed by concentrating on endogenous factors and failing to consider regional and international factors which influence the context within which actors influence policy. Without such a
theoretical amendment, such a study would be biased towards the influence of overt
events and actions, without taking into account the role of consent (both enforced
and strategic).

International context may seem to be a factor which recedes in importance
compared to salient endogenous factors. Nor is it presently claimed that exogenous
factors are dominant. Moreover, it may prove difficult to ascertain the direct effects
of exogenous, international factors on processes which appear to be national in
character. The direct and indirect relationships between such an exogenous variable
and social welfare policy determination may be difficult to observe and interpret,
especially if elite consent is posited as a key intervening variable. But the
international context, along with other exogenous factors, may well be an important
aspect of the overall mix of factors influencing policy. And the role of elite consent
may prove to be as influential as elite support and opposition. As for the state’s role
in securing the social and the world, these are parallel to the state’s activities in
addressing the social question and the international question. What remains to be
understood is how central these questions are to each other at the particular
historical conjuncture represented by the Cold War era.

SECTION THREE: EPISTEMOLOGICAL OVERVIEW

Personal standpoint of knowledge production

In the introduction to her book Whose Science, Whose Knowledge, Sandra Harding (1991) made the point that the observer and the observed are often in the same causal scientific plane, and that scholars can benefit from locating themselves by gender and other factors. Steinmetz (1993) warned against idealizing the welfare state, but also against overly harsh critiques of it. Steinmetz hoped to “dispassionately” (Steinmetz 1993: 3) examine the origins of the welfare state. Of course, for some scholars this could be easier than for others, particularly those with a history of practice and activism connected with both the welfare state and the Cold War, as is the present case. Such a background would clearly be expected to influence what Weber (1994: 538) called "value orientation". Such an orientation appropriately guides the goals of research, and to a certain extent its subject and objects. It should not, however, be allowed to cause a bias towards the confirmation or rejection of the hypotheses posed for the study. In most cases the latter is rarely
yearned for by a researcher. But such a balanced approach towards one’s own hypothesis should be easier in the present case. This is because there can be few gloomier hypotheses that the primary one of this paper: that much of what we have come to define as the welfare state may have developed partially as an artifact of the systemic contention between East and West, between capitalist and socialist states and state systems. If the Cold War context proves to be a spurious cause of the postwar take-off of social welfare expenditures, or only a minor causal factor, then certainly this is historically preferable for advocates of social welfare. And certainly advocates of socialism would have little to gain by arguing that the demise of the Soviet bloc has crippled the potential for a transition from capitalism. As an advocate of both social welfare and democratic socialism, the present author is moreover biased by a largely optimistic nature. Yet, it is primarily a fear that the pessimistic hypothesis may be on target which motivates this study.

Regardless whether or not the present hypothesis is supported, there are many other factors which could prove to be equally disadvantageous to social welfare and to socialism-in-some-countries in the post-Cold War world. These include the globalization of capital itself, a fiscal crisis of the state, demographic or political shifts, etc. The most optimistic scenario would be that recent social welfare reversals are merely temporary developments, to be followed by a resumption of social welfare growth. Advocates of integrations of pluralism and Marxism, and political syntheses of liberalism and socialism would be delighted by a finding that nothing fundamental to the evolution of a humane society has been lost by the collapse of the Soviet bloc. It would certainly appear that massive nuclear war is less likely, if not the use of tactical nuclear weapons or the possibility of nuclear terrorism. But if elite consent to demands for social welfare can no longer be expected in the post-Cold War world, this must be taken into account by advocates of social welfare and of democratic socialism, as well as by social science researchers. In any case, this brief outline of the author’s perspective can also be taken into account by the reader.

Orientation towards social explanation

Each of the three main research traditions in sociology has been influenced by the goal of social explanation. Durkheim, for instance, did not ask for methodological uniformity, but insisted that the (1938: 141) "principle of causality
be applied to social phenomena."  Weber (1994: 539) pointed out that the more abstract the lawlike generalizations made by sociologists the less they are able to explain the cultural significance of historical facts, but that such theory can be considered means in the effort to discover historically specific "concrete causal relationships" as well as "knowledge of recurrent causal sequences".

According to West (1991), Marx adopted radical historicism in order to show the causal relationships between those social practices geared towards "material production for life itself" and the remainder of social practices within the state and civil society, as well as the "reciprocal action of these various sides on each other".  This method included an insistence on avoiding crude materialism, on not forgetting that while people are "products of circumstances and upbringing" it is still "men who change circumstances" (Marx and Engels 1976 p. 7 and pp. 53-54, cited by West 1991).

D'Andrade (198: 25) pointed out a fundamental intellectual division which is related to alternative epistemologies of social explanation:

On one hand, the natural social science world view sees a complex system of causes as the web of interdependence and functional relations among the structural parts. The role of the scientist is to isolate these structures and measure these causes. The semiotic social science world view, on the other hand, sees a complex generation of meanings and symbols that serve to structure social action. The causes operate primarily, not across institutions, but within the human mind.

To a certain extent, this naturalist/semiotic division parallels the differences between positivist and hermeneutic analyses, or between materialist/realist and idealist outlooks. Both approaches offer a unique ability to enhance social explanation or human understanding.

On the one hand, the present study could seek to identify a specific, complex causal mechanism for postwar social welfare development, a theory of social welfare of the same order as the theory of racial inequality developed by Barrera (Barrera 1979). Barrera stated that his method is characterized by an extended historical and interdisciplinary case study, and was influenced by his desire (Barrera 1979: 3) to "clarify chains of causation".  In Chapter Seven, "A theory of racial inequality," he went on to construct an analytic model that graphically described the chains of causation presented in the works reviewed, as well as a newly proposed model. Little (1991: 15) defined a causal mechanism as "a series of events governed by lawlike regularities that lead from the explanans to the explanandum,"
and defined lawlike regularities as follows:

A lawlike regularity is a statement of a governing regularity among events, one that stems from the properties or powers of a range of entities and that accounts for the behavior and interactions of these entities.

Such an approach would rely upon the works of Turner (1986) and Stinchcombe (1968). Turner identified various elements of sociological theory-building: Definitions, concepts, statements and formats. Stinchcombe pointed out that theoretical sentences are preferably linked with empirical statements (1968: 28). These sentences contain the concepts of interest, which Stinchcombe pointed out have implicit or explicit causal hypotheses associated with them.

Such formal theorizing, however, is beyond the scope of the present paper. Moreover, Steinmetz has argued that the goal of social explanation with respect to as complex a topic as the welfare state “could probably only be explained by a combination of causal mechanisms rooted in different theoretical systems,” (Steinmetz 1993: 41) and that the use of theoretical “models” is often contrary to most historians’ epistemological preferences. Posing world-historical questions that are not reducible to causal models is also consistent with the method used by Tilly (1990), which is to begin with such a world-historical question, explore theory relevant to such a question, but then pose a more manageable subsidiary question which can be addressed within the framework of the larger question, its related theory, and a more modest theoretical concomitant. The more manageable question posed in the current study concerns a discernable period of social welfare development and its relationship to a concurrent period of postwar foreign relations. Of present concern is the manner in which elites who influenced both foreign and domestic policy may have consented to demands for social welfare out of a realization of the strategic value of such measures during a particular period of history.

**Methodological individualist epistemological assumptions**

The fact that the present research does not attempt to develop formal causal models does not mean that social explanation is not a goal. Little argued that even interpretive social science often relies upon forms of causal explanations. He pointed out (Little 1991: 11):
It is sometimes held that causal explanations are inappropriate in social science because they presume a form of determinism that is not found among social phenomena...Causal analysis is legitimate in social science, but it depends upon identifying social mechanisms that work through the actions of individuals.

Little insisted upon a role for human agency in models of social causation (Little 1991: 18):

Social causation, then, depends on regularities that derive from the properties of individual agents: their intentionality, their rationality, and various features of individual motivational psychology.

Indeed, as Little (1991: 197) later explained:

Social causation always and unavoidably works through structured individual action, and causal relations among social phenomena can only be established through analysis of the latter because of the common weakness of the causal regularities at the social level. This position draws upon the ontological thesis of methodological individualism and the observation that social regularities are generally much weaker than regularities in other areas of science.

Little accepted the ontological thesis of methodological individualism. He agreed that social entities are ultimately ensembles of individuals in various social relations to each other. But he disagreed with the strict argument that macroexplanations must rest entirely on microfoundations. In other words, causal explanations of the nature of those relationships need not be defined using concepts that refer only to those individuals.

Still, Little advocated methodological pluralism. Little contended that the choice of level of analysis should be based upon the utility of concepts stemming from various levels of analysis for producing the most empirically well-grounded causal explanations. According to the strongly version of the microfoundations thesis, which Little rejected, "Most strongly social explanations must be explicitly grounded on an account of the microfoundations that produce them," in other words the explicit "aggregative processes that lead from individual actions ... to an

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13 This an important distinction. As will later be seen, the realist ontology adopted in the last part of this section is based upon the work of Roy Bhaskar, who explicitly rejected methodological individualism. However, his arguments do not specifically refute the weakly or moderate versions, only the strongly versions (Bhaskar 1989: 70-74).
explanatory social relationship..." (Little 1991: 196). The weakly form of the microfoundations thesis requires only that a causal explanation be compatible with the existence of such strong links, even if unknown at this time. He himself adopted the intermediate position (Little 1991: 196): "...that we must have at least an approximate idea of the underlying mechanisms at the individual level if we are to have a credible hypothesis about explanatory social regularities at all." Either the weakly or intermediate position satisfy the relaxed requirements for the forms of social explanation preferred for this research.

Can a methodology which accepts the ontological thesis of methodological individualism be relevant to broadly historical and comparative scholarship? Margaret Levi (1988) argued in the affirmative, but pointed out that methodological individualists have tended to ignore macro-level variables. In an article on historical explanations in the social sciences, J. W. N. Watkins, a prominent advocate of the ontological thesis of methodological individualism, compared methodological individualism, sociological holism, and simple psychologism. He explained (Watkins 1994: 448):

In the explanation of a unique constellation of events the individualistic method is again to reconstruct the historical situation, or connected sequence of situations, in a way which reveals how (usually both named and anonymous) individuals, with their beliefs and dispositions (which may include peculiar personal dispositions as well as typical human dispositions), generated in this particular situation, the joint product to be explained.

The proposed research would rely strongly upon sources of data such as autobiographies, oral histories, biographies, memorandums, correspondence, etc.. Theoretical perspectives, particularly corporate liberal theory and regulatory theory, could be illuminated by such forms of data. While it is often the case that social theory adopts a form of methodological individualism without acknowledging it, in this case the adoption is open.

In other words, in order to consider a causal impact for an exogenous macro-social structural variable such as the competing bi-polar system of states on domestic social welfare spending, the relevant meso-level political processes and the motives and activities of the actual historical actors participating in them must be taken into account.

**Influence of Marxian epistemology**
According to West, Marx rejected philosophical foundationalism (West 1991), as did Durkheim (1993). West (1991) argued that in his overall epistemology Marx embraced radical historicism from Theses on Fuerbach onwards. Marx argued that theoretical formulations, to be scientific, must examine whether there is a distinction between appearance and reality (West: 95). The radical historicism Marx adopted was not historicist in the sense criticized by Popper (as evidencing fixed laws of historical development.) Miliband (1987:325) cited one of Marx's letters as rejecting the effort to use "as one's master key a general historico-philosophical theory, the supreme virtue of which consists in being supra-historical." When in the Communist Manifesto Marx and Engels argued that the "history of all hitherto existing society is the history of class struggle", their subsequent description of the struggles spoke of both open and hidden fights between historical actors, between actual lords and serfs, guild masters and journeymen, not between abstract classes. But within two years of Marx's death, Engels, in his preface to Marx's Eighteenth Brumaire, argued that Marx had:

discovered the great law of motion of history, the law according to which all historical struggles, whether they proceed in the political, religious, philosophical or some other ideological domain, are in fact the more or less clear expression of struggles of social classes.

Such a view diverged from Marx's evolved methodological intent, but has largely been adopted by subsequent Marxian analyses. For instance, despite having been aware of Marx's earlier warning about master keys, Miliband asserted (Miliband: 326): "....class struggle has constituted the crucial fact of social life from the remote past to the present.” Miliband’s own presentation of the method of class analysis was a somewhat mechanistic, reductionist formula, complete with the claim that the tasks of class analysis are "quite plain": the identification of "the precise structures and mechanisms of domination and exploitation in these societies and the different ways in which surplus labor is extracted, appropriated and allocated” (Miliband 1987: 333). Such an approach to historical research in the present case will not do, given the stochastic nature of the social processes being observed. But the influence

14 Karl Marx to Otechestvenniye Zapiski, November 1877.
of Marxian methods and theory are certainly not excluded from the outlook of this study. Nor will the role of manifestations of class struggles be ignored. But actual examples of struggles of elites and masses would be stressed, both those undertaken and those averted by historical compromises or historical inaction, rather than the conflict of abstract entities. Although the search for trans-historical laws of social development is ultimately ahistorical and anti-theoretic, there does appear to be growing consensus that what Marx called the principle of historical specificity enables us to understand the characteristics of specific periods, at least, of history. Thus the use of the kinds of master narratives of historical development - whether of class or social welfare - criticized by Somers (1992) would be avoided.

**Incorporating metaphors of discovery**

What metaphorical approaches to social explanation might be used? Rose (1992: 10) pointed out that complex processes are often "better pictured as a Gordian knot than as a linear chain of discrete variables." The metaphor of weaving is frequently used by Rose, and this is especially appropriate given the centrality of the textile and clothing industries of the period covered in her research. Rose spoke (1992: 100) of the "complex web of factors" affecting women and how the need for two wage-earners was "woven in the fabric of working-class life." Later, she argued (1992: 101): "Gender was central in structuring the poverty-reproduction-homework knot." She concluded (1992: 185): "Gender distinctions were woven into the fabric of industrial capitalism." Given that structures of gender may be considered to have had historically similar pan-national effects on nation-states with evolving systems of social welfare, gender itself might be considered an exogenous factor affecting national social welfare development, albeit modified by local conditions and traditions. Rose argued (1992: 11) that "gender affects all social structures and social relations". Rose also pointed out (1992: 207 fn 49) that class, gender, race/ethnicity, age, sexuality, and nationality "are complexly interwoven in an individual's identity."

But Rose pointed out (1992: 18) the problem of seeing both structure and agency when examining such historical processes as class formation, and noted that Sewell (1986) had struggled with this issue. Sewell had, for instance, introduced the concept of a multiplicity of structures. Rose argued it is too easy to fall prey to reducing what is being observed to a single phenomena, such as reducing class to
the “cash nexus” and failing to see the historical actors and cultural forces involved.

Implicit in the Gordian knot metaphor is a certain deserved pessimism about determining how the social whole is "depicted in its totality" (to cite the perhaps unwarranted explanatory optimism of Marx (cited by West 1991: 86). At least, however, the Gordian knot metaphor embodies a full appreciation of the uncertainty with which the complexity of causal explanation must be portrayed.

To offer an extension of the metaphor of the Gordian knot, as anyone who has tried to untangle complex knots in fishing line can attest, the best way to do so is to pull from the main knot a smaller set of knots and untangle them first. By working around the large knot, and successively untangling portions of it, eventually one can reach the “mother of all knots” that usually lies somewhere inside. Whether that can be untangled or not raises the eternal "fish or cut bait" dilemma. However, it does suggest ways of working at levels between the most simple and the most complex.

Although Rose introduced the notion of a Gordian knot, and frequently used the metaphor of weaving, another metaphor was also used, which may be closer to the metaphor of discovery favored for this project: "the spider's web of interacting forces" (1992: 189). Unlike a Gordian knot, a spider's web has observable pathways among its constituting elements. A spider's web is both complex and simple in design, and is the product of naturalistic activity not predetermined form. Spider's webs are constantly being maintained, repaired and expanded by the spider, whose existence is inextricably connected with the mini-structure the spider has created. Once constructed, the spider has an investment in that structure. The spider's eggs and source of food are connected to it, and the web both constrains and empowers the spider's range of movement. Spiders do not have infinite capacity for web building: there is a relationship between their bodily output and input that is undeniable. There is no need to attempt to extend this metaphor by analogy to human society, or for instance to compare webs to states or social networks. And certainly there is no desire to equate spiders with elites. However, it is suggested that human society is both more complex than simple graphical models of causation and yet perhaps less complex than the metaphor of a Gordian knot would suggest. As Rose pointed out (1992: 197), "Theoretically, this path will not be easy." But neither need it be impossible.
Introduction to realism

Michael Mann has pointed out that in some respects it matters little whether the sociologist also advocates positivism, interpretivism or realism or some other epistemological point of view, since in reality the sociologist is always acting (Mann 1981: 548):

- as if they could apprehend and describe reality through the process of operationalization, and as if they could rely on absolute standards of scientific proof for their results to be evaluated. (Emphases in the original)

In other words, sociological research operates on an as if positivism, one which assumes some degree of objective knowledge is possible, even if we accept the epistemological precepts of Hume and Kant that such knowledge is impossible to obtain in the full (Mann 1981). In the following section a particular approach is selected for the duration of the proposed project at least - the approach of one version of scientific realism. The following section describes that approach, and discusses the manner in which it is relevant to the proposed research.

Shapiro and Wendt (1992) pointed out that much of the debate between empiricists, interpretivists, and realists has been characterized by a high level of abstraction, and in language understood primarily by philosophers of science. But Wright argued that realism is “the implicit stance of most real scientific practice...[not]... an esoteric doctrine” (Wright 1989:64). Shapiro and Wendt sought to utilize an area of research quite relevant to the present project (research on consent) to explain the value of realism, and began with a fairly clear description of realism (1992: 210):

- Like empiricism and interpretivism, philosophical realism is an account of the kinds of inferences that we are warranted in making about the world. Commonsense realism is the belief that the world of everyday objects exists independently of the mind; as such it is opposed to philosophical idealism and allied to empiricism. Scientific realism is the additional conviction that the unobservable entities and causal mechanisms often posited by scientific theories exist; this version of realism is opposed to empiricism, which is agnostic about unobservables, and to most versions of interpretivism, which deal with causal matters implicitly when they deal with them at all.

Wright pointed out that scientific realism adopts an ontological position which holds that causal mechanisms can operate independent of any theory or theorist. He also argued that scientific realism holds an epistemological position that argues we
are able to discern the relative truthfulness of various theories and explanations about reality (Wright 1989: 103). As Wright pointed out, the realist ontology doesn’t require a realist epistemology, but the two are often paired, as is the case in Bhaskar’s version of scientific realism (1975), one which was influential in the research of Steinmetz (1993).

**The ontology and epistemology of Bhaskar’s critical realism**

Bhaskar himself has recently tried to explain his views in a more accessible way. He has stated that he seeks to clear the ideological ground regarding what he refers to as the explanatory-emancipatory sciences, which he sees as following Marx’s dictum to not only to interpret but help change the world. He pointed out: “But they will do so rationally only on the condition that they interpret the world aright” (1989: vii). He argued that he wishes to “reclaim reality” from “philosophical ideologies - such as empiricism or idealism - which have tacitly or explicitly defined it in terms of some specific human attribute...” (p. vii). By this he meant the need to deanthropomorphize our conception of reality, to acknowledge that reality, even knowable reality is “only contingently, partially and locally humanized” (p. 182). He called his perspective critical realism, also called transcendental realism. And he called his philosophy of social science critical naturalism (p. vii):

> On it, social objects can be studied scientifically like natural ones - but only on the condition that we accept a realist (non-positivist, non-conventionalist and non-idealist) account of science and respect the specificity of the subject-matter of the social sciences.

Bhaskar stated that transcendental realism is intended to give an adequate account of science in three dimensions (1) the “intransitive or ontological” dimension of reality, (2) the transitive or epistemological dimension of knowledge about reality, and the (3) metacritical dimension of critical theory (Bhaskar 1986: 25). Bhaskar further defined the difference between ontology and epistemology, as follows. Transcendental realism entails the necessity of ontological realism in its intransitive dimension (p. 24): “The intransitive, normally knowledge-independent, real objects of scientific knowledge”. Transcendental realism also entails the actuality of epistemic relativity in its transitive dimension (p. 24): the “transitive, socio-historical, processes of the production of the knowledge of such objects”. Finally
transcendental realism entails the **possibility** of judgmental rationality. But establishing such an ontological and epistemological foundation would not be a sufficient condition for actually **achieving** judgmental rationality, or the ability to achieve a degree of explanation. Also needed is a “meta-epistemic reflexivity and ethical (moral, social and political) responsibility on the part of the cognitive agents concerned” (p. 25). Thus, this third, metacritical dimension is needed, “in which the philosophical and sociological presuppositions of accounts of science are critically, and self-reflexively, scrutinized.” In this case, he is using his method for an examination of the history of science, but it is equally applicable to critiques of existing explanations of other social phenomena. A metacritique is a type, component or precursor of explanatory critique in general.

Bhaskar has explained what a more encompassing explanatory critique consists of. He argued that orthodox, positivist versions of science require the identification of empirical regularities that must be confirmed or falsified by empirical occurrences. He argued this is ontologically too restrictive and epistemologically too permissive (Bhaskar 1989: 183). One way of understanding this is that it is ontologically too restrictive because it imposes a requirement that empirical regularities actually be identified, a process that may require that they be so simplified as to lose all explanatory potential. It is epistemologically too permissive because of the limits on the robustness of theory it requires. Bhaskar’s point, expressed earlier (Bhaskar 1986: 290-1), is that positivism’s ontology is relevant only to “the initial conditions but not the essential content of theory empirically decided,” and that positivism’s epistemological and methodological aspects are ahistorical in that they require the actualization of social systems which are not in reality closed. Thus, Bhaskar argued positivism inhibits creative theory.

**From ontology/epistemology to theory and explanation using scientific realism**

Steinmetz made a clear distinction between theories and explanations. Existing and amended theory is used as a guide to empirical research which is aimed at improved historical explanation (Steinmetz 1993). Explanations explicate events in as satisfactory a manner as is possible. Theories outline specific mechanisms, including those which may contribute to explanations of events. In the process, realism stresses the value of the development of improved concepts rather than verified theory (Aglietta 1979: 66, cited by Steinmetz 1990). This does
not rule out the subsequent modification of existing theory, through the use of the improved explanation and concepts.

Steinmetz (1993) also distinguished between events and mechanisms. Events, and other data subject to analysis (such as Bhaskar’s concept of experiences, discussed below), may, as part of the explanatory process, lead to the identification of causal mechanisms which can advance theory. Such an approach enables a greater theoretical openness to the use of multiple theories as a starting point, since it is less concerned with the testing of specific theories. Hypotheses might still be useful exercises in a study guided by realism, but the hypotheses would be aimed at shaping arguments or aimed at producing explanation, rather being intended to verify theory. Some might be derived from theory, but others might be grounded in logic, and still others rooted in previously disputed points of explanation.

This is consistent with another aspect of realism - an effort (along different planes of analysis) to trace the movement from abstract to concrete, and from simple to complex (Jessop 1990). Both of these distinctions can be traced to Marx. The method Marx criticized in *Grundisse* consisted of beginning with an imagined concrete condition (such as population, which he pointed out is actually an abstraction itself) and moving through observations to an abstract determination (Marx 1857 in Tucker 1978: 237). This kind of method often did result in the discovery of various concepts, or abstract determinations, such as division of labor. But Marx considered the “scientifically correct method” to be one which begins with a presupposition of the subject of research as an abstract determination, for instance modern bourgeois society, and moves through an observation of “the real and the concrete” (which is seen as a concentration of many diverse but unified determinations) to a reproduction of that concrete in the mind (p. 237). This leads to an enhanced understanding of the totality of the many determinations and relations of the original subject. That concrete object of research was described as “the object before us, to begin with, material production” (p. 222). That reproduction is the theoretical understanding which is the endpoint of the method. For example, the conceptualization of Fordism was a critical realist *rational abstraction* from the analysis of the *real-concrete* (Painter and Goodwin 1995), one which disclosed the necessary relations and causal mechanisms within Fordism which are seen as generating events.

The second distinction was the movement from the simple to the complex.
Marx described the path of abstract thought as one of moving from the simple to the combined (or complex), and argued that to an extent this corresponded to the real historical process, a process in which concrete reality itself developed in a direction of increased complexity.

As an incipient research project, the method Marx described was necessarily inductive. Had he been able to begin with a more developed theory of bourgeois society, he would have certainly wished to apply it to a re-examination of history in order to ascertain its explanatory power. Transcendental realism would call for the following steps in such a project (Bhaskar 1989: 68-69): (1) The identification of phenomena as the subjects of research, (2) The construction of explanations for it (or the use of existing theory and explanation), (3) the testing of the explanations based upon an examination of empirical reality, (4) further identification of the generative mechanisms found, (5) reformulation of the phenomena to be explained. The same path from manifest phenomena to identification of structures that generate them is followed, but the process is more developed, given pre-existing theory.

The end result of such a project is an enhanced ability to understand the following chain constructed by Bhaskar (1976, cited in Wright 1989: 58): Mechanisms generate events and events (together with various conditions of observation of these events) generate experiences (observed facts, or data in Bhaskar’s terms). According to Bhaskar, these causal mechanisms are “relatively independent of the events and the actions of men alike” (Bhaskar 1975: 56). But in order to become experiences, events must have been experienced! In other words, they have to have been perceived under the terms of various conditions of observation (both social and conceptual). In other words, these conditions of perception themselves are subject to the effects of socialization and structured pre-conception.

So, for instance, in the pre-Cold War world social insurance might have seemed a Communist plot to some elites. But in the post-Cold War world a new social ideology may structure the experience of an policy event such as the introduction of legislation amending the Social Security Act. Suddenly, social insurance may be experienced as a mildly socialist weapon against a greater evil -

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15 This is consistent with Bhaskar’s rejection of methodological individualism. However, Bhaskar is not here (at least) explicitly rejecting the possibility of events and human experience altering (over time) those causal structures and generative mechanisms.
communist totalitarianism. This might result in an observable experience (such as a journal entry) which can be used as factual data in an effort at historical explanation of events and/or in an effort to formulate causal mechanisms impacting on those events. Given the realist conception of experience (its distinction from mere events) Steinmetz pointed out that the realist relationship between theory and evidence is more complex than a positivist approach (Steinmetz 1993). Due to this conceptualization of experience, the realist approach is capable of benefiting from analysis of the ways in which people interpret reality. Therefore, discursive analysis can be integrated into a research project based upon realism, without being forced to utilize a purely interpretivist approach.

It is important to note that the causal mechanisms of which we speak are explicitly plural in most instances, according to a realist approach. While in some cases a single causal mechanism may explain an event, it is more often the case that numerous such mechanisms are involved, most likely including those not yet abstracted from the complexity of the concrete reality being studied. Wright (1989) has pointed out that Bhaskar views the world as an open system with numerous mechanisms functioning simultaneously. Not only can one mechanism cancel out the effects of another, but an operable mechanism may generate events which are not observable. Experiences themselves are often a product of numerous events. Some may be observed and others not observed, either by the historical actor or the social researcher. Therefore, reality in its entirety is in realist epistemology theoretically indeterminable, despite the fact that realist ontology assumes that all that occurs has a set of causes. These observations are what lead Bob Jessop to denote the term contingent necessity to refer to the joint ontological/epistemological assumptions of realism (Jessop 1990: 12):

Thus contingent means indeterminable within the terms of a single theoretical system; it can be properly juxtaposed to the notion of necessity, which signifies the assumption underpinning any realist scientific enquiry that everything that happens is caused. (Emphases in the original)

As a result, each actual event is assumed to be overdetermined by a variety of causal chains too complex to be fully conceived. Nevertheless, an effort must be made to demonstrate how some causal mechanisms have contributed to that event. Thus, an explanation of a contingently necessary event must be both theoretically informed and historically specific in its presentation. The more concrete and complex (less abstract and simple) an event to be explained is, the more determinate it is, Jessop
argued. This requires further explanation, as it seems counterintuitive. It would seem on the surface that a more complex event would be **harder** to explain. Jessop simultaneously argued that a more detailed set of causal mechanisms is required to explain such a highly concrete, complex event, which would again seem to imply it is **less** determinate.

But let us take a current example. To explain the Cold War would be of higher order than, for instance, to attempt to explain merely the Social Security Amendments of 1950 or NSC-68. The Cold War was far more complex. Yet explanation of the Cold War might be more determinate than an explanation of the Social Security Act and NSC-68, even though it requires a more detailed explanation. This is because the Cold War itself, a higher order set of events encompassing multiple structures, may have been part of the chain of causation of the seemingly more simple pair of events. Whereas a war or a cold war can be set off by human agency, such as by the writing of a memorandum, the giving of a speech, the pressing of a button. Thus, an identified causal mechanism for the start of the Cold War and an historical explanation of its continuation would both need to be part of the chain of causation for the passage of the amendments and the preparation of the memorandum. The complexity of this causation makes these two events ultimately less determinable. This seemingly paradoxical situation inherent in social scientific inquiry is a good example of the principle of theoretical indeterminacy itself, and the fact that determinacy is a matter of degree which can never achieve completeness.¹⁶

**Using realism to study consent**

Shapiro and Wendt (1992) thoroughly described some of the ontological and epistemological approaches which can influence the study of consent. Arguing for a realist framework, they pointed out that logical empiricist frameworks can predispose the explanatory endeavor towards the utilization only of observable social facts. For instance, they argued that behavioral literature utilizing a version of logical empiricism required evidence of dissensus in order to infer coercion. On the other hand, according to their argument, observed, active acquiescence might lead

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¹⁶ This explanation of Jessop’s counterintuitive statement is may not be entirely convincing. Further consideration of this question is certainly required.
to a conclusion that consent was present. They also argued that interpretive frameworks that seek hermeneutic understanding of the meaning of social action can be predisposed towards overlooking ideological distortions, unconscious actions, and the effects of socialization and structural entities on self-understandings. Both logical empiricist and interpretivist frameworks, Shapiro and Wendt argued, can obscure power relations, especially when discussing something as “causally complex as consent” (1992: 205).

It was here argued that the accumulative power of a maturing working class may have been underappreciated in Burawoy’s earlier analysis (Burawoy 1979), obscuring both the possibility of intra-class strategic cooperation and the possibility that consent to the kind of historic compromise discussed by Przeworski (1980) was mutual for employer and employees, rather than being the product of an entirely hegemonic situation.

With respect to state theory, theoretical efforts to locate those who actively influence state policy have often focused on observable support or opposition to key policies, rather than harder to observe consensual processes. These observable activities have been used to stress the relative role of various historical actors (union leaders, corporate executives, state managers, intellectuals, politicians, government bureaucrats, advocates of various interests, etc.) and their respective social-structural entities (working class, ruling class, the intelligensia, elected-officialdom, state-bureaucracy, interest groups, etc.), as part of the development of various theories of the state and of welfare state policy determination. The ontological assumption in much of state-theoretic research is that empirical events are observable, and that structural entities are harder to observe and measure without ascertaining associated networks of actors. Some make that effort and some do not.

A focus on consent of key actors, however, or on the active or inactive constraints exercised by a particular structural entity at a specific historical conjuncture, requires the recognition that efforts must be made to ascertain (as opposed to observe) inaction as well as action. This would require the documentation of historical patterns of action both before and after the posited inaction. Had Senator X consistently opposed an internationalist stance for U.S. foreign policy up until the Cold War heated up, after which he began to actively support policies such as the Marshall Plan? Had he opposed expansion of domestic social welfare benefits until at one point he failed to block their emergence from his
committee? If so, was there discursive evidence from his memoirs or diaries that *cross-frame discourse* regarding social security and national security had emerged from their previously separate *frames*? Was the advent of this new discourse influenced by the emerging Cold war *social ideology*? Did this help to overcome previous *policy dichotomies* and forge a new consensus about the value of achieving social security for national security and vice versa? Was there decisional evidence that Senator X’s key role in two key *policy domains* (the foreign policy domain and the social welfare policy domain) had a unique influence on two key *policy events* (say the Social Security Amendments of 1950 and NSC-68)? Did memorandums, correspondence, affiliations, contributions and other evidence suggest that Senator X was a key actor within the *action sets* which emerged around each of these *policy events*?

A realist approach to ontology and epistemology would empower a methodology which involves *abduction* as a path to explanation - or the use of developed theories to move from observed effects to unobservable causes (Ellis 1990, cited by Shapiro and Wendt 1992: 211). Thus, in the present case, beginning with the existing theories and the proposed theoretical amendments already outlined, we might select as paired effects the promulgation of NSC-68 and the passage of the Social Security Amendments of 1950. We would then move through the associated discursive and decisional patterns to an effort to better understand and explain the process by which such proximate effects came about, including both the direct and indirect effects of agency and structure.

**Other current implications of critical realism**

Social systems can not be suspended at any one point in time for the convenience of a scientist who holds to an ontology which requires only manifest phenomena, and who excludes efforts to identify indications of a generative

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17 The italicized terms are concepts used by Rein in his value-critical method of policy analysis (Rein 1983). In the methodology section, the use of this method for discursive analysis is discussed.

18 The italicized terms are introduced by Knoke and Pappi (1991). Their method is discussed in the methodology section, as it is seen as valuable in the decisional analysis required for research along these lines.
structure. Thus, even if we were to attempt to take an historical snap shot of the year 1950, the year in which two major social policy decisions were taken in the realms of social and national security - the Social Security Amendments of 1950 and NSC-68, the final documents themselves (which might arguably be the ontologically most concrete social fact for the application of a positivist method) can not be isolated from the myriad contributory acts and communications that lead up to them, nor from the social structural factors which constrained the actors so acting, speaking, writing, etc. In other words, there was a Cold War going on! There was more to postwar social welfare development than merely wise federal welfare bureaucrats, Keynesian budget managers, enlightened corporate liberal elites, labor and academic leaders of various left-of-center outlooks, politicians seeking re-election, and various manifestations of mass and interest group sentiments!

Thus, no effort to develop a social explanation of the promulgation of such memorandums or acts can rely upon an overly restrictive ontology, nor on a permissive epistemology which allows a simple rendition of discrete or absolute causal factors. Reference must be made to a much more complex social reality that influenced them, something requiring radical historicism not crude empiricism, transcendental realism not positivism or idealism. Through the use of ontological realism and the adoption of epistemic relativity is it possible, according to Bhaskar, to elaborate the relationship of human agency (an observable mode of material existence of social forms) and various causal effects of social forms expressed through really-existing social structures.

By identifying the international context as a crucial factor influencing social welfare, the present effort seeks to reveal the limitations of existing state theories in explaining postwar social welfare growth. This process of theoretical integration and amendment also relies upon transcendental realism in that it engages in what Bhaskar calls a metacritique of the omission of certain crucial variables in existing theory. In other words, a transcendental realism requires that such a project of necessity adopt an ontological realism with respect to the identification of the relevant empirical (historical) material. It also requires that such a project is in actuality epistemologically relative rather than absolute, requiring therefore a theoretical basis which is open rather than closed (such as regulation theory and the identified allied theories and theoretical amendments). If the intransitive and transitive dimensions are approached in this manner, then such a project has the
possibility of achieving some degree of judgmental rationality, or explanatory prowess, but only if these dimensions are accompanied by a such a self-reflexive metacritique.

Engaging in a metacritique of existing theories would involve “lifting up the table cloth to see what is underneath” existing state theory, social welfare history, and various ideological assertions of partisan historical actors. But this might not be an easy task. After all, liberals, social democrats and Marxists have made strong investments in their theoretical and activist approaches to explaining and influencing the pre-war and postwar welfare states. Lifting the table cloth is one thing, but attempting to whisk it away without disturbing the dishes is another. Clearly, some disturbance in the table setting must be expected. First and foremost, it is expected that we will see sitting at the table, celebrating their roles in arranging the centerpiece social welfare system, not only a liberal, a social democrat, a radical, a deserving beneficiary, a disruptive client, and an efficient state manager, but also a somewhat neglected corporate liberal elite, and even a reluctant elite brought somewhat belatedly to the table following the first serving (Eisenhower or Nixon would do).

The value of a counterfactual strategy as part of such a meta-critique is that it is the closest thing to an experimental manipulation available. In the presently identified topic, after all, we have the ability to utilize future concurrent research to ascertain the extent to which elite support for social welfare has actually been withdrawn in the post-Cold War world. (In other words, what is counter-factual for the past is semi-experimental for the future!). But even in the past, we can ask the counterfactual question, what if there had not been a Cold War? What if there had not been a bi-polar system of states engaged in contention as state systems? Would the postwar welfare state still have grown as strongly as it did?

To address such counterfactual questions, we must first ask: Did elites in fact support, consent or oppose welfare state development, and if they did, what do their correspondence, their speeches, their memoirs and memos, their biographies and autobiographies say about their motives? What concept of security did they have for the United States, and how were their conceptions of national security and social security related? What were their ambitions for securing the social and the

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19 A mandatory task of any good social worker, according to Professor Emeritus Irving Miller of Columbia University School of Social Work.
world? What if we were to first identify the discourses and the decisions -- in other words, the motives and discourses of the relevant historical actors, and their relevant empirical actions with respect to the two historical events of interest (the amendments and the memorandum)? What would this tell us about the hypothesized role of a strong exogenous structural entity - the existence of an opposing block of Soviet-type societies (Kennedy 1991). How did the ensuring Cold War environment influence the discourse and the decisions? Questions such as these can ultimately help guide in the formulation of the method and of the specific research design ultimately adopted.

**SECTION FOUR: METHODOLOGICAL ASPECTS**

By linking the specific observable actions (and discernable inactions) of historical actors involved in U.S. policy formulation (micro-level factors), with a study of various meso-level political processes, it becomes possible to shed light on the hypothesized macro-level relationship between the structural factor of interest (the bipolar contention between the East and the West) and the evolution of postwar social welfare development. Such a method is adapted from Kiser and Hechter (1991: 8). As Quadagno and Knapp (1992) pointed out, the use of narrative accounts of the actions and beliefs of historical actors is useful in order to establish such a link between structural theoretical variables (in this case exogenous factors such as systemic conflict, etc.) and actual historical events. This is particularly the case when one aspect of the mechanism by which such structures influence social welfare development in the postwar period is elite consent to demands for social welfare. In the absence of a smoking gun within meso-level political processes which could demonstrate the influence of such an exogenous variable and the exercise of consent, it becomes necessary to examine autobiographical and biographical and documentary accounts of the values, beliefs and motives of actual historical figures involved in the determination of foreign and domestic policy during this period.

The methodological observations of Ragin and Zaret are also useful in the present context (1983). Ragin and Zaret pointed out that much previous comparative research made the assumption of independence among cases required to utilize a variety of analytic techniques. This results in an underemphasis on the role of non-endogenous causes associated with historical conjunctures, such as the
Cold War context being presently considered. Moreover, because such cross-national studies were variable-oriented studies rather than case-oriented studies (Ragin 1987), a full qualitative appreciation could not always be made of the uniqueness of a particular case.

In carrying out a case study, such as the planned case studies of postwar British and U.S. social welfare development, it is still possible to ascertain the effects of exogenous factors and of such processes as consent. Martin Rein’s value-critical form of policy analysis is particularly suited for such an endeavor (Rein 1983). According to this method, an effort is made to identify the implicit frame which organizes the actions suggested by a theory. Such a frame is related both to actions, interests, purposes, facts and values, and serves to provide an integrated picture of the context within which policy-related actions are taken. In the present context, efforts can be made to utilize the results of narrative analysis (including the self-portraits, portraits and documentary pictures of historical activities) to bring such a frame into focus. A particular form of consensus concerning a particular policy domain, for instance, may constitute such a frame. However, such consensus may have evolved out of what Rein refers to as cross-frame discourse. At any one period of time, rival frames may contend with each other. Over time, these can evolve into what Rein refers to as mid-range policy dichotomies. For instance, the primary policy dichotomy of concern here is military vs. social expenditures. Such dichotomies can be nested within a broader social ideology, such as the Cold War ideology which evolved following World War II. At issue is what are the dominant and insurgent frames during the Cold War world, as well as the emerging post-Cold War social ideology.

According to Rein, frames can be discerned in several arenas - at the level of an individual actor, among networks of actors, and in the public arena of discourse. By concentrating data collection on autobiographies, biographies, historical accounts of the motives and actions of individuals, and documentary evidence of individual values, beliefs, relationships and actions, it becomes possible to extend individual frames of key actors into the networks within which they first act upon their frames, and further on into the public arena. How these frames relate to the policy dichotomies of interest can be assessed in light of the evolving social ideologies. In the present case, specific attention would be given to the juxtaposition within the frames identified between Cold War foreign policy and postwar social welfare development. Rein’s value critical form of policy analysis is
ideally suited to the present topic, because it helps to combine public, elite network, and personal discourse analysis with the analysis of meso-level political processes. Such an approach would enable an effort to examine the hypothesized relationship between the bi-polar structure of postwar state systems and the subsequent take-off of social welfare expenditures, while also shedding light on the harder-to-observe intervening variable of consent.

However, a discourse-relevant method such as Rein’s has the disadvantage of potentially obscuring the actual exercise of decision making. It is here that the method of Knoke and Pappi (1991) would prove valuable when paired with that of Rein. Knoke and Pappi built on pluralist and state-centered theoretical perspectives. Earlier work by Laumann and Knoke (1987) did structural analyses of U.S. energy and health policy and demonstrated that network concepts were useful in explaining policy formation. Laumann and Knoke found that tightly knit interest group coalitions, often led by labor and business, fight for preferred policies. The organizational state perspective included interest groups, unions, corporations, associations, professions, government bureaus, legislative and judicial bodies as key players. This perspective saw (1) blurred boundaries between state and private sectors, (2) both sectors as equally pro-active, and (3) shifting coalitions, largely nonideological in character. Knoke and Pappi viewed the polity as having numerous policy domains, any subsystem of the polity whose participants are a diverse group of policy matters, interest groups, public authorities, etc. For instance, in the present case, there may be a national security/foreign policy domain and a social security/domestic policy domain. Policy events are defined as a particular issue, say the implementation of NSC-68 and the consideration of the Social Security Amendments of 1950. An event public consists of all domain organizations that express interest in a particular policy event. Collective actors are three or more formal organizations within an event public that communicate among themselves. Often there is one key pro and one anti collective actor for a particular policy event. An action set are those actors within the collective actor who are coordinating activities of the collective actor. An important question for a policy domain is the global structure of opposing groups across these multiple events, which can be discovered through an organization-by-event analysis over time. An opposition network is the pattern of overlapping memberships among the collective actors or action sets that form around a set of policy events within a specific domain during some period. Thus, for instance, in tracing actions on the social security
amendments of 1950, it would be possible to use concepts such as those of Knoke and Pappi to identify the crucial actors involved in the policy event (amendment) and the actual actions (and inactions) taken at crucial steps. The concepts of Rein would be used to frame the discourse within the event public. Over time, the discourse frames on national security policy event and the social security policy event would be compared, and the opposition networks in the national security policy domain and the social security policy domain would be compared.

Was there in fact a good deal of overlap amongst those elites involved in policy determination in both spheres? Did a planned coordination of foreign and domestic policy occur? Dissertation research on the period 1939-1946 indicated that the best efforts at planning postwar domestic and economic policies did not prove to be very effective (Brady 1975: 310; Eakins 1966). The immediate post-war planning capabilities of the Council of Economic Advisers, the National Resources Planning Board and the Bureau of the Budget seemed limited, although the N.R.P.B.’s “New Bill of Rights” of March 1943 was submitted to Congress by Roosevelt as a peacetime extension of the New Deal (Eakins 1966: 394). For this apparent sin, the N.R.P.B. was eliminated by Congress later that year (Eakins 1966: 425). Although succeeded by the Office of War Mobilization and Reconversion, this agency too was eliminated in 1946 (Eakins 1966: 431). However, as will later be shown by some of the limited primary sources consulted for this paper, the C.E.A. and the B.O.B. were in the loop by 1950, when it came time to consider the implications for domestic spending of the recommendations of NSC-68. So was the National Security Resources Board. 1950 was the same year that Social Security Amendments were passed providing for a massive expansion of Social Security eligibility and benefit levels. Thus, 1950 provided a most interesting juxtaposition of national and social security activity, one which calls for substantial further analysis.

Such anecdotal or descriptive findings, however, would not be sufficient to adequately develop convincing social explanation. The use of a consistently applied method of discourse and decisional analysis, such as represented by the combined use of the Rein and Knoke/Pappi methods, would be necessary in order to achieve such a level of methodological vigor. Of course, in the present exploratory effort, no attempt will be made to fully apply such a method to the examination of the working and alternative hypotheses. Instead, a combination of narrative and logical argument will be used.
SECTION FIVE: REVIEW OF PREVIOUS EMPIRICAL RESEARCH

Polity-centered research

The recent work of Theda Skocpol provided an overview of the various approaches to the origins and growth of social welfare. Skocpol developed a typology which is used (in part) to organize this section on the empirical research related to this question of welfare state origins and growth. This typology divided the research into the following approaches: the logic of industrialism approach (Wilensky and Lebeaux 1958; Wilensky 1975); national values approach (see Orloff and Skocpol 1984 for a discussion of this); the political class struggle approach (Esping-Anderson 1985; Korpi 1983; Myles 1984; Shalev 1983; and Castles 1985); and the welfare capitalism approach (Domhoff 1971; Quadagno 1984; Berkowitz and McQuaid 1988). Skocpol described the welfare capitalism approach as looking for “splits between conservative and progressive capitalists as the way to explain social policy innovations” (Skocpol 1995: 17). Skocpol argued that capitalists opposed the policies, but then afterwards tried to shape them. Skocpol hasn’t accepted the notion that elites tried to influence policies in order to head off worse policies. Rather, Skocpol saw the origins of the welfare state in the pension and social insurance programs of Europe from 1880s-1920s, and in the veteran’s pensions and protective legislation of early 20th century United States. She noted the advent of national social insurance in the United States during the Depression, but then stated (p. 12):

In the aftermath of World War II, Great Britain rationalized a whole array of social services and social insurances around an explicit vision of “the welfare state,” which would universally ensure a “national minimum” of protection for all citizens against old age, disability and ill health, unemployment, and other causes of insufficient income. During the same period, other nations - especially the Scandinavian democracies - established “full employment welfare states” by deliberately coordinating social policies, first with Keynesian strategies of macroeconomic management and then with targeted interventions in labor markets.

Skocpol described the ways in which state formation is often heavily influenced by war, but denied that this was a major factor in the development of a central state in the United States, until after World War II (p.20):

Only after World War II, when the United States took on global imperial
functions, did a federal “military-industrial complex” emerge, nourished by the first persistence into peacetime of substantial direct federal taxation.

But Skocpol did not perceive that it was a warfare/welfare state developing during this period, with both policies being related to the new imperial function. Rather, Skocpol stressed the postwar defeat of a more far reaching social welfare agenda (p. 300). Skocpol did describe the GI bill and the maturation of social security occurring during this period, however.

In general, Skocpol (1995) saw the growth of the modern welfare state are taking off from the period of the Depression through the immediate postwar periods, but offered no quantitative analysis of whether the Depression or the postwar period were more important, and why. Nor did Skocpol explain why the massive postwar expansion occurred when it did. She criticized the logic of industrialism approach, which might have explained the timing of such growth as coinciding with postwar industrial development. She also criticized the working-class struggle model and the welfare capitalism models.

As for the effects of an end to the Cold War, Skocpol (1995) isn’t a proponent of optimistic scenarios of continued welfare growth. Skocpol described the efforts of Peter Peterson and the Concord Coalition in attempting to roll back universal entitlements. The Bipartisan Commission on Entitlement and Tax Reform, on which Peterson served, was heavily influenced by Peterson’s views in Facing Up: How to Rescue the Economy from Crushing Debt and Restore the American Dream. But Skocpol has not presented a full analysis of why it is that growing numbers of elites appear to be mobilizing against entitlements that apparently served them well during the Cold War. For instance, why is it that Malcolm S. Forbes made the following statement? (Forbes 1993):

Two world wars and a 40-year cold war have been catalysts for an enormous expansion of government, whose scope and intrusiveness would have seemed utterly inconceivable when this century began.....But the Cold War is over, and a major hot war is remote for now. What was tolerable in war is no longer in peacetime....After major wars, governments were never reduced to the sizes they had been before the conflicts. But now the costs of the welfare state are becoming unsustainable - politically and economically. The restructuring that corporate America has been undergoing for almost 15 years and that European companies are just beginning will hit public sectors everywhere.

One would perhaps need to look long and hard to find a duplication of Forbes’
degree of frankness or of his retrospective attribution of Cold War motives which influenced elites to consent to the unprecedented levels of postwar social welfare development. But history rarely serves up smoking guns. All the more reason to utilize whatever theoretical weapons are at our disposal. Skocpol's research helps to explain the earlier origins of the welfare state, using a polity-centered approach, and her model may useful in explaining social welfare development in the postwar era.

**Logic of industrialism approaches**

The modernization thesis has been described as viewing the welfare state as developing autonomously within particular societies (Usui 1988). This thesis is at the root of the logic of industrialism approach. The author best known for locating the growth of welfare states within the logic of modernization and industrialism is Harold Wilensky. In Wilensky and Lebeaux’s classic study published in 1958, the phrase “reluctant welfare state” was used to describe the United States (Wilensky and Lebeaux 1958: xvii), and a residual-institutional dichotomy for modern social welfare was established. The authors accepted the assumption of competition between military and social welfare expenditures in the domestic budget (p. 156). Wilensky and Lebeaux would not have traced growing Western welfare expenditures to Cold War contention, as one of their central outlooks was that industrial societies (including the U.S. and the Soviet Union) have similar social problems, and the responses to these problems are dictated by industrialism more than by varying cultural and political outlooks (p. 47). Wilensky and Lebeaux identified two structural roots of the form taken by the U.S. welfare state: population heterogeneity and political decentralization. In addition, one values-centered explanation was offered: the doctrine of individualism. U.S. industrial society, like all societies, was seen as facing issues of specialization, stratification, integration, and socialization. Social welfare was seen as one of several responses of the modern state to these issues.

In a later comparative study, Wilensky continued this dual task of identifying structural and cultural determinants of the welfare state. Wilensky asked a key sociological question (Wilensky 1975: 13):

> How do ideology, polity, and economy affect the development of the welfare state, its impact on real welfare, and the political response evoked by both welfare spending and welfare performance.
Continuing with what became an explicit convergence theory, Wilensky argued that industrial countries that can afford it have similar attitudes towards social welfare, as they are moved by needs for political order (under conditions of a push for equality from below) and stable economic incentives. Wilensky was strongest when examining differences and similarities between national social welfare systems (Wilensky 1975: 68):

In sum, among rich countries, the welfare state will be most developed and supporting welfare ideologies most powerful where a centralized government is able to mobilize and must respond to a large, strongly organized working class with only modest rates of social mobility; where the middle mass does not perceive its tax burden ... unfair ... relative to the rich...and does not feel great social distance from the poor; and finally where the tax system has low visibility, self-employment is meager, and the private [occupational] welfare state limited.

As can be seen, both polity, working class mobilization, national values and industrialization perspectives can be seen in this explanation. However, Wilensky spent an entire chapter in an effort to address an alternative hypothesis close to the one presented in this paper. He criticized the views of radical sociologists such as Gouldner (1970) who have revived Lasswell’s early work on the garrison state. Lasswell stated that modern society is moving towards a “warfare-welfare state”, where elites promote social welfare growth in order to enhance the national integration and morale necessary for military mobilization (Lasswell 1941). Another explanation criticized by Wilensky was the view that Western capitalism needed to adopt military Keynesianism in order to solve economic crises endemic to capitalism. However, while attributing this later view to Baran and Sweezy (1966), Wilensky failed to note that Baran and Sweezy’s also attributed increased military expenditures to the West’s need for a “global military machine ... for carrying on its unremitting struggle against the advance of socialism” (Baran and Sweezy 1966: 206).

Wilensky was committed to a convergence theory, not a contention theory such as (in a way) is presented in this paper. Wilensky argued that, rather than being beneficial to capitalism, military spending dampened economic growth. He focused on the retarding role of military spending on social welfare spending, saying it slows but does not stop social welfare growth. He cited a study which showed how the major determinant of military spending (about half the variance) is
interaction among enemies (Wilensky 1975: 74). His data indicated there was no such thing as a warfare-welfare state. But he admitted that the notion of a pairing of guns and butter isn’t entirely ludicrous, given the coincidence of various drives for social welfare during and immediately following various wars (even though he didn’t see this as being the case during the post-W.W. II period).

Wilensky also presented a causal model to see if elite outlooks explained differences in welfare state development, and concluded that they didn’t. There was no significant effect of a variable consisting of whether elites planned for social equality or merely for equality of opportunity. However, the sample included the U.S.S.R., East Germany, Bulgaria and Sweden, and presumably these were coded as countries where elites planned for equality. In any case, his results did not rule out an alternative hypothesis that Cold War contention stimulated elites from the Western bloc to support social welfare. In other words, strategic considerations might have taken precedence over national/cultural ideologies in the 1950-66 period covered by this portion of Wilensky’s study. Once such strategic considerations were no longer as important, such ideologies would presumably re-assert themselves, according to such an alternative hypothesis.

Wilensky concluded his book with the observation that the welfare state humanizes industrial society. Wilensky didn’t feel that capitalism is a threat to social welfare, because industrialization requires social welfare, although military expenditures can limit welfare state growth. A good deal of additional research on modernization could certainly be consulted in looking for an alternative hypothesis to the one presented in this paper (Flora and Alber 1981). The convergence hypothesis is still a robust model, and it is supported by theories of path dependence and other factors which could well bode well for post-Cold War social welfare development. The combination of industrialization and working class mobilization, when combined with the peculiar cultural values and polity structures of various countries, would clearly continue to be important sources influencing the post-Cold War welfare state. However, it still remains to be seen whether changing elite attitudes towards social welfare could prove to be an important variable.

**Class-struggle/social democratic approaches**

In his 1990 study, *Three Worlds of Welfare Capitalism*, Gosta Esping-Anderson advanced the state-of-the-art in cross-national/historical comparative social policy
Esping-Anderson didn’t merely use atheoretical indexes of welfare expenditures as a dependent variable in a regression equation. He sought, rather, to identify the actual properties that unite or divide modern welfare states. He concluded there are three diverse regime types, each organized around organization, stratification, and societal integration. Each regime was influenced by different historical forces, and has developed differently. Esping-Anderson broadly labeled them conservative, liberal and social democratic. The ideal-typical representative of each was as follows: Conservative (Germany); Liberal (U.S.); Social Democratic (Sweden). He concluded that his argument is directed against most of the prevailing theoretical paradigms of social science. On the one hand, he utilized economic and employment data more extensively in analyzing each nation than do most social policy analysts. On the other hand, he argued that the theories he rejected are those that place economics as the main determining factor of the nature of social welfare states. He argued that issues of the evolution of each nation-state as a state are key, and that the nature of the evolution of the state influences economic development and social welfare development.

He pointed out, "Our theoretical heritage emerged in an epoch in which the state was visible primarily in its capacity to conduct war and police the populace” (p. 222). He argued that a state-centered approach to social welfare theory was lost because modern democracy was seen as a diminution of the authoritarian state, and that the state was de-emphasized in terms of its role in economic development. Sources outside the state but indigenous to each society were seen as vying for influence on state policy. He noted that the work of Skocpol, Block and others brought the state back in, but that this neo-Marxist research agenda had no real comparative perspective on social welfare to offer. Esping-Anderson, however, argued that historical characteristics of states played a major role in welfare-state development.

For instance, Esping-Anderson pointed out that Giddens's 1985 book The nation state and violence (Esding-Anderson 1990: 1):

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20 The following year, Len Doyal and Ian Gough published A Theory of Human Needs (1991). This effort at constructing population-level indicators of human welfare has led to cross-national comparative research on the state of human need satisfaction across the globe (Gough and Thomas 1994). This research, using 1989 data, has the advantage of serving as what has been called a “pre-post communist baseline study” of need satisfaction (Dover 1992).
highlights the causal influence of wars, a factor which has been almost wholly neglected in the large literature on welfare-state origins. *In our account, this argument cannot be confronted directly.* Yet it is given some indirect support in our emphasis on the relative strength of absolutist and authoritarian rule. The leading theme in our account, however, is that the history of political class coalitions is the most decisive cause of welfare-state variations. (Present emphasis)

Thus, although Esping-Anderson is considered by Skocpol to be a class-struggle theorist, he (like Skocpol) also has a polity-centered approach close to what might be labeled "neo-pluralism". And Esping-Anderson essentially admits that the method of his study would not permit an assessment of one particular historical factor: war, or for that matter, cold war.

What have been the overwhelming historical characteristics of the 20th century? One viewpoint of this history would be to stress the struggle between democracy, fascism and communism prior to 1945 (Schumpeter 1950), and between capitalism and socialism since the Russian Revolution (Hobsbawm 1994). By viewing historical characteristics entirely from the standpoint of endogenous factors, and treating each nation and even each of the three types as independent of each other, two analytic weaknesses can arise.

First, as Charles Ragin (1987) has pointed out, much comparative research using regression analysis (which requires the assumption of independence among cases) has viewed each case as a mixture of variables. Yet inadequate data exists on each case in the data set to be able to construct an adequate description of that case standing alone. Such an analysis describes the relative influence of various variables on different countries. This variable-oriented (as opposed to case-oriented) analysis helps to explain the proportion of variance in social welfare expenditures explained. But it doesn’t provide a realistic picture of each nation’s social welfare system. Second, exogenous variables which might have influenced sub-groups of nations can not easily be identified without stratifying the analysis and using advanced forms of regression analysis which can handle community-level variables.

**SECTION SIX: COUNTER/ALTERNATIVE HYPOTHESES**

Rather than present a list of formal hypotheses oriented towards formally testing theory, this paper will present alternative hypotheses and working
hypotheses aimed at a more preliminary historical exploration. Furthermore, an effort will be made to organize the arguments in a manner which facilitates the use of historical narrative in addressing them.

If our central assertion (our primary hypothesis) is not supported, then there should be support for a number of alternative hypotheses. The alternative hypotheses formulated to this point are related to assertions that postwar social welfare development was a natural extension of already-established policies which had their origins in Imperial Germany, pre-World War I England, and the Depression-era United States. Furthermore these policies themselves would be seen as arising from endogenous factors, with exogenous factors not being significant. These hypotheses can be addressed, to a goodly extent, using a combination of an argumentative and a narrative form of exposition. They are by and large historically prior to the material which must be addressed in order to explore the feasibility of the main hypothesis of this paper. Thus, they are explored first, and in order of historical occurrence. They are not treated exhaustively. In fact, once there is sufficient reason to reject the alternative hypothesis of no significant exogenous factors, the paper moves onto to the next period, perhaps at the cost (in this preliminary study) of leaving the reader with an unsatisfactory overall account of social welfare development in each period.

**Alternative origins: the case of Bismarckian Germany**

There is little support in Steinmetz’s study of the origins of social welfare in Imperial Germany for the notion that the international context was an exogenous factor influencing social welfare development (Steinmetz 1993). Perhaps one reason for this was Steinmetz’ concentration on the relationship of the local and the national, on the “social” rather than the “social” and the “world”. Nevertheless, since Bismarckian policies are often cited as the wellspring of the welfare state concept, this period deserves examination.

The overall era of Bismarck (1861-90) was certainly key to establishing social welfare frameworks, but it wasn't until after the Franco-Prussian war of 1870-71 and the fall of the Paris Commune, that Bismarck's social insurance policies were established, beginning in 1882. Although Bismarck feared internal class war, “the ideal of insurance had a particular fascination both in his domestic and his foreign policies,” and he was influenced by Napoleon III's handling of social policy
as an instrument of politics (Schottland 1967: 35). Mills and Montgomery traced
the origins of national social insurance in Germany to local authorities empowered
to mandate worker participation in mutual help associations, which covered two
million persons by 1880. The objectives of the system were seen as checking
Marxian socialism and building national gratitude towards the state (Mills and
Montgomery 1938). In 1863, just after taking power, Bismarck had extensive
discussions with Lassalle and become intimately familiar with his doctrines (Mayer

Lassalle's position, expressed in the Gotha Programme in 1875, was that the
working class movement should struggle within the framework of the nation-state.
In the Communist Manifesto, Marx and Engels had admitted that the proletariat of
each country needed to first settle matters with its own bourgeoisie. They saw the
struggle of the proletariat as national in form but not in substance (Marx and Engels
in Tucker 1978: 482). In Critique, Marx endeavored to explain how it was that
Lassalle's policies were in opposition to the positions of the Communist Manifesto.
He pointed out that the framework of the national state "is in itself in its turn
economically 'within the framework' of the world market, politically 'within the
framework' of the system of states...The greatness of Herr Bismarck consists, to be
sure, precisely in his pursuing a kind of international policy" (Marx, Critique of the
Gotha Programme, in Tucker 1978: 533, emphasis in the original).

According to Marx's observation, Bismarck's policies could be seen
strategically not merely as an effort to dampen domestic working class struggles (an
argument consistent with social democratic class struggle theory), but as an effort to
contain working class struggles “within the framework” of the state, and to prevent
their internationalization. As evidence of this, Marx cited an editorial in 1875, in
Bismarck's Norddeutsche, taking satisfaction that the Social-Democratic Programme
seemed to be repudiating the International. The Paris Commune of 1871 must have
brought to Bismarck's mind the barricade fighting of 1848 in Paris, Berlin, and
Vienna and of 1849 in Dresden. With Bismarck's support, the Commune was
crushed, leading Marx to comment, "Bismarck gloats over the ruins of Paris..."
(Marx, Civil War in France, in Tucker 1978: 650).

The alternative explanation to such a strategic perspective is that Bismarck's
reforms were merely a response to internal working-class pressure, and this requires
further examination. In 1878, when the Exceptional Law (or Anti-Socialist Law)
was passed, the Social-Democratic Party was temporarily broken up, and votes for
it fell to 312,000 by 1881 from 493,000 in 1877. The Party was functioning without a legal press after 1878, and without the right of assembly, although it was still apparently able to place candidates on the ballot. By 1884, despite these restrictions, it increased its votes to 550,000. Still, this was only 10% of the electorate. It wasn't until after the 1890 election, in which the Party's votes rose to 1,427,000, that, according to Engels, "the anti-Socialist Law disappeared" (presumably either repealed or no longer enforced). The Party's vote rose to 1,787,000 in the next election (Engels, The Tactics of Social Democracy, in Tucker 1978). The argument that the social insurance laws of the early 1880's were a response to Social-Democratic pressure is a strong one. Even when the Anti-Socialist Law was in place, working class electoral and political strength still had to be reckoned with.

But the notion that strategic concerns of the German state vis a vis its external environment were a motivating factor can't be ignored. True, there was no socialist bloc in place as there was after World War II. And the International Working Men's Association was weakened after the fall of the Paris Commune. But networks advocating proletarian internationalism, based primarily in Germany, France and England, still existed. The French Workers Party programme, the preamble of which was written by Marx, was adopted in 1880. By 1890, according to Engel's Introduction to The Civil War in France, Marx's doctrine (rather than Proudhon's) was dominant amongst political circles of French workers. Given these political realities, Bismarck remained constrained to follow what Marx called his "international policy of conspiracy" (Marx, Critique of the Gotha Programme, in Tucker 1978: 533). Bismarck kept in mind simultaneously not only the needs of the German bourgeoisie but of the bourgeoisies of all capitalist nations. These industrial and financial interests were linked in a system of states bound together by a delicate system of haute finance, international trade, etc. (Polanyi 1957).

Bismarck pioneered a strategy of implementing social welfare reforms as an explicit effort to contain working class movements within national boundaries. He wished both to prevent the spread of international socialism from Germany to other states, and to avoid the contamination of the German workers by proletarian internationalism. He does appear to have seen German social policy in light of the "system of states" of which Marx spoke. International socialism does appear to have been an exogenous factor influencing German social welfare policy. Bismarck saw his social insurance system not purely as a domestic matter, not merely as part of
his *sozialpolitik*, but as part of a *realpolitik*.

As a scholar and political actor, Weber did not come on to the public stage until after the demise of Bismarck. An exploration of Weber’s views concludes this preliminary examination of the origins of the welfare state in Germany. Weber criticized Bismarck for not going far enough in protective labor legislation, and for using the police against workers during the period of the socialist laws. But he was not adverse to an armaments build-up and the military enforcement of Germany’s overseas interests. Weber favored a “world power policy” consistent with the duty of the German people, along with other “cultural nations, to participate as a master people in leading the fate of the entire world” (Weber cited in Mommsen 1990: 69). He favored cooperation with England in developing colonies (Mommsen 1990: 140), and admired the manner in which working class support for British colonialism had been achieved in England. According to Mommsen, “Weber sought world equality for Germany and a respectable colonial empire,” (p. 138) along with expanded foreign trade to make up for Germany’s deficient agricultural output. He felt that Bismarck’s policy of stressing the Reich’s continental security and hegemony, and of pursuing only modest overseas acquisitions, had been mistaken.

As a liberal proponent of imperialism, Weber was at one and the same time a critic and a defender of both the Social Democrats and the bourgeoisie. He was an opponent of uncontrolled class struggle and a proponent of responsible trade unionism. He favored enlightened policies by big business, and had distaste for narrow thinking. Weber was a realist who understood that class conflict reflected diverging but not necessarily inherently conflictual interests, and he favored measures binding the working class to the state. Labor-capital conflict, along with other social antagonisms, would eventually lead to liberal social reforms and a national state that would be better positioned to project power globally.

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21 It should be pointed out, however, that Weber was not an advocate of stifling worker’s rights or struggles, merely an opponent of policy that prevented the maturation of the working class as an essential interest group in society, one which could help break up the industrialist-conservative alliance that held back progressive social policy.

22 For Weber, “The mere differentiation of property classes is not ‘dynamic’, that is it need not result in class struggles and revolutions...However, the juxtaposition of property classes may lead to revolutionary conflict.” (Weber, p. 303 Economy and Society)
Weber’s views on domestic social conflict and social policy should always be seen in view of his views on world power policy. Mommsen pointed out that Weber’s Freiburg inaugural address in 1895 “was the impetus for the rise of liberal imperialism in Wilhelmine Germany,” helping to make such views socially acceptable (Mommsen 1990: 71). This strategic linking of domestic and foreign policy was fundamental for Weber, according to Mommsen (a scholar of imperialism): “The social position of the working class appeared to Max Weber to be tied directly to the success or failure of the imperialist expansion of the Reich” (Mommsen 1990: 78). In order to win support from the working class for such a foreign policy, advances on Bismarck’s patriarchal social policies were required. Mass political education was also needed, as Weber perceived a need to prevent an proletarian internationalist outlook on the part of German workers. Such an advanced view is similar to Titmuss’s observations about the state having a concern for the morale of the civilian population whose support in foreign endeavors was needed (Titmuss 1963). In many respects, the policies favored by Weber for Germany were similar to the policies of the modern corporate liberals who (this paper argues) wished to simultaneously fight the Cold War internationally and advance social welfare measures at home. In other words, one of the founders of modern sociology was an advocate of the kind of strategic pairing of international context and domestic policy which is the topic of this paper. As has been seen, the origins of the welfare state can be found in policies which were adopted by elites and favored by nationalistic intellectuals who explicitly recognized the linkage of domestic social welfare policy and national foreign policy. During this one pivotal period of welfare state growth in pre-W.W. I Germany, this linkage was apparent.

Of course, these observations are based upon a selective reading of the massive literature available to and used by Steinmetz, Mommsen, Marx and Engels, etc.. However, in this rather preliminary investigation, some evidence was found that the international context was at least a variable having a significant influence on elite and academic attitudes towards social welfare.

**Alternative origins: England’s early road to social welfare**

What of pre-World War I England? Can exogenous factors be shown to have had a strong influence on the evolution of the social policies of this nation? If so, did they lead to elite consent to popular demands for social welfare? We have
seen from the work of Titmuss (1957) how concern for military mobilization capabilities was a key influence in producing support for and consent to social welfare measures in pre-World War I England. The conjunction of anti-communism and domestic liberalism in the postwar U.S. was matched in Britain by what Bernard Semmel has referred to as the "strange union of socialism and imperialism in the thought of leading Fabians in the period between the wars" (Semmel 1960: Preface). Semmel demonstrated convincingly that the British elite saw the value of maintaining domestic social benefits, as a part of an international effort to project power and protect overseas interests. In a review of the outlook of George Bernard Shaw, a leading Fabian, William Irvine (1946) pointed out his lifelong opposition to militarism. But as an early Fabian, Shaw authored a pamphlet in 1900, Fabianism and the Empire, which sought to heal the split among the Fabians over the Boer War. Receiving almost unanimous approval, the pamphlet was a step beyond the Fabian’s previous resolution (favored by Shaw and Sidney Webb) to limit themselves to domestic reforms and not get involved in foreign policy matters.\(^{23}\) In it, according to Irvine, Shaw defended the right of England to violate the absolute sovereignty of other nations if necessary to advance the advent of a higher civilization and greater social justice. Despite holding to Fabian principles, extended to foreign affairs, the document appears to represent a certain accommodation between social reform and imperialism, of the kind described by Semmel. Although it wasn’t possible to complete even a preliminary study of pre-war England, it is likely that a thorough study of this relationship of imperialism and social reform in Britain would bear sufficient fruit to sustain the argument that exogenous influences and elite consent to Fabian reforms were significant factors in pre-war British social welfare.

**Alternative origins: Roosevelt era policies**

Another counter-argument is that the U.S. social welfare system didn’t really take off after World War II. Instead, its origins were largely in Roosevelt administration policies. The trajectory of growth began there. Moreover,

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\(^{23}\) This “head in the sand” approach to foreign affairs on the part of many liberal (and even socialist) advocates of domestic reform is something which would continue to influence social reformers throughout the century.
exogenous factors had little or nothing to do with the New Deal, which can be explained largely by class struggle and polity-centered theories. The work of Gardner (1969) and Sherry (1995) can be relied upon to shows the relationship of foreign policy and militarization to the New Deal. In the view of Gardner, New Deal policy was devised within the context of our international policy. At first, there was a certain nationalist, isolationalist aspect to New Deal policy. This program was one oriented towards concentrating on progress within our boundaries, rather than attempting to construct a powerful American role within the international economy. The New Deal would compensate for the lack of a West to settle and would substitute for American's lack of a colonial system to exploit. At the same time, the New Deal would create profitable opportunities for business and counter the Marxian argument that capitalism would inevitably lead to immiseration of the masses. Gardner described this policy of key Brain Trusters in 1933-34 as a form of intranationalism, based upon an economic foreign policy of self-containment. But other New Dealers dissented. Henry Wallace, Secretary of Agriculture, consistently argued that the United States needed to seek new frontiers in overseas markets for product and produce. Gardner cites Treasury Secretary Henry Morgenthau's description of the Bretton Woods agreements as the logical extension of the New Deal into international efforts to address poverty.

During the Roosevelt administration, there was a philosophical link between domestic and foreign policy. The use of semi-socialistic domestic policies required the enforcement of free trade and access to foreign labor and consumer markets for American capital. In the postwar world, this included U.S. access to Eastern European markets. There was perhaps no more symbolic example of this link between domestic New Deal policies and the evolution of postwar foreign policy than Truman's decision to dispatch none other than Harry Hopkins to Moscow in 1945 to discern the Soviet Union's intentions. With Bretton Woods in place, an Open Door Policy was essential to multilateral international commerce. Yet Hopkins’ trip failed to result in an open door to Poland, and soon Molotov announced opposition to American proposals for equal opportunity for outside traders and investors in Eastern Europe. Each country falling under Soviet influence was seen as one less normal market for international trade. And even though Wallace opposed deteriorating relations with the Soviet Union in the famous Madison Square speech that lead to his resignation, Gardner points out that Wallace also held out for the Open Door Policy in Eastern Europe and China. In other
words, even the last New Dealer in the Truman cabinet foundered on his continued insistence on the possibility of keeping the door open to the Soviet sphere on influence. The postwar domestic/foreign policy consensus was, according to Gardner, the "modified free enterprise New Deal, New Frontier, Great Society". Gardner concluded: "The intra-nationalism of the most dedicated New Dealers, then, continually reckoned upon the outward thrust of frontier expansionism" (p. 111).

The Great Society Gardner referred to was not a reference to the domestic policies of the sixties, but of a society which embraced free trade as well as free speech, a society which respected basic human rights but equally valued the freedom of business interests to pursue profit unhindered except by necessary regulations. Such a path was endorsed by liberal and capitalist alike, and represented an elite compromise that containment abroad would be paired with adequate levels of social welfare at home. Liberals consented to anti-Communist foreign policy, and capitalists consented to the expansion of the minimal levels of prewar social welfare into a modern welfare state. As Eakins (1969: 143) put it, New Dealers recognized the importance of "the attainment of New Frontiers abroad as a solution to overproduction and unemployment at home." The New Deal could not save capitalism in an isolationist world. Eakins described a working relationship among a corps of businessmen, government officials, academics and labor officials who forged a Cold War consensus: (p. 143):

To these men reform meant government-supported economic growth and end to depression and class warfare; it meant a corporatist cooperation among government, business, farmers and labor.

This cohort of planners, referred to as corporate liberals by Eakins, knew that both domestic and foreign policy measures were necessary in order to address domestic problems. Neither could be relied upon in isolation from the other. From its roots in the New Deal, right through to the Fair Deal, a strong segment of elite decision-makers appears to have consciously coordinated their views on the relationship of foreign and domestic policy.

An alternative take on this period is that of Michael Sherry (1995). Sherry’s book contends that, beginning in 1933, militarization helped to shape almost every realm of American life. Sherry argued that militarization is a better conceptual tool with which to understand the history of the United States since that time than such terms as national security, Cold War, the warfare state, etc.. He viewed
militarization as a process, one which mobilizes civil society for the production of violence. Sherry’s point of view might be deemed a “logic of militarization” approach. Sherry described the roots of social welfare in the Civil War veteran pensions, and regularly traced the relationships between military and social expenditures in the century to come. During the Roosevelt administration, Sherry argued that many New Deal programs were at first justified in terms of “recovery”, but by 1936 Roosevelt also justified New Deal measures by the need for “internal preparedness” for the coming world crisis. One might argue that Roosevelt recognized that some elites might consent to New Deal measures in response to such an argument. In his most cogent expression of this point of view, Roosevelt argued in 1939 in his State of the Union message (quoted in Sherry 1995: 22-23):

> Our nation’s program of social and economic reform is therefore a part of defense as basic as armaments themselves...[Illustrations offered]...Never have there been six years of such far-flung internal preparedness in our history.

According to Sherry, Roosevelt “borrowed from the arena of war to confer legitimacy on the state’s role at home” (p. 24). This did not mean that Roosevelt was an advocate of militarization. Sherry pointed out that prior to the war, he was not eager to expand defense spending. However, Sherry argued that Roosevelt’s “notion of the New Deal as ‘internal preparedness’ neatly straddled and conflated the two spheres of national action” (p. 29, present emphasis).

Despite his preference for the centrality of militarization, Sherry also outlined the evolution of the term national security. He argued that Roosevelt’s conception of “American security rested on all constituents of national power, not only on military force” (p. 31). Both businesspeople and academics contributed to the discourse on national security, he argued, and by the time of Pearl Harbor, it was already a well-developed conception. Given the proximity of the passage of Social Security, it is clear that there was a pre-Cold War juxtaposition of social security and national security discourses in the United States. That elite planners recognized the strategic relationship of social security and national security was seen in documents produced in 1941 by the National Resources Planning Board (quoted on p. 47):

> To be worth dying for, a political system must make possible a society that is worth living in...[Social welfare programs were not] sentimental humanitarianism [but the] first line of national defense.
Early studies of the fitness of draftees shocked the nation, and Eleanor Roosevelt used the findings to argue for national health insurance, another example according to Sherry of “fusing social welfare and national defense” (p. 49). The identification of a juxtaposition between national defense and social welfare, as well as between national defense and Roosevelt’s warnings against right-wing and left-wing subversion, are not merely a retrospective observation of Sherry, based upon selective readings of national discourse. The justification of national progress and myriad state initiatives in the name of national defense was what stimulated Lasswell to coin his developmental construct the garrison state (Lasswell 1941). To use Sherry’s central metaphor, the nation was under the shadow of war, even prior to the outbreak of war itself.

It would be premature to conduct further preliminary study of this central period. Were future research conducted in an attempt to explain the Social Security Amendments of 1950 and NSC-68, it would be necessary to thoroughly review the various explanations of the origins of the Social Security Act during that decade. However, this brief review demonstrates that attempts to explain social welfare development must take into account the juxtaposition of the discourse and the decisions about both social security and national security. This has rarely been done with respect to Roosevelt era social policy, and has not yet been done with respect to Fair Deal measures such as the Social Security amendments of 1950. Further research informed by such a perspective seems called for, based upon this brief review of alternative origins of social welfare.

**Alternative explanation: Social welfare growth slowed well before the end of the Cold War**

Another alternative explanation is that while the U.S. social welfare system may have grown after World War II and during the Korean and Vietnam war years of guns and butter, the growth stopped far earlier than the thaw in and the end of the Cold War. Instead, the growth slowed down when the economy went into crisis after the 1973 and 1979 oil crises, and when the welfare state went into crisis under Reagan. This preliminary exploration will not be able to address this important alternative hypothesis. Moreover, to address it at this point would be to disrupt the historical flow of the paper thus far. There is a mammoth contemporary literature on the welfare state “crisis” which would need to be examined in order to address
this argument.

SECTION SEVEN: WORKING HYPOTHESES

In this section, a number of working hypotheses are presented. These are statements, stemming from the main hypothesis of the paper, which can be subjected to empirical examination. Some are subjected to preliminary examination. Others are deferred for later examination. Others will be addressed in planned case studies of postwar social welfare development in Britain and the United States. These are by no means a complete set of working hypotheses, but are a start in the process of hypothesis generation. The goal here is merely to demonstrate there is some reason, at least, to further address the main hypothesis being proposed.

**Cold War military and social expenditures: A non-zero sum relationship?**

If social welfare and educational expenditures were perceived to be key aspects of a domestic policy which needed to be coordinated with foreign policy, then such expenditures should have grown in tandem with rather than in opposition to other federal expenditures necessary for Cold War foreign policy - namely military and space exploration expenditures. According to such a perspective, social welfare and educational expenditures would be a key aspect of the postwar development of national states within the U.S. sphere of influence. While at any one point in time there might be competition for limited funds between advocates for military or social expenditures, over time these expenditures would grow together rather than at each other’s expense. Although it is beyond the scope of the present or proposed research, national variations in the relationship of military and social expenditures in Western countries may be partially explained by the extent to which the national security of a particular state was served by expenditures undertaken by the United States, N.A.T.O., or by neutrality. This should be particularly true for neutral countries and for countries occupied by the U.S. and other allied forces following World War II. For those countries as a whole, lower military spending obligations might well be correlated with higher social welfare expenditures, whereas for the United States alone the opposite might prove to be the case, since it was the primary source of military expenditure subsidies to other
countries. However, the hypothesis that military expenditures and social expenditures grew in tandem should prove true even in the case of the U.S., if we control for U.S. military aid and in-kind expenditures subsidizing the defense needs of Western Europe, Japanese and Korea. In other words, subtracting those amounts from the total military budget, the hypothesized tandem growth of military and social expenditures should be apparent. Even in the absence of such control, however, there may be evidence of such an in-tandem growth of military and social expenditures, rather than a divergent, zero-sum growth pattern.

Since military expenditures have been strongly correlated with the maintenance of the Cold War, it would make sense to explore the actual extent to which military and social expenditures have worked at cross purposes to each other. Skocpol and Amenta (1986) cited studies by Russett (1982) and Griffin, Divine and Wallace (1983), which found that there was no significant trade-off of military and social spending during the thirty years beginning just after World War II. Skocpol and Amenta concluded that short-term domestic political processes might combine with fiscal constraints in determining whether there will be a guns vs. butter trade-off (Skocpol and Amenta 1986). Russett’s study examined the case of the United States from 1941-1979 and concluded (1982: 774): “The absence of a relationship between federal military and social spending appears to be quite robust.” Health, housing and education were considered, but not income maintenance spending. The author noted that the in-tandem increase of such spending with military spending began during World War II, and attributed the postwar growth in these areas as being supported by “defense-minded legislators and officials” concerned about the health and literacy of draftees (Russett 1982: 776). Two other studies have produced varying results. Kelleher, Domke, and Eichenberg (1980) contended that guns/butter tradeoffs would be unlikely over the short run, and results indicate such a trade-off for the United States but not for several other nations. The results generally show that only for the United States does a negative association appear between the two types of expenditure, with economic factors being predominant. Keman (1985) found a trend towards greater tension between guns and butter over the period between 1962-1982.

**Social welfare spending took off during the Cold War, not prior to the Cold War**

If the Cold War context can be said to be an historically significant variable
affecting postwar social welfare development, then it is first necessary to
demonstrate that social welfare spending took off during this period, and not prior
to this period. If other words, if we were unable to confirm the alternative
hypothesis that the origins of social welfare policies were the result of endogenous
factors, it might still be the case that the prior combination of endogenous and
exogenous factors was so strong, that any subsequent growth in social welfare
during the Cold War was merely path dependent. This hypothesis would require the
accumulation of statistical data on local, regional/state and national social welfare
expenditures in Britain and the United States during the 20th century; the mix of
occupational, voluntary and public sector expenditures; and the proportion of
G.N.P. and public budgets which each represented. If there were not support for
such a Cold War take-off, there would be little reason to proceed. Thus, this
hypothesis would need to be addressed using such descriptive data. In the present
preliminary examination, this task is largely deferred.

**Social Security and national security in the Cold War era**

If an influential segment of U.S. elites recognized the value of consenting to
or even promoting the development of public social welfare in the U.S., then it
stands to reason that in our foreign policy we would also support the development
of such systems in other advanced and evolving capitalist nations. This hypothesis
can be examined by describing the social welfare aspects of U.S. foreign policy
towards postwar development in Europe. Did the Marshall Plan, other official
policy, and our covert operations in these countries express support for social
welfare measures, or oppose them? Given that communist, socialist, social
democratic and labor parties would tend to favor strong social welfare policies, did
the political formations supported by the U.S. oppose such policies? Where the
U.S. was an occupying force, and had strong influence over immediate postwar
policies, what was the social welfare policy favored by the U.S.? In order to
ascertain whether there is any basis for more detailed research into such an
argument, in this section the results of some brief reading in Cold War
historiography and of some of the primary documents of the Cold War will be
presented.

**Cold War historiography**
We have seen that from an ideal-typical standpoint there were two master narratives of postwar social welfare development, one approach which posits a key macro-structural variable - industrialization - and an approach which stresses the varying outcomes of conflict among masses and elites within nation-states. Neither approach gives a good deal of stress to exogenous factors affecting national social welfare development, or provides an analysis of the Cold War context, except to stress the limits which military spending placed on social welfare growth. There have also been two broadly-defined master narratives of Cold War origins and development - the traditionalist/orthodox and the revisionist approaches (Anderson 1981; Crockatt 1995). The traditionalist approach tended to stress the responsibility of the Soviets for the Cold War. The revisionist approach, which attempted to consider evidence for Western culpability, is represented by the work of Alperovitz (1965); Horowitz (1967, 1971); Oglesby and Shaull (1967); Kolko (1969); Gardner (1970); Clemens (1970); Barnet (1973). The revisionist approach is available in collections edited by Horowitz (1969) and is critiqued by Maddox (1973). Crockatt stressed, however, that there were many varieties of emphasis in these two approaches (Crockatt 1995), but that both tended to be voluntarist in outlook, unlike Halle (1967), who stressed the historical necessity of the conflict.

A number of authors have attempted histories of the period, notably Fleming (1961), from an unabashed Wilsonian internationalist point of view, Walker (1993), McCormick (1989), from a world systems/elite hegemony perspective, as well as the two-volume study by Andre Fontaine (1968 (1965)). One historian has specialized consistently on research in this area (Gaddis 1972; Gaddis 1987). Recently, several post-Cold War studies have become available (Crockatt 1995; Allin 1995; Gaddis 1992; Johnson 1994; Levering 1994; Marullo 1993; McCormick 1995; Schaffer 1993), and it is likely there will be a considerable literature which retrospectively examines the Cold War, especially now that there is limited access to Soviet archives.

Common to both the traditionalist and revisionist accounts, however, has been a relatively similar description of the nature of a Cold War consensus that centered around an evolving conception of containment (Gaddis 1982; Etzold and Gaddis 1978). In general, the consensus of both Cold War hawks and doves has been that containment was largely a strategic policy which relied primarily upon military strength, foreign economic and military aid, and strident anti-Communism. Where the social welfare activities of the nation-state came into Cold War
historiography, they were largely viewed by traditionalists and revisionists both as having been diminished due to Cold War military priorities.

**An alternative narrative**

But an alternative narrative can be constructed from an examination of the secondary material and some examination of key documents, memoirs, etc. Such a narrative would attempt to ascertain the connections between domestic and foreign policy, in light of the possibility that the Cold War foreign policy determination process was influenced by and had an impact upon postwar social welfare development.

What has been called the Cold War consensus emerged in the years following World War II, but had its origins during the last few years of World War II. In 1943, Hobsbawm argued, U.S. policy makers were pre-occupied with the need for economic, political and social stability in the postwar world, in order to prevent a disastrous repeat of the Depression (Hobsbawm 1994: 232 citing Kolko 1969). Containment of Soviet influence within areas that did not threaten vital U.S. interests was a key component of such a foreign policy of stability. Containment was key to a growth-oriented domestic economy, because growth depended upon access to growing, not shrinking, foreign markets. As Eakins put it, New Dealers recognized the importance of the attainment of New Frontiers abroad as a solution to overproduction and unemployment at home (Eakins 1969). Isolationism would not save capitalism, and by 1948 an entire book, entitled *Saving American Capitalism* was issued by New Dealers eager to extend their influence in the Cold War era (Harris 1948).

A key argument of the book was one made by Chester Bowles, a New Dealer who became a key Cold War player: that communism can easily appeal to desperate, underprivileged people, and that “the most effective means of opposing Communism is a bold, dynamic program of economic, social and political reform” (Bowles, writing in Harris 1948: 19). As a product of the growing split between liberals and progressives which arose during this period (Walton 1976; Schaffer 1993), Eakins described a growing working relationship among a corps of businessmen, government officials, academics and labor officials who forged a Cold War consensus (Eakins 1969: 143):

To these men reform meant government-supported economic growth and an end to depression and class warfare; it meant a corporatist cooperation
among government, business, farmers and labor.

This cohort of planners, referred to as corporate liberals by Eakins and moderate conservatives by Domhoff (1987-88), knew that both domestic and foreign policy measures were necessary in order to address domestic problems. Neither could be relied upon in isolation from the other. Nor would this cohort of planners easily cave in to the vociferous advocates of more militaristic policies.

**Containment militarism**

With the advent of the Eisenhower administration, there was overwhelming support from the public for Truman’s policy of containment, and for the international military and economic obligations seen as part and parcel of that policy. As Sanders puts it, national political ideology and foreign policy doctrine had dovetailed (Sanders 1980). This policy was only partially modified by John Foster Dulles for the Eisenhower administration. Dulles wrote for public consumption that the Republican difference would be the use of moral resources in world affairs and support for the principle of liberation of captive nations in the Soviet bloc, rather than merely containment. But just as Hans Morgenthau described McCarthy’s policy as one of blaming treason in order to reconcile delusionary omnipotence with limited power (quoted by Graebner 1985: 64), so Dulles’s version of liberation was equated with the illusory potential of the ascendance or survival of Chiang Kai-shek, Bo Dai, and various Eastern European nationalist movements. The use of such language was consistent with Republican campaign rhetoric, but was never fully operationalized except in covert actions, many of which had previously been authorized under Truman. Dulles’ introduction of “massive retaliation” as a policy in 1954 was no more than an H-bomb era version of the mutual assured destruction policy which issued from the Truman years. Dulles’ stance has been referred to as “speak loudly and carry a soft stick” (Brands 1988). Moreover, his use of a term such as moral resources can be considered his version of the “holy pretense” of Dean Acheson described by Lloyd Gardner (Gardner 1970). As far as Europe was concerned, Eisenhower basically reaffirmed the Truman containment policy (Graebner 1985: 69).

Inter-elite conflict over foreign policy during the Cold War was often framed within the containment policy consensus as a form which has been described as “containment militarism” (Sanders 1980) or the “militarization of containment” (Crockatt 1995). Elite factions around the original Committee on the Present
Danger organized for a position which matched the conclusions of NSC-68 (Sanders 1980). However, as will be seen, other elites opposed the NSC-68 stress on reducing non-military expenditures, and the commonly accepted view that NSC-68 became the dominant outlook is not accurate (Sanders 1980: 84). As Sanders points out, both left and right have assumed that the public rhetoric of the post-NSC-68 period accurately reflected policy (Sanders 1980), but actual administration activities under both Truman and Eisenhower were far more complex, especially in Europe.

Containment militarism was in many respects a Korean-wartime, incremental change in personnel, emphasis and rhetoric, rather than a fundamental shift in policy, especially with respect to social welfare policies, which continued to play a central role in both the U.S. and Western Europe despite increased military spending.

**Containment and a “third force” in Western Europe**

But, as Allin has also argued, there were two varieties of containment, one more focused on military aspects than the other. Both were united on the need to maintain the balance of power in Europe, although Kennan saw it as stable and Acheson stressed its potential instability (Allin 1995: 15). The most doctrinaire neo-conservatives....(Allin 1995: 135-6):

...were ready to cast European Socialists as Soviet dupes and fellow travellers. Yet the truth is that West European Socialism was among the bulwarks of anti-Soviet containment. The social-Democratic welfare state, derided by neoconservatives for allegedly sapping Western will, was in fact the West’s secret weapon. The most plausible Soviet threat, very real in the first years after World War II, was the extension of Stalinist power by political means...”Social Democracy” can be a slippery term, and it is true that the European welfare state was also in large measure the creation of conservative parties: Gaullists in France and Christian Democrats in West Germany and Italy.

But Allin noted that the Western European welfare state also reflected not only the socialist vision of Eduard Bernstein but also that of a coalition of people (across ideological lines) who had feared and resisted Nazism. The social democrats within this coalition, especially after the February 1948 coup in Czechoslovakia and the estrangement of Yugoslavia, now feared that Soviet strength was a threat to democratic socialism’s future within autonomous nation-states (Braunthal 1949).
The changed outlook smoothed acceptance of the Marshall Plan, passed by Congress shortly after the coup.

But to what extent were elite policy makers of the same opinion regarding the centrality of postwar social democratic and welfare state measures to containment? To restate the central argument of this section, if exogenous factors stemming from the Cold War context influenced national decisions about social welfare expenditures, there should be evidence in the history of Cold War foreign and domestic policies that this was the case, for the United States and perhaps as well for other N.A.T.O. countries. In other words, there should be evidence that key policy makers explicitly considered the value of social welfare expenditures in fighting the Cold War.

Marullo’s observations help to address the question of the role of exogenous influences. Marullo defined the Cold War as a "complex set of policies and institutional arrangements that arose over a forty-year period" (p. ix) which aren’t likely to change merely because of a reduced external threat. Marullo stressed "the systemic and comprehensive nature of the cold war’s incorporation into the policy making process” (p. x). Nor should militarism be understood only in terms of weapons and armed conflict. Rather, Marullo’s book examined the (p. 5): “operations of the military, economic, political, and other social institutions that sustain militarism....” Thus, at one and the same time, everyday life may be both more militarized than we realize, and seem more dominated by war than it really is. Periods of “negative peace” between wars are equally important to understand, Marullo argued.

Marullo described two macro-levels of social organization: the national and international. At the international level, Marullo viewed nation-states as (p. 11) “fairly autonomous nation-states that are only loosely integrated into a global order which has few mechanisms of conflict resolution. The present analysis would not concur with that conclusion, as it stresses exogenous influences which
delimit nation-state policy autonomy. Moreover, an approach which stresses the key influence of established institutions can miss the people who shaped the events which came to be institutionalized in established patterns of state policy and practice. But Marullo’s main concern is with the cold war at home (P. 11):

At the national level, the cold war has facilitated the creation of a military-industrial complex that has institutionalized itself in the economy, the political system, and the education system. Further, it has produced a set of cultural beliefs that sustains its operations. This is probably the greatest challenge we now face: deconstructing the domestic institutional operations and beliefs that sustain militarism.

Still, such an outlook is consistent with the revisionist version of the Cold War master narrative: namely, that there was a zero sum relationship between military and social spending. But looking at the origins of Cold War, Marullo pointed out that there were two alternatives to the containment doctrine: the rollback doctrine (Curtis LeMay) and a third view, advocated by State Department Soviet expert Charles Bohlen, which was “to promote a strong, independent Europe to serve as a third force to counter the Soviet threat” (p. 45). While the containment policy was officially adopted through National Security Council Directive-20 (NSC-20), Marullo pointed out that the Marshall Plan’s intent was to reshape Europe into a third force. Moreover, this third force was made of up nations that were increasingly under social democratic influence. As Braunthal had reminded the readers of Foreign Affairs in 1949 (Braunthal 1949: 600):

...nearly all European countries outside the Russian orbit are governed by Social Democrats or by governments in which Socialists participate.

Seen as a bulwark against the Soviet Union, a social-democratic Western Europe as a third force was not anathema to the isolationists and liberals who Marullo argued supported the third force policy. By July 1947, Kennan himself had moved away from a strict “perimeter” defense conception of containment to a “strongpoint” defense posture, one which emphasized those regions of the world where U.S. interests were most essential (Gaddis 1982: 57-58). In March of that year, NSC-7 had already recommended giving first priority to Western Europe by implementing a European Recovery Program (later called the Marshall Plan). NSC-7 went so far as to endorse the Western European Union’s development as an “anti-communist association of states” (Etzold and Gaddis 1978: 168). Within such an association, the U.S. would tolerate social democracy, but would draw the line on communist
participation where possible. These nations would not be considered a U.S. sphere of influence, but rather a politically independent center of power in Western Europe (Gaddis 1982: 63), albeit one under the emerging N.A.T.O. umbrella. Marullo himself concluded (1993: 48):

From our perspective today, however, after the end of the cold war, we can see that it was the third alternative - creating an independent force in Europe based on political pluralism and mixed social welfare-capitalist economics - that has proved to be the bedrock of U.S. security since World War II. The positive effects of the Marshall Plan in helping to rebuild western European economies, create pluralist political systems, and develop civil societies rich with voluntary associations has been a source of stability and prosperity in what is now the emerging European Community.... In short, hindsight indicates that the third path has proved to be the effective agent of change throughout Europe and the former Soviet Union.

This insight by Marullo, based upon observations by Gaddis, has important implications for the present thesis. For it means that key elite figures involved in formulating foreign policy were aware of the importance of social democratic policies in forging anti-Communist alliances by and with Western European capitalist democracies. This is not to say that U.S. policy was to support social democrats over Christian democrats, but it is to say that U.S. foreign policymakers were cognizant of such a strategy.

This was particularly the case for advocates of a third force such as Charles Bohlen. Bohlen had originally been suggested as a State Department special liaison officer to the White House by New Deal domestic policy figure Harry Hopkins, early in 1945. As Undersecretary of State from 1945-1947, Acheson’s Nine-Thirty Club included Bohlen (along with Alger Hiss, George Kennan, Dean Rusk and others). When Kennan left the NSC, and Acheson left State, Bohlen remained at State. Bohlen’s voice had long been heard as an expert on Soviet affairs. He had warned as early as May 1943 against Soviet embassy activities in Latin America (Gaddis 1972: 51). He was Marshall’s translator at meetings with Stalin (McClellan 1976). He shared the view of Acheson and Kennan that the Soviet Union “must have given the North Koreans the go-ahead signal” (McClellan 1976: 275). Bohlen later become influential with Kennedy (Gaddis 1982: 200).

There is little doubt that, as much as Bohlen and others were concerned with the hot war in Korea, they never lost sight of the social democratically inclined third force in Europe. The onset of the Korean war had led to increased domestic
political pressure on Washington to cut back military and economic aid to Europe, due to increased costs associated with the Korean conflict. But this occurred at the same time as economic crisis in Western Europe was making its own military commitments (including Korea) prohibitively expensive. As early as July 1950, the Pentagon was opposing proposals to extend the Marshall Plan beyond 1952, and demanding that the military aspects of the plan be placed in the Department of Defense, not the State Department. European members of N.A.T.O., responding to the crisis, increased military spending by approximately fifty percent, but this rearmament created political crises in Europe. In the United Kingdom, a cabinet member in the Labor government resigned in the Summer of 1951, charging the welfare program was being sacrificed due to rearmament. In France (which had expenses of its own in Vietnam), there was also dissent over such increased N.A.T.O. expenses.

A multinational approach to this dilemma was soon in the offing. In July and August 1951, Acheson, Harriman, Nitze, and Bohlen met to “discuss ways and means of easing the European economic crisis and at the same time coordinate the competing demands upon the national budgets of the various N.A.T.O. members before disaster engulfed the entire enterprise” (McClellan 1976: 353). Soon, however, a more stable (albeit temporary) mechanism for such coordination was established following a proposal by French Foreign Minister Robert Schumann and Finance Minister Rene Mayer. The Temporary Council Committee (TCC) was established at an Ottawa meeting of N.A.T.O., with marching orders to get to the bottom of European military and economic capabilities. This transnational body was a clear-cut exogenous factor influencing subsequent budgetary decisions in N.A.T.O. countries (McClellan 1976: 353):

In effect what Acheson hoped to do with TCC was to have an organ of N.A.T.O. break through the traditional barriers of each member’s national sovereignty and make authoritative recommendations concerning the allocation and improved utilization of their economic, financial, and military resources.

While all N.A.T.O. countries belonged, three (U.S., Britain and France) were given carte blanche to “examine each member’s economic and fiscal resources and to redirect the allocation of its resources” (p. 354). The decisions involved both military and social expenditures, including housing policy, etc.: “Never before had such intimate coordination and direction of twelve countries’ economic and political
life been attained in time of peace” (p. 354). Ultimately, TCC collapsed concurrently with the 1954 French decision to sign the Geneva Accords on Vietnam and then reject the formation of the European Defence Community (EDC). The EDC was an effort supported by Adenauer, Britain and the U.S. to form a united European defense force alongside N.A.T.O. A more detailed examination of the policy deliberations of TCC would provide further evidence of the nature of U.S. policy towards the growth of the welfare state in Western Europe.

**Domestic policy and National Security Memo #68**

Did the U.S. propose that in Western Europe a policy be followed such as recommended by Nitze (in NSC-68) for the United States (i.e. reduced non-military expenditures)? Or did other key policy makers support the European equivalent of the understanding expressed by members of the Council of Economic Advisers and the budget office, who opposed that aspect of Nitze’s policies? This question was partially examined used a combination of primary and secondary sources. Nitze had argued in NSC-68 for:

...reduction of federal expenditures for purposes other than defense and foreign assistance, if necessary by the deferment of certain desirable programs. This would likewise be a matter for consideration by the White house, the Bureau of the Budget, and Council of Economic Advisers, and the National Security Resources Board. (Foreign Relations of the United States, 1950, Volume One)

Representatives of each of these offices received the NSC-68 memorandum. A subsequent memorandum by William F. Schaub, Deputy Chief of the Division of Estimates, Bureau of the Budget, May 8, 1950, argued (Foreign Relations of the United States, 1950, Volume One, pp. 298-306):

If our danger is from Soviet influence on vulnerable segments of society - generally large masses of subjugated, uneducated peoples - what is our program to reach these masses and prevent Soviet influence? How do you promise them and insure them a chance for freedom and improvement?...The gravest error of NSC-68 is that it vastly underplays the role of economic and social change as a factor in the ‘underlying conflict’...The test of survival for an established civilization is its ability, not only to defend itself in a military sense, but also to handle these pressures by removing or alleviating the causes - a most difficult task since it frequently requires removal of ruling groups or injury to vested interests. One might generalize that the degree of underlying success in the cold war to date has
been in direct ratio to the success in adjusting social and economic structures to the twentieth century wave of economic egalitarianism - even though the methods have frequently been inept and have violated our concepts of a desirable and efficient economic system....There is no follow-through [in NSC-68] on the social and economic schisms which today provide the basic groundswell for disorder and weakness, which make our task so difficult, and for which we have not developed guidelines and techniques adequate to cope with the vicious ‘ideological pretensions’ and methods of the Communists. A revolutionary movement taking advantage, however cynically, of real elements of dissatisfaction cannot be stopped by the threat of force alone....At the moment there are some 3 ½ million unemployed...The document [NSC-68], however, is subject to criticism for inconsistency in proposing that higher security expenditures be counteracted by increased taxes and a curtailment of domestic programs. This seems hardly a program for stimulating economic growth. It is suggested that as a general guideline that any security program which requires either a significant increase in the tax base or the curtailment of domestic programs which have an investment or developmental effect, should be considered as raising serious questions on the economic side.

Also dissenting from the implications of NSC-68 were Hamilton Q. Dearborn, representing the Council of Economic Advisors, whose memo was approved by Leon H. Keyserling (Foreign Relations of the United States, 1950, Volume One, pp. 306-311):

In the Council’s view, the United States economy's capacity for growth is such that substantial new [military] programs could be undertaken without serious threat to our standards of living, and without risking a transformation of the free character of our economy. Yet the adoption of such programs would create major problems of economic and social policy. Unless carefully and imaginatively prepared, their adoption could create concerns on the part of the Congress and the public which could ultimately threaten their success...

Although the problems they anticipated were broader than merely social welfare policy (they concerned problems of taxation, regulation, inflation, unemployment, etc...), it is clear that the Council shared concerns about a move away from social expenditures in general.

Thus, the recognition of the value of social democratic policies in fighting the Cold War was not restricted entirely to Western Europe. The Cold War at home required more than merely anti-Communist hysteria and militarization. In order to achieve what Kennan later called “national greatness” (Kennan 1951), a variety of
domestic policies were needed. In fact, in the famous “long telegram”, Kennan had set the tone for the wisdom of such a connection between foreign policy and domestic social policy very early on (Moscow Embassy Telegram #511, 2/22/46, p. 63 in Etzold and Gaddis 1978):

Much depends on health and vigor of our own society. World communism is like a malignant parasite which feeds only on diseased tissue. This is the point at which domestic and foreign policies meet. Every courageous and incisive measure to solve internal problems of our own society, to improve self-confidence, discipline, morale and community spirit of our own people, is a diplomatic victory over Moscow worth a thousand diplomatic notes and joint communiques. If we cannot abandon fatalism and indifference in face of deficiencies of our own society, Moscow will profit - Moscow cannot help profiting by them in its foreign policies.

Thus, early on in the Cold War, one of the careerist and inner-and-outer elites which McCormick (1989) saw as having dominated Cold War foreign policy fully recognized that both military and social welfare policies were needed on the part of the West in order to contain communism in the postwar world. Traditionalist and revisionist narratives, however, have not stressed this motivational aspect of Cold War elite policy making. In order to understand the extent to which these elites also influence domestic policy in other nations and in the United States, it is necessary to briefly examine the bedrock of European policy: the Marshall Plan.

**The Marshall Plan and social welfare in Western Europe**

In April 1947, the Greek Civil War was raging, and England had already asked for the U.S. to take over its traditional role in Greece and Turkey (where the U.S.S.R. was pressing for a base on the Turkish straits.) The draft of the President’s Truman Doctrine speech caught up with Secretary of State George C. Marshall and his aid Charles Bohlen in Paris on their way to Moscow for a Foreign Minister's meeting. They replied the speech seemed to overly emphasize the communist danger, but a response said the President and his staff didn't agree. Marshall and Bohlen's meeting with Stalin left Marshall convinced that Stalin was in no hurry to address Europe's recovery needs, which were considerable despite two years of U.N.R.R.A. activities. Marshall felt that Stalin's policy was one of drift and continued economic crisis. Continued high levels of unemployment and unrestored infrastructure were breeding grounds for communism in Bohlen's view,
and he and Marshall felt that this must not have escaped Stalin's attention. When they returned Marshall turned to the Policy Planning Staff he had set up under George Kennan to fully consider Europe's recovery needs (Bohlen 1973).

The result was a Policy Planning memo and a report from Will Clayton (Fossedal 1993) that were pieced together by Bohlen for Marshall’s Harvard speech announcing U.S. willingness to mount a major European recovery effort. The original draft by Bohlen and the final speech by Marshall made no effort to use anti-Communist rhetoric, but Bohlen's memoir made it clear that Marshall and he knew that the U.S.S.R. and Eastern Europe would not participate (as they had in U.N.R.R.A.) if there were requirements of accountability. The anticipated Russian demands in this respect came at a Paris exploratory meeting of the major powers in July 1947. The demands, once predictably rejected, lead to Soviet refusal to participate, and to vehement objection to the Marshall Plan by the Communist parties of Western Europe. But the February 1947 coup in Czechoslovakia, which had occurred shortly after Marshall’s Harvard speech, lessened European Social Democratic opposition to the Marshall Plan and primed U.S. public opinion. The Czech government was first an elected Communist-socialist coalition. Communists were one-third of the government in France at the time, and contending in Italy at the ballot box and in Greece with force of arms. (Bohlen 1973).

The Brussels Treaty had been signed in the Spring of 1947 and the North Atlantic Treaty would establish N.A.T.O. on April 4, 1949. But N.A.T.O. would not have been enough to secure Western Europe in Bohlen's opinion. Without both N.A.T.O. and the Marshall Plan, "the communists might easily have assumed power in most of Western Europe" through local parties supported (militarily if necessary) by the U.S.S.R. (p. 268).

Cold War rhetoric may have been used to obtain support for the Marshall Plan, but corporate liberal policy researchers favored it all along for its economic value, well before the Cold War. Eakins (1966: 372) pointed out:

The National Planning Association had already, in 1944, offered a proposal on the scale of the Marshall Plan. It had done so strictly on the basis of American domestic needs, making no arguments about a cold war with Russia, and calling for a great expansion of government-supported foreign investment.

Furthermore (Eakins 1966: 387):

The corporate liberal policy planners were concerned about the economic
threat to America’s expansionist desires abroad, however, and seldom used the rhetoric of the Cold War in the form it took in Congress.

But we can not take Bohlen's or Eakins’ assessments at face value. There is equal evidence that the Stalin-Churchill implicit agreement of spheres of influence in Europe was respected by Stalin.

**Post-World War I relief efforts**

In addition, Bohlen himself had a blind spot. Bohlen correctly traced the history of the Cold War to the Bolshevik seizure of power in 1917. But Bohlen blamed the Soviet Union for making England and all capitalist powers "the number-one target of a cold war" between 1918-1933, a conflict motivated by "the fantasy of the Soviet Union's being surrounded by capitalist enemies" (p. 272). Bohlen viewed that fantasy as becoming a reality only in 1933 with the ascendance of Japan and Germany. He ignored the reality of the Western invasion of Russia shortly after the signing of the peace treaty with Germany. In fact, that invasion occurred simultaneously with the organization of a major Hoover-led relief effort in Europe from 1918-1923 (Bane and Lutz 1943). Although organized on a smaller scale than the Marshall Plan, it was motivated by the same kinds of fears of Communism as were less frankly acknowledged by Marshall, Bohlen and others. As President Wilson argued in a confidential message to Congressional leaders in favor of the plan:

> Food relief is now the key to the whole European situation and to the solution of peace. Bolshevism is steadily advancing westward, has overwhelmed Poland, and is poisoning Germany. It cannot be stopped by force, but it can be stopped by food, and all the leaders with whom I am in conference agree that concerted action in this matter is of immediate and vital importance. (Woodrow Wilson, January 11, 1919, Bane and Lutz 1943: 176-177).

Herbert Hoover's own account of the motivations of the effort, written for Collier's in 1943 and entitled "We'll have to feed the world again" (reprinted in Bane and Lutz 1943) included the following retrospective observation (p. 14):

> Added to the growing pains of these new democracies was the fact that the Communists were stirring up more revolutions. And they found so receptive an audience in hungry people, that Communist revolutions one time or another seized a dozen large cities and one whole country - Hungary.
But this wasn't merely a motivation in hindsight. In a July 3, 1919 memorandum on the economic situation presented to the Supreme Economic Council, Hoover reported that 15 million families were currently receiving unemployment allowances from unemployment bureaus in Europe and that production of necessities was far below meeting the needs of 450 million Europeans (including Russia). He continued (p. 593-4):

The outcome of social ferment and class consciousness is the most difficult of problems to solve. Growing out of the yearning for relief from the misery imposed by war, and out of the sharp contrasts in degree of class suffering, especially in the defeated countries, the demand for economic change in the status of labor has received a great stimulus leading to violence and revolution in large areas and a great impulse to radicalism in all others. In this ferment Socialism and Communism has embraced to itself the claim to speak for all the downtrodden, to alone bespeak human sympathy and to alone present remedies, to be the lone voice of liberalism. Europe is fully of noisy denunciation of private property as necessarily being exploitation.

Hoover himself was confident that the higher levels of production in the Western Hemisphere, its allegedly equitable division of profits, and its various methods of ensuring that needs were met, could all be extended to Europe as well. This would defeat the threat of left-wing political experimentation or revolution. But this is not to say that Hoover and other supporters of the relief effort were advocates of military action against Russia. In fact, General Tasker Howard Bliss, the military representative of the U.S. on the Supreme War Council and the military member of the American Commission to Negotiate Peace, had, together with Hoover, begun arguing for temporary emergency relief of Europe as early as December, 1918 (p. 134). Their proposed budget for $100,000,000 of expenses was cabled by Norman Davis to the Secretary of the Treasury that day, and the very next day President Wilson asked the Secretary to propose such an amount to Congress (p. 139). Fully aboard the relief train, Bliss next wrote an eloquent memorandum to other members of the American Commission to Negotiate Peace, warning that "a plan is in preparation for waging war on Russia as soon as peace is concluded with Germany" (p. 304). He was concerned that money spent on relief plans would be diverted for this "detestable purpose." He pointed out that European powers expected American support, and would most likely fail to act in such a manner without that support. Having stated his own view, he argued that a clear cut statement of the U.S. position was needed, either pro or con. If we were to participate, he felt that the length of
such a conflict could be reduced substantially, but if we were not to participate, this should be clearly stated as well. Furthermore, Bliss argued, a clear-cut refusal to participate should be accompanied by a promise that should such a course of action (the invasion of Russia) take place, we would cut in half all but humanitarian aid, and that we would withdraw all our troops and cease any governmental aid except when paid for by the European parties. This memorandum is a remarkable document. Further research on the documents of the Supreme Allied Council and the Wilsonian Presidency would be necessary in order to ascertain the response of other elites to the memorandum.

**Conservative critique of the Marshall Plan**

Despite his prescient call for post-W.W. II aid, Hoover and Taft led the conservative coalition criticizing the Marshall Plan. Hoover called for some form of economic aid to Europe in order to build what Hoover called a "dam against Russian aggression" (quoted in Hogan 1987: 95). No doubt his strident opposition was stimulated by the treatment of the March 1947 Hoover Report on factors slowing recovery in Germany (originally requested by President Truman and Secretary of War Robert P. Patterson (Hogan 1987: 33)). His recommendations to stimulate German recovery, although supported by W. Averell Harriman, were opposed by many other Truman administration figures, who feared (and knew Europe feared) a resurgent German industrial base. However, his report, along with the suggestions of "officials of junior rank" for a more balanced emphasis on European integration, helped build consensus for some form of action (Hogan 1987: 35). In any case, shut out of the inner group of policy makers which subsequently shaped the Marshall Plan, Hoover rejected the growing internationalism of Arthur H. Vanderberg, and ended up joining the vociferous 1950 Republican Congressional critique of Truman foreign policy.

This critique called, among other things, for more emphasis on military rather than economic foreign aid, and the use of a Western Hemispheric air and sea power based nuclear shield, rather than having U.S. troops join N.A.T.O. forces (Hogan 1987: 385). Even so, another element of this critique was the view that the United States, by subsidizing the military needs of Western Europe, was subsidizing the Western European welfare state. There was particular resentment of Britain in this respect. Thus the call for enhanced military aid was coupled with criticism of social welfare measures. This discourse was also stimulated by the Committee on
the Present Danger's propounding of the essence of the secret NSC-68 proposals.

**Marshall Plan origins**

Had Hoover played his cards differently, and joined the Vandenberg camp, it is likely that his experience in World War I would have earned him at the very least a position "of counsel" to the Marshall Plan effort. Instead, the origins of the Marshall Plan are best described by Charles Kindleberger's memorandum. He confirmed that the Harvard Marshall speech was pieced together from paragraphs written by Kennan (and the Policy Planning Staff) and by Clayton (Kindleberger 1987: 29). A paragraph by paragraph comparison by Fossedal (1993) confirms this. But neither Clayton nor Kindleberger noted the role of the person who did the piecing together, Charles Bohlen (Bohlen 1973). As Kindleberger sensibly saw it, the differences centered on whether the plan would be U.N.R.R.A.-like (with the U.S. supplying resources but having only one vote on how to use the resources) or more under the control of the U.S. (Clayton's view).

Remembering the coupling of relief with invasion, the U.S.S.R. could hardly have been considered paranoid when the Brussels Treaty and N.A.T.O. were coupled with the Marshall Plan. Also, recent research documents that a “war for peace”, a preventive war against the Soviet Union, was actively considered by many leading government, university, and political figures (Buhite and Hamel 1990). Buhite and Hamel distinguished preventive war from defensive or aggressive. The preventive war conceived of after World War II was aimed at ensuring continued U.S. nuclear superiority. Moreover, the authors concluded that the Soviets were likely aware of the American discussions of such an idea in late 1949 and early 1950. A preventive war is a war related to securing the world, even if it means destroying at least part of it. But once the option of preventive war is rejected, and an aggressive war is considered insupportable (in view of the sanctions the world placed upon Hitler), there remains only the option of being prepared for a defensive war, and finding other measures to secure the world.

Charles Bohlen's views, published in 1973, blamed the post-W.W. II Cold War on the Duclos denunciation of Browder and on Stalin's 1946 electoral address. Bohlen blamed the cold war on an unwavering and consistent Bolshevik hostility against capitalist nations, which had only temporarily been tempered by the need for an anti-fascist alliance. But the Soviets might have said the same thing about the apparent similarity of the postwar coupling of economic relief, military alliance
building and actual and contingency-planned attacks on the Soviet Union itself, following both W.W. I and W.W. II. But a closer examination of the actual content of the Marshall Plan would be in order.

Harry Bayard Price’s semi-official history of the Marshall Plan has pointed out that the Marshall Plan was "many things to many" people (1955: 4). Price argued against seeing the Communist threat per se as the problem. Rather, the problem was the "significant weaknesses" represented by the...

other problems [which] play into the hands of the Communists by prolonging the very conditions that constitute Russian's major source of psychological and diplomatic strength in areas outside its control. And herein lies the deeper meaning of the Marshall Plan. For while grappling with immediate problems of economic revival, it also confronted some of the more submerged and protracted causes of Europe's debility.


...operated on the assumption that American resources were adequate to wage war, support social welfare programs, and contribute to European recovery and rearmament, so long as the American people were prepared to live with higher taxes, larger deficits, and economic controls. To conservatives, on the other hand, the economic consequences of the Korean war had confirmed the thesis that the United States could not afford guns and butter both....Social welfare programs were curtailed or put in cold storage, notably the program for public housing and the plan for national health insurance....Something similar was happening in many of the Western European countries. Here the defense effort taxed available resources to the limit, dislocated economies, and shook political coalitions.

Such a conclusion is consistent with the postwar master narrative that military and social spending were at odds with each other.

**Marshall Plan leverage - how was it used?**

Alan S. Milward, an economist, has extensively examined postwar reconstruction (Milward 1991). Milward argued that the revisionist historians argued that the Plan gave the U.S. leverage over the domestic policies of European countries. The revisionist historians assumed that the U.S. exercised leverage to discourage the growth of socialistic policies such as social welfare programs in Western Europe. Was the Marshall Plan used to pressure on Europe to reduce social welfare expenses? Or was it the opposite? McCormick pointed out that U.S. manipulation
of European domestic policies came through European Recovery Plan (ERP) counterpart funds, essentially matching funds. The use of the combined funds was subject to veto by the U.S.-controlled Economic Cooperation Agency (ECA), and the ECA often vetoed the use of the funds for social welfare purposes during the first year of operation, forcing social democratic governments to reduce debt, balance budgets, etc. A more thorough examination of ECA records would be necessary to obtain more than this sketchy picture, however. The ECA Advisory Board was made up of business, labor and agricultural leaders, and had a number of advisory sub-committees, but was by and large “dominated by corporate executives active in world trade” (McCormick 1989: 82). But Milward draws attention to the public nature of the bilateral treaties the Marshall Plan called for. These treaties included plans for how to divvy up monies called the "counterpart funds". Arkes (1973) devoted a chapter to considering the question of coercion in the Marshall Plan. Arkes pointed out that there was a "commitment to de-bureaucratization" built in to the temporary nature of the ECA (Arkes 1973: 305). Arkes pointed out that the "counterpart funds" concept was also used in UNRRA. This kind of device was carried over into the Marshall Plan (Arkes 1973: 46):

Under the counterpart procedure, the local funds that accrued from the sale of relief goods were deposited in a special account. The account could be used for further expenditures at the local level, but it could be used only with the consent of the host government and the UNRRA. As they were originally conceived, the counterpart funds signified a sharing of authority between the local government and the member nations of the UNRRA. But when they were used now in a bilateral framework, the wedge of authority they opened would be filled only by the United States.

In a chapter on the reach of authority overseas, he pointed out that this power was limited by the time-limited commitment to de-bureaucratization. Furthermore, he saw a split between the unilateralists who emphasized that the U.S. should dictate, and the bilateralists who looked for cooperation.

Hogan also argued that leverage was not used in a particularly imperialist way, other than in the area of trade limitations with Eastern Europe (Hogan 1988: 122-3):

On the level of high policy the chief string attached to Marshall Aid was that economic and political integration would be the basis of Europe's reconstruction....The purpose of Marshall aid was...to develop a bloc of states which would share similar political, social, economic and cultural
values to those which the United States itself publicly valued and claimed to uphold.

Productivity was central to our goals in this regard, he argued (citing Maier 1978). As has been seen, productivity was also the key goal for Hoover after W.W. I. Hogan, however, didn't address the social welfare policies promulgated in the various Marshall Plan-participating countries. In later work, Maier reiterated the importance of productivity, but also stressed the centrality of the goal of European integration for U.S. foreign policy (Maier 1991):

If there was a specter floating before European and American statesmen, it was that a poor and impoverished Germany might make an arrangement with the Soviets...Over the era of the Recovery Program the answer to this fear consisted of what would be called 'integration'. Integration would come to mean the effort to weave the emerging West German authorities into the transnational structures being created in the late 1940's and 1950's. The point was 'integration' could not really be coerced.

But there is a middle-ground between those who argue for or against Marshall Plan coercion. That is that Marshall Plan authorities essentially consented to a variety of national social welfare policies, and in some cases even attempted to stimulate them. What evidence is there of this?

Marshall Plan motivations

One approach would be to argue that the Marshall Plan was motivated by humanitarian considerations. This would neither be a necessary nor a sufficient demonstration that the U.S. favored, rather than opposed, postwar social welfare development in Western Europe. But this argument between humanitarian and anti-Soviet motives for the Marshall Plan has been a central one.

One of the architects and publicists of the Marshall Plan was Allen W. Dulles, who is perhaps more famous for his C.I.A. role. Dulles was active in the Committee for the Marshall Plan to Aid European Recovery, chaired by Henry L. Stimson, former Secretary of War. The Committee argued to the public (which was wary of any anti-Soviet emphasis) that the plan was humanitarian, and cited the fact that Marshall's Harvard speech claimed the plan wasn't directed against any country. But to foreign policy insiders, they argued that Marshall's comment shouldn't be taken at face value, and that the plan was part and parcel of the containment policy. Dulles had the blood lines to perform well in the foreign policy arena: his grandfather and uncle were both secretaries of state. In 1919 he served in the
American mission in Germany during the period of Hoover's aid program. After his
service in O.S.S. during the war, Dulles returned to the U.S. and was elected
president of the Council on Foreign Relations in November 1946, an organization
he had belonged to since 1927. Both Dulles and Marshall received honorary
degrees together at Brown on June 16, just days after Marshall's Harvard speech.
Dulles reportedly told Marshall, "It is by restoring the economic life of a country,
and by this alone, that we can meet the threat of dictatorship from a Fascist Right or
a communist left" (Wala, Michael, introduction to Dulles 1993(1946): xxi). In his
book advocating the Marshall Plan (unpublished until 1993 and thus not available to
Pisani (1991)), Dulles wrote that the Marshall Plan...

is not a philanthropic exercise...It is based on our views of the requirements
of American security...this is the only peaceful avenue now open to us which
may answer the communist challenge to our way of life and our national
security (quoted by Wala, p. xxii).

Dulles was cognizant of the link between the post W.W. I effort and the Marshall
Plan. He cited the success of Hoover's efforts through the American Relief
Administration from 1918-22. Dulles's book was explicit in its argument about the
value of the Marshall Plan as an anti-Communist tool, and he bragged about its
effect in this respect when it hadn't even been adopted by Congress yet! He
described in detail the effects of the plan on creating disunity between socialists and
communists and the way in which it was already causing dissent with the Italian and
French communist parties. This dissent lead to the weakening of December 1946
strikes in Italy and France and to a split in the French workers union, the C.G.T..
Neither the text of the U.S. Economic Co-Operation Act nor the bilateral agreement
with Britain explicitly stressed social welfare or even humanitarian assistance goals.
Rather, what was stressed were liberty, freed institutions, sound economies, stable
international economic ties, etc., although there is one reference in the Act to "the
general welfare and national interest of the United States, and the attainment of the
objectives of the United Nations" (Pelling 1988: 129). Thus, if we are to ascribe
humanitarian motives to the elites involved with the Marshall Plan, it is clear that
we would need to recognize that, like many philanthropic measures, there were
mixed motives involved (Martin 1994).

**Marshall Plan in Italy and France**
Pisani (1991) also described the ticklish question of the use of counterpart funds as leverage, but is more specific about their use, as is a case study of France and Italy (Esposito 1994). ECA officials decided upon a show of strength in France in mid-1948. ECA officials would release money if the French agreed to provide first monthly and then quarterly accountings. According to Pisani, ECA officials learned the effectiveness of using leverage, but also worried about the effects of actually cutting off counterpart funds (a "shock treatment") on the stability of the government (Pisani 1991: 94). Some of the largest uses of the counterpart funds were for balancing budgets. Therefore, it can be argued their release constituted consent by the U.S. to the social welfare measures passed during this period (many of which contributed to budgetary problems, especially after the advent of the Korean war, which required additional Western European military expenses).

The question is, was the consent strategic or enforced? The argument of Langbourne Williams of ECA’s Industry Division in Paris to a study group that included Nelson Rockefeller, Tom Braden, William Donovan, Allen Dulles and others was that the United states "cannot stop its aid or even prevent the counterpart funds being used to balance the budget without creating chaos" (quoted in Pisani 1991: 94). It is perhaps for this reason that Chiarella Esposito referred to the Marshall Plan as America’s “feeble weapon”.

Esposito (1994) argued that it was American policy in France and Italy to promote a centrist coalition called the "third force". By sometime in 1947, the Communists were dismissed from the government in France, and by early 1948, a centrist coalition was also in power in Italy. Although there was French Socialist and Italian social democratic and Christian socialist participation in the governments, the issue for the United States became how to keep the Communists out of power in the future (other than through covert actions). Clearly, a hard line against social welfare would not do. Esposito classified those who have stressed the strategic aspects of the Marshall Plan as the "realist" or "neo-realist" or "national security" perspective folks. Others who stressed the key role of ideology and American political culture were seen as "revisionist". The revisionist critics sought the wellsprings of American foreign policy at home, not in a power game abroad. Esposito explained that the revisionist critics are "systemic", "corporatist" and "open door" in outlook (p. xix). The revisionists saw a world system or capitalist world economy, with chief actors being from transnational business organizations whose main imperative was maximizing profits.
Another outlook would differ from both the orthodox and revisionist accounts. It would stress the role of transnational elites, nation-state managers, and domestic political-culture leaders as concerned primarily with security, with securing both the social and the international, although some might stress the one over the other. In other words, a key issue for state theory would become: which social actors stress the importance of which kinds of security, which of the securing activities of the state become institutionalized and prioritized over time, and what are the relationships of the efforts to secure the social and secure the world?

Esposito stated that Hogan saw a New Deal corporatist coalition as being behind the Marshall Plan (p. xx):

The Truman administration sought to export New Deal corporatism to Western Europe, convinced that it alone would resolve Europe's ills...Hogan thus sees the ERP not so much as the child of an anti-Soviet strategic imperative, but as the offspring of a domestic American neo-capitalist ideology.

As Esposito saw it, Hogan looked for the grand design behind the Marshall plan, and Milward deductively analyzed the actual effects. Milward said recovery was well under way in 1947, and that aid might have been unnecessary. Esposito argued that the real deal was "political necessity" (p. xxii):

...pro-American governments in both France and Italy relied heavily on American aid in order to implement economic policies that were vital to their survival. In both countries, it is difficult to see how those same coalitions could have stayed in power and succeeded without U.S. economic support.

She agreed with Melvyn Leffler that whether or not there was a real communist danger in France or Italy is not the point, but rather protection against any future threat. The concept of guarding against future threats is key to Leffler’s conceptualization of national security (Leffler 1992). Esposito argued that with respect to the "success" of American policies (p. xxiii):

...my analysis shows that strategic-ideological imperatives led to the sacrifice of specific American economic priorities, while allowing for overall Marshall Plan political success.

Those priorities included the export of New Deal-type measures to Europe, something which she argued Hogan felt was achieved, but which she did not feel was the case. Her empirical research focused on Italian and French domestic
policies only, and how they were affected by the Marshall Plan (p. xxxi):

Washington documents show that French and Italian economic preferences were so deeply rooted that American officials were by and large unable to steer French and Italian policymakers away from their priorities, but had to finance them anyway in order to sustain the two countries' pro-Western governments. The Americans had their hands tied.

Thus, by continuing to provide Marshall Plan funds despite the right to refuse them, but doing so under pressure, U.S. officials were engaging in enforced consent. However, by setting up the counterpart funds in the first place, knowing that they would be used to balance budgets with social welfare components and would also be used for specific social welfare projects, U.S. officials had been giving strategic consent to social welfare expenditures.

Did the ECA and the Marshall Plan stifle social welfare development in Western Europe? This is the key question for the present study. The revisionists have argued that it did. The evidence from Esposito is the best source of research on the question currently extant. For France, the ECA had indeed actually blocked counterpart funds in the Fall of 1949 following the fall of Queuille's cabinet, stating they would be renewed only when inflationary practices had stopped. But fiscal and monetary policies were of concern, not social welfare spending or austerity. By the first half of 1950, economic stability had been achieved, and the U.S. ECA mission began to push for social welfare measures which could counter Communist criticism of the Marshall Plan. ECA officials wanted high-profile projects such as housing, hospital and school construction/renovation. But the French government didn't agree, and resisted projects designed for the benefit of workers, preferring to use the counterpart funds for productive investments (Esposito 1994: 99). Although the French assembly had voted its own 20 billion francs in funds for low-cost housing, the French didn't want to use counterpart funds for this. The U.S. insisted that more be spent and that counterpart funds specifically be used, despite the fact that the bilateral agreement said that the U.S. could only veto, not propose, specific projects, and despite a history in 1948-49 of doing it this way.

Finance Minister Petsche finally threatened to resign if the Bidault government was forced to oppose "politically popular social welfare" projects, but by this he meant he didn’t want to have to publicly oppose a U.S. proposal for more housing, not that the U.S. was pressuring him NOT to spend on social welfare. This may have lead those who gave only a cursory view to the situation to interpret his
comments as U.S. pressure not to spend on social welfare. In fact, U.S. pressure was the opposite! Finally the French agreed to put their 20 billion francs in an account for housing and to accept counterpart funds for this purpose, but this was merely a conflict resolution effort, not a cave in to U.S. pressure. This was before the Korean conflict put new demands on the French budget. The head of the U.S. ECA mission persisted in demanding that the counterpart money be spent on housing, while the French argued they would need more support in general due to the war and their perceived heightened security needs. In general, this tempest in a teapot was such that very few ECA funds were actually spent on housing.

In Italy too, the Christian Democrats were more concerned with fiscal stability than social expenditures. The Italian government left (social democrats and Christian democrats) weren't strong enough within the coalition to succeed in pushing through social democratic measures. But here the U.S. proposed using counterpart funds for productive purposes, not social benefits, and the Italian government wished to use the funds for unemployment relief, housing for workers, etc.. But the ECA saw the Fanfani proposal (along these lines) as insufficient to achieve its goals around that time (October 1948). Fanfani's modest plan was succeeded by the Dosseti plan coming out of the left-wing of the Christian Democrats. It was more oriented towards reforms leading to social justice, rather than merely short-term housing and unemployment programs. But since the Dosseti group was also opposed to N.A.T.O. participation, ECA didn't go for it at first, and even suspended counterpart funds in early 1950, releasing them only when the government began to actually make investments in education, public works, etc.. In Italy as in France, the Korean war didn't lessen American enthusiasm for increasing social investments in Italy. In any case, the U.S. didn't dominate Italy through the Marshall plan.

By the end of 1950 the U.S. began to shift from economic to military aid for Europe (Esposito 1988: 199). Had the Marshall Plan continued, we don't know that the outcome would have been. Esposito concluded that politics and economics worked hand in hand in determining ECA policy and Italian and French use of ECA counterpart funds. Milward concluded that ECA funds postponed fiscal responsibility (understandable given U.S. efforts to heighten social spending), and Hogan concluded that Europe compromised with the American New Deal corporatist model and became half-Americanized, thus defusing class conflict. Esposito argued that the truth was half way between. ECA didn't have the power to
remake French and Italian social policy in its image, but it did succeed in the political goal of containing communism and supporting moderate pro-American centrist governments, which in turn took advantage of what America needed and wanted to shape their own types of social policies.

In this exploratory review, the argument has been made that the social welfare policy implications of U.S. foreign policy, while not a dominant part of Cold War discourse, were never far from the minds of elite foreign and domestic policy makers. Support is found here for a further re-examination of the master narrative of postwar social welfare development.

**U.S. overseas propaganda and social welfare**

If one exogenous factor in particular - the political and social aspects of systemic contention with the Soviet bloc - was an important variable influencing postwar social welfare development, then there should be evidence that the overseas propaganda of the U.S. government included mention of U.S. social welfare achievements. In other words, if elites were convinced that in order to compete politically with the Soviet bloc, they had to be able to show a human face of capitalism, it is likely they would want to put their best foot forward to the international public, as well as to conceal the blemishes of U.S. international and domestic affairs. Given Soviet bloc propaganda about their health, welfare and educational policies, it would be natural for U.S. propaganda to highlight achievements in this area as well.

The U.S. Information Agency was founded in 1954, following the dissolution of an earlier body that had fallen victim to McCarthyite attacks for being insufficiently anti-Communist. As if to stress the importance of the agency, President Eisenhower personally addressed the re-organized staff that year. In his speech, he referred to the cold war the U.S. was conducting, a battle which the U.S. could win only by its superior appeal to the human soul, the human heart and the human mind (Bogart 1995: xvii). While often stressing cultural and international affairs and publicizing our foreign aid programs, the federal propaganda effort, broadly conceived, involved diverse activities. For instance, the Department of Health and Human Services operated foreign exchange and aid programs (Green 1988: 104). The Agency for International Development also often relied upon domestic social welfare agencies and professionals to consult in the development of
social welfare programs abroad, a practice which continues today.

The present preliminary study was unable to produce convincing evidence that a key element of U.S. propaganda was explicit praise for our social welfare system. There may be a number of reasons for this. Clearly, in propaganda, one goes with one's strengths, and the U.S. had a little-developed social welfare system compared to the large advanced capitalist countries of strategic concern to the U.S.. Nor did the U.S. have the system of free public health and education offered in the Soviet bloc. A 1995 book by Leo Bogart (1995), who holds a doctorate in sociology from Chicago, discussed propaganda from the standpoint of mass communications. His book benefits from the release of his own confidential report on the U.S.I.A. written in 1954. Earlier sociological interest in the study of propaganda was shown by Harold Lasswell (1969(1935)). During the Marshall Plan, there was a good deal of evidence that the United States was often more interested in publicity than results (Esposito 1994). But further research would be needed in order to address such a hypothesis.

Patterns of elite opinion and behavior

It can be hypothesized that elites who stressed the military, economic and political aspects of Cold War conflict, as opposed to those who stressed primarily the military aspects, would be more likely to adopt a corporate liberal attitudinal frame. Such a frame would include an internationalist outlook, support for a balance of occupational and public welfare measures, and support for containment of communism, short of war where possible. Those who primarily stressed the military aspect of Cold War conflict, on the other hand, would be clear-cut hawks and supporters of laissez-faire domestic policies, with the exception of military Keynesianism. In other words, the specific form of outlook towards the bi-polar system of states would be correlated with where elites stood on various dichotomies of relevance in foreign and domestic policy: hawk vs. dove; internationalist vs. isolationist; laissez-faire vs. regulationist; welfare capitalist vs. public welfare, etc.. Such a hypothesis could be addressed using a variety of surveys of elite attitudes as well as an examination of the positions of organizations of elite actors who took one form of position or another on various domestic and foreign policy issues. No preliminary examination of this hypothesis has been performed for the present paper, although the results of some studies of elite opinion were discussed earlier.
The consequences of consent

If elite consent (both strategic and enforced) was a characteristic of the attitude of elites towards postwar social welfare development, then there should be evidence that at key periods in that development corporate and other elite forces did not mobilize their forces to defeat such measures decisively, when they might otherwise have done so. In other words, there should be evidence of the lack of Presidential vetoes; the adoption of bi-partisan compromises leading to passage of key legislation, etc.. This hypothesis is deferred to planned work on a U.S. postwar case study, an examination of the passage of the Social Security amendments of 1950.

Postwar social-contract-based coalitions

Other observers have argued that during the Cold War a postwar social contract was forged between fractions of capital and labor in the United States and Britain. This was characterized by support from labor for anti-Communist foreign policy and support by capital for key social welfare measures. If this was the case, then we should see Republican-Democratic-Labor or Tory/Labor coalitions supporting key legislative initiatives, opposed by other fractions of each of these constituencies who didn’t buy into this postwar social contract. Although business/conservative support might not be unanimous in such a coalition, there should be evidence that such forces which could have exercised a veto over social welfare developments chose not to do so. This hypothesis would be addressed in the British and U.S. case studies.

Education and the Cold War

If acknowledgement of the importance of systemic conflict and its political and social aspects lead to consent for postwar social welfare development, there should be evidence that elite consent was a factor in other forms of social development as well, particularly in the areas of education and civil rights. Following is a brief examination of postwar education policies. In the following section, civil rights policies are examined.

The question of education will be only briefly addressed. The postwar growth of higher education and increased federal funding of elementary and
secondary education were linked to the needs of both the postwar economy, the needs of the military, and the national need for international competitiveness in general. The G.I. Bill of Rights kicked off postwar spending by providing a mechanism for demobilization, and the resulting Korean and Vietnam wars kept this entitlement’s funds flowing into higher education. Military Keynesianism required a technically and scientifically trained work force for the defense and computer industries. The growing welfare state required increasing numbers of helping professionals in the public and non-profit sector, and in particular in the educational sector.

Radical institutionalist analyses of postwar military spending have by and large emphasized that the welfare state versus the warfare state is a “true dualism” reflecting the dual nature of the state (Dugger 1992: 245). The welfare state is seen as creative, productive, participatory and integrative, while the warfare state is repressive, exploitative, hierarchical and self-perpetuating. According to this theoretical perspective, such dual states operate within the state overall. The institutionalist theory base hasn’t fully addressed the relationships between these two fundamental aspects of the state. In general, radical institutionalist theory would seem to stress the relative independence of these intra-state institutions (the military; the welfare state, etc.), perhaps due to the strong “dichotomous forms of analysis and interpretation” which Veblen’s work contributed to the theory (Cypher 1992: 219). Waller has noted (Waller 1992: 9):

...institutional economics is interested in solving problems....However, modern industrial economies are highly integrated national, and increasingly transnational, economies. Moreover, these complex international economies and the social structures they create (transnational corporations, for example) use, employ, and move vast amounts of resources. Thus, many problems require large-scale problem solving. Transnational banks and transnational corporations are not public institutions dedicated to societal well-being. They are for-profit organizations. As a result, if social problems are to be attended to, it will require the resources and power of the state.

Thus, even the institutionalist approach acknowledges that in many respects, domestic non-military spending was conceived of as part and parcel of the international agenda of the United States government and large corporations. One radical institutionalist expert in military spending has pointed out (Cypher 1992: 218):

Education, the largest single category of state and local spending, is clearly
linked to “national security” considerations - instilling patriotism being but one small example of this interrelationship....What can be asserted is that through an examination of military spending -- and its accompanying economic, political, social and ideological effects and attributes -- one can locate the most essential element of the contemporary U.S. state.

Although this paper’s goal is to stress the relationship of foreign policy to domestic policy, rather than to analyze specifically the relationship of military to social spending, such an observation stresses the many ways in which education expenditures could been seen as an adjunct to the Cold War policy generally. This became most obvious following the launching of the Sputnik. A crash national program in revamping our educational institutions was launched following this dramatic evidence that the Soviet Union was an economic and technological as well as military force to be reckoned with (Clowse 1991). In this exploratory study, no further effort will be made to document the relationship of the Cold War and education expenses.

**The Cold War and Civil rights**

From the outset of federal efforts to address the civil rights of African-Americans, a national security ideology was invoked. According to Sherry (1995), Roosevelt’s 1941 executive order was defended by a national defense not a social justice rationale, as part of efforts to combat totalitarianism overseas. Lest it appear that fascism was the only enemy, Roosevelt sounded the alarm about not only right-wing but left-wing subversion as well. With respect to civil rights, the postwar debut of international attention to the egregious denial of civil rights to African-Americans was Paul Robeson’s Paris speech at 1949's World Peace Congress. Robeson later pointed out he had broken the unwritten law against criticizing the United States while overseas. Robeson had been active since 1943 in the Council on African Affairs. After attending the founding conference of the United Nations in 1945, Robeson and others from the C.A.A. criticized indications that the United States was less than resolved to confront colonialism in Africa and elsewhere. But it was one thing to advocate for changes overseas, and another to bring international attention to the need for change at home. Robeson had been active in the William Patterson-led Civil Rights Congress since it evolved from the National Negro Congress in 1946 (Duberman 1988: 311). After participating in a 1949 St. Louis picketline demanding desegregation of the city’s theaters, Robeson publicly
announced his intention to become a full-time political activist, performing only at movement gatherings. This announcement led not only to an apparent attempt on his life but also to high level government concern on the part of J. Edgar Hoover.

By January 1949 the Civil Rights Congress had brought 680 delegates demanding action to end lynchings and Jim Crow to a legislative conference in the national capital. Some delegates also participated in meetings in opposition to the Smith Act trials and to H.U.A.C. activities. Shortly after a July 1949 New York Times headline announced, “Love Soviet Best, Robeson declares,” 360 delegates to the Civil Rights Congress convention passed a resolution defending Robeson, saying he spoke for them “not only in his fight for full Negro democratic rights, but also in his fight for peace.” Some mainstream Black leaders such as the Urban League’s Lester Granger criticized Robeson’s Paris speech. But the N.A.A.C.P. was drawn into opposing H.U.A.C. hearings prompted by the speech. Robeson had purportedly said it was unthinkable that African-Americans would go to war against the Soviets on behalf of a United States which he reportedly compared to Hitler in its racial policies. Although Robeson wrote Jackie Robinson that his statements were distorted, Robinson nevertheless testified to the H.U.A.C. in a way satisfactory to the Times, which printed the baseball player’s entire remarks. By the decade’s turn, a link between domestic civil rights issues and international issues of peace and socialism had now been established in national and international consciousness, a link which was stressed both by proponents and elite opponents (e.g. Hoover) of civil rights.

The onset of intense anti-Communist hysteria later led to hardened opposition to Robeson from the N.A.A.C.P. (which in 1951 omitted Robeson’s name from its list of Spingarn Medal winners), and from the government (which revoked Robeson’s passport). However, the left within the incipient civil rights movement maintained the international dimension of their cause in the new decade. Robeson, W.E.B. DuBois, and Patterson devised and presented a petition to the United Nations charging that racial discrimination and injustice in the United States met the definition of genocidal practices (“serious bodily and mental harm” to members of racial and other groups) in the U.N.’s convention against genocide.

The fact that the left in the civil rights movement had the capacity to embarrass the United States does not establish that U.S. elites consented to civil rights demands partially due to exogenous factors such as Cold War ideological contention. But this linkage of foreign and domestic dimensions of the civil rights
movement continued as the civil rights movement developed. In 1957, Vice-
President Nixon met with Martin Luther King Jr. during King’s visit to meet with 
Kwame Nkrumah in Ghana. Nixon had previously ignored King’s telegrams 
concerning civil rights issues, and was undoubtedly concerned about the upcoming 
Prayer Pilgrimage on the third anniversary of the Brown decision. But, fresh from a 
recognition of the international standing that King had gained, Nixon invited King 
to meet with him upon their return to the U.S.. After the Pilgrimage, Nixon met 
with King and with Ralph Abernathy, and later strongly supported passage of the 
Civil Rights Act of 1957. Arguably, Nixon’s newfound enthusiasm for civil rights 
was influenced by more mundane political considerations, such as King’s promise 
to register black voters upon its passage. King had also assured Nixon that he had 
voted Republican in 1956 (Branch 1988), and had said he felt many Black voters 
would do the same given continued Southern Democratic intransigence on civil 
rights.

However, the ability of U.S. civil rights leaders to gain international 
 prominence clearly meant that the international political environment was a factor 
with which to be concerned. The same year, less than two weeks after President 
Eisenhower found it necessary to send the 101st Airborne to Little Rock in 1957, 
the Sputnik was launched. Although this had the effect of causing the race issue to 
recede temporarily (Branch 1988: 225), it was also the advent of intensive efforts to 
modernize U.S. educational institutions, something which would be impossible with 
continued official segregation, especially in public high schools and state 
universities.

The juxtaposition of international and civil rights issues continued during the 
Kennedy era. The day after Kennedy was elected John Lewis and James Bevel 
were locked out of a restaurant purportedly closed for emergency fumigation. 
Kennedy was forced to withdraw Fulbright’s nomination as Secretary of State due 
to his segregationist record (Branch 1988: 397). King was off again overseas to 
celebrate Nigerian independence, returning to the U.S. to defend nationally televised 
sit-in demonstrations. Kennedy’s inaugural address “defined an American identity 
by looking outward, projecting a new battle cry of freedom into the Cold War 
struggle against communism - all set dramatically within an era of ultimate risk in 
which ‘man holds in his mortal hands the power to abolish all forms of human 
poverty and all forms of human life’” (Branch 1988: 383, quoting Kennedy). 
Although Kennedy didn’t once mention segregation or civil rights in his address,
Branch argued that he was “using his political gifts to make his summons to freedom intoxicating to both Negroes and white Southern Democrats” (Branch 1988: 384).

The day after Kennedy’s inauguration, James Meredith applied for admission to Ole Miss. Although inclined to concentrate on foreign affairs, and preoccupied almost immediately with top-secret plans to overthrow Fidel Castro, Branch describes the race issue as “intruding on Kennedy’s early Presidency so persistently as to be irksome” (Branch 1988: 397). At one point, prior to leaving for a summit with Khrushchev at Vienna in 1961, Kennedy was forced to seek assurances from Mississippi Senator Eastland that the Freedom Rider’s disastrous experience in Alabama would not be repeated when they arrived in his state (Cagin and Dray 1988). Nevertheless, the riders were confronted with shouts that they should “Go back to Africa,” eerily reminiscent of 1950's demands that Communists go back to Russia. Two year’s later in 1963, Allard Lowenstein stood this discourse on its head, comparing Mississippi to a foreign country in our midst (Cagin and Dray 1988: 214). The linkage of domestic and international aspects of civil rights was continued by Martin Luther King’s 1962 demand that the United States reverse its vote against a United Nations resolution condemning Portuguese suppression of African independence movements. Kennedy and King met for several hours to discuss the details of this issue, despite Kennedy not having yet publicly condemned segregation (Branch 1988). Thus, the longest Presidential meeting ever with an African-American was linked to foreign policy, not domestic civil rights. Acutely preoccupied with the continued conflict with Cuba, Fidel Castro’s visit to Harlem and frequent condemnation of racial discrimination in the United States would hardly have been taken lightly by Democratic leaders. Faced with United Nations resolutions warning against an invasion of Cuba, the last thing President Kennedy needed was renewed international pressure on civil rights. But as the movement spread, such attention was unavoidable.

In 1963, during the Birmingham crisis, Pravda ran a story with the headline, “Monstrous Crimes Among Racists in the United States,” and critical stories appeared throughout Western Europe. Even in Asia, at a time when the United States was beginning to intervene in Vietnam, Birmingham dispatches competed with the insurrection in Haiti for top news billings, according to a New York Times account (Branch 1988: 786). Kennedy had yet to intervene in Birmingham, claiming there were no relevant federal statutes. King replied that arrests at a
Federal Building lunch counter might qualify, publicly contradicting the President for the first time. King then worked together with Stanley Levison to target President Kennedy with demands for action (Branch 1988: 787), much as the two had earlier teamed up to pressure Eisenhower. When Presidential action on Birmingham finally came, it was Martin Luther King himself who assessed the many forces which had resulted in a resolution to the crisis, telling a joyous crowd:

Now don’t let anybody fool you . . Do not underestimate the power of this movement! These things would not have been granted without your presenting your bodies and your very lives before the dogs and the tanks and the water hoses of this city!

Having credited the courage and steadfastness of the people, Branch describes King’s voice as quivering with emotion when he said:

Then another thing. The United States is concerned about its image. When things started happening down here, Mr. Kennedy got disturbed. For Mr. Kennedy is battling for the minds and the hearts of men in Asia and Africa - some one billion men in the neutralist sector of the world- and they aren’t gonna respect the United States of America if she deprives men and women of the basic rights of life because of the color of their skin. Mr. Kennedy knows that. (Emphasis in the original account of Branch, quoting King, 1988: 791)

Branch concluded that the President’s worries gave the movement leverage. Clearly, this leverage was enhanced by King’s prominence in international affairs. His internationalism was more subdued and less strident than had been Robeson’s, but the example of Robeson and DuBois served to put the President on warning of the possible outcome of a deterioration of relations between the movement and his Presidency.

Such a possible deterioration was clearly not far from Kennedy’s mind. Faced with hundreds of demonstrations in the wake of Birmingham, Kennedy favored legislation, but was held back by fears that the movement was under Communist influence. Kennedy’s bizarre Rose Garden assertion to King that Stanley Levison and Jack O’Dell were Soviet agents demonstrates he couldn’t help but view the civil rights movement through Cold War lens. He certainly couldn’t risk supporting civil rights legislation without protecting himself against charges (perhaps orchestrated by Hoover) that he was duped. The day after the Rose Garden meeting, Kennedy flew to Berlin to give his famous speech extolling the freedom of the West in contrast to the East.
The President’s subsequent consent to the demands of the movement was enforced both by the agency of the civil rights demonstrators and the structure of the world geo-political situation. This structure was shaped by Cold War competition for the hearts and minds of Third World people. King reluctantly agreed to fire O’Dell and cut off direct contact with Levison, but only after making it clear he valued their contribution to the movement and viewed them as victims of McCarthyism. His actions, too, were constrained by the structure of the international Cold War context. Aldon Morris (1984) has pointed out that the civil rights movement from 1953 on was influenced by earlier activism, and although the earlier role of the left was not addressed, the halfway house structure he described was a legacy of this earlier activism. Morris concluded that there was relatively little support for resource mobilization perspectives that credit the role of outside elites and events. Yet clearly the indigenous mass movement did activate relevant third forces, including both overseas elites and international opinion. These factors had a direct impact on the willingness of presidential power to consent to civil rights demands. The consent was clearly enforced (semi-voluntary), but whether it was forced (fully involuntary) or not remains unclear. Branch suggested that had the President wished to do so, he could have played the McCarthyism card much more strenuously against King, and that King worried that this could destroy the movement.

In any case, the juxtaposition of the local with the national and with the international was a key fact influencing the outcome of the civil rights struggles. Perhaps additional research could further document the nature of this juxtaposition between the Cold War context and the domestic civil rights movement, utilizing the many accounts of the Kennedy presidency, and the memoirs of Harris Wofford and other insiders. But in assessing historical processes, there is never a smoking gun. No amount of data could fully prove the present hypothesis, nor is that the goal of this paper or further research. However, it is hoped that this account will help to demonstrate the centrality of the international context for one additional aspect of U.S. social development during the Cold War period, the civil rights movement.

SECTION EIGHT: CONCLUSIONS

This study has examined the way that the international context has influenced social welfare expansion. The influence of wars, cold or otherwise, has
appeared to be associated with social welfare growth, not social welfare shrinkage. Elite influence on foreign policy has long been researched and demonstrated, but what had not been fully appreciated was the role of elites in consenting to domestic social welfare, educational and civil rights advances, and the relationship between domestic and foreign policy. However, this consent, like business unity in general, may be conditional (Mizruchi 1992). The nature of the international context may be one such condition. Where national elites face political or military threats from other nations or blocs of nations, or where national elites are overextended in protecting overseas interests and projecting military power beyond their borders, there is a strong incentive to ensure that domestic policies are used to retain electoral support.

Should the conclusions of this study lead to pessimism about the fate of social welfare in the post-Cold War world? Not necessarily. This preliminary study has come to a tentative conclusion that one exogenous factor, the bipolar contention between socialist and capitalist systems of states, seems to have helped to produce elite consent to postwar social welfare development. But prior to the Cold War, the existence of the 3rd International and of the Soviet Union itself - in conjunction with mass movements of workers, the poor and elderly persons - certainly influenced elite thinking about Depression-era measures. In Bismarck-era Germany, there was no socialist government anywhere on earth, but there were strong and growing organizational and ideological exchanges among workers and socialists of different lands. If exogenous factors help stimulate social welfare development, there is nothing here to say that new forms of exogenous and endogenous factors may not stimulate such growth in the post-Cold War world. What is endogenous to one nation, may be exogenous to another.

For example, it may well be the case that in the post-Cold War era, elite consent related to exogenous factors can still be produced by enhanced efforts to build international labor solidarity and by regional and international advocacy regarding social welfare and environmental standards. The international movement for the eight hour day was launched just over a century ago here in the United States, providing one example of how localized social movements can become not only national but global. How are we to know that workers in Mexico will not launch a movement for an international minimum wage for all employees of large or transnational corporations? Or that retired workers in Italy (already the scene of general strikes over proposed social insurance cuts) won’t launch a global
movement for the rights of all older people to minimum levels of housing, food, privacy and dignity? Or that children in Brazil won’t launch a worldwide children’s crusade against malnutrition, abuse and exploitation? Or that women in Russia, sick and tired of a male-dominated Parliament, will not raise the feminist banner, “We shall be half of everything” and demand constitutional reforms guaranteeing equal representation of men and women?

Ultimately, a competing system of socialist states is no guarantee of elite consent to social welfare demands in capitalist democracies. Rather, consent for social welfare can also rely upon grassroots social movements and broad majoritarian coalitions that create or threaten social disorder, build and enhance electoral democracy, strengthen and expand trade unions, and run and elect representatives who are committed to effective social welfare policies. In some respects, during the Cold War, advocates of social welfare rested on laurels stemming from the victories of the Great Depression. During this period, the social welfare system grew under the umbrella of a Cold War social compact of business, labor, and liberal academics. Until questions about a welfare state crisis began to be raised in 1973, few doubted that social welfare and modern industrial society would go hand in hand. Still today, there is ambivalence about how serious and long-lasting the crisis is. This paper has argued, on the one hand, that the crisis may be worse than we think it is, in that one material basis for elite consent may have been eliminated with the end of the Cold War and the dissolution of the socialist bloc. On the other hand, this only means that advocates of social welfare may need to re-double efforts to find new strategies for neutralizing the opposition of elites to social welfare (or even winning their support).

As the 20th century proceeded, and especially during cold war, ideological and political blinders affected all of society, including social scientists. Ian Gough has referred to the concept of the welfare state as a form of “ideological mystification” (Gough 1979 vii). Jill Quadagno has pointed out that the Keynesian consensus carried with it a corresponding faith in continual welfare expansion, and that neo-Marxists and conservatives often shared similar views about the role of the welfare state in hindering capital accumulation (Quadagno 1987). They also had similar views on the reputed zero-sum nature of military and social expenditures. The views of social workers and social scientists may have reflected political and age cohorts. Certainly the effect of the New Left social movements could be seen on the neo-Marxist and feminist authors of the seventies and eighties, and the effect
of the Cold War could be seen on the mainstream sociologists of the fifties and sixties. However, according to the present reading of the literature, during the last decade a good deal of integration among theories of the state and explanations of social welfare development has occurred.

It is likely that this process of theoretical pluralism, methodological innovation, and empirical rigor will continue. Old questions can now be re-opened without the proverbial fear of Pandora’s box. New questions can now be raised with reduced concern about their implications for Cold War ideology. True, as Anne Phillips has warned, new forms of divisions can compete for partisan loyalties, but new pluralism can still grope for common cause (Phillips 1993). Doyal and Gough have raised the banner of advanced conceptions of human need as an agenda which can unite liberals and socialists (Doyal and Gough 1991). But faith should not be the basis on which either social workers or social scientists proceed -- not faith in political ideologies of democratic socialism or pluralist capitalism, not faith in new social movements arising, not faith in innovative schemes of social provision, not faith in new normative agendas of human need or communitarianism.

Titmuss ended his rather dismal essay on war and social welfare with a warning that amounted to a plea that his observations not be taken as a self-fulfilling prophecy, saying people do not live by war alone, and that aggression is only part of ‘this sorry scheme of things entire.’ However, he admitted he could conclude this “more perhaps by faith than by reason” (Titmuss 1958: 87). Yet at least two generations of liberal and radical social workers and social scientists also chose to live by their various faiths. Had reason rather than faith prevailed (social science, even a really scientific socialism, rather than liberal and radical versions of utopianism), the recently observed rapprochement between liberals and socialists might have occurred earlier. Had this happened earlier, advocates of social welfare would have had a better-articulated alternative to the neo-liberalism and stark conservativism of the post-Cold War era.

Unfortunately, neither can we rest upon faith in reason. Barrington Moore has pointed out that as the growth of rationalized state bureaucracies has progressed, government has gained a greater and greater ability to actually influence the course
of human civilization (Moore 1966). According to an optimistic interpretation of such a scenario, if democracy could be enhanced and maintained, reason might prevail, and economic institutions might be held to some form of social rationality.

But there is little reason to believe that capitalism -- the ruthless, inexorable economic engine with which the state is interdependent -- is anything but irrational in its ultimately competitive and acquisitive nature. Nor can we believe that communities of faith, whether based upon religion, ethnicity, or politics, will be able to avoid conflagrations in the future. Charles Tilly ended his epic tale of the birth and deaths of states, of war and peace, with an optimistic scenario of unprecedented opportunities for peaceful reconstruction, but carefully noted that national states as we have known them may soon wither away (Tilly 1992: 227). It was within these states that social justice became conceivable and social welfare was established. But it was also within these states that national capital flourished, and the seeds of modern warfare were planted. The history of human society up until recently has not been one of the triumph of reason.

In developing a new approach to understanding the complex strands of causation of modern systems of human need satisfaction, we need to trace the connections between the spider’s web of human endeavor, the safety net at its core, and the historical and social psychological structures to which the web is attached. In viewing this web of human endeavor, we should be sensitive to its fragility, to the effort which brought it about, and to the tragic fate of many past human civilizations. All we can do is that which is humanly possible to avoid such a possibly very human fate. What is important is that social workers and social scientists not be hand-servants of any form of warfare or welfare state regime, but be open-minded in the reasoned pursuit of our diverse values and of ways of reconciling them with each other. As Eugen Pusic has asked (Pusic 1972):

Who is more called upon to act responsibly, ethically and politically for the goal of social welfare that those who have made social welfare their vocation, that is, the dominant occupation of their lives?

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24 Moore pointed out, “In earlier times it was much less possible than it is now for a government to create situations that carry with them their own definition of what task is essential to society as a whole and make the underlying population accept it passively.” (Moore 1966: 416). Moore concluded this observation with a somewhat pessimistic take on the implications of this enhanced ability of governments to influence societal development. To be more optimistic, where you find an “iron cage” you may find a prison but you may also find a circus.
The conclusions of this study are at best tentative. They rest on a counterfactual proposition, consisting of our imagining what the nature of social welfare in capitalist democracies would have been like were the Soviet Union not to have actually existed. However, what is counterfactual in examining the past may prove to be almost quasi-experimental with respect to the future: capitalist development now continues in the absence of a Soviet bloc. Only now can we begin to see how social work and social welfare will evolve in a world without socialism (Reisch 1993). Deacon has suggested that “socialist values and socialist welfare objectives can only be realized in the foreseeable future by struggling within capitalism to reform it in the interests of human needs” (Deacon 1992: 191). Deacon was referring to the conception of universal human need theorized by Doyal and Gough (1991). But struggles over a variety of needs-related concepts are increasingly an element of public discourse (Fraser 1992). Needs-based discourse may prove to be the emerging alternative to seemingly dominant neo-liberalism and to older versions of liberalism and socialism. One might conceive of the resulting change effort as reform or as a more fundamental transformation of social policy within the context of capitalism. Regardless, the criteria by which a political system is evaluated must be related to an evolving conception of human need rather than an ideology rooted in loyalty to one political system or another.

A number of proposed hypotheses could not be addressed in this preliminary study. In addition, the preparation of case studies of the United States and Britain was also deferred. It is likely that future research, informed by this exploratory study, would be more narrowly focused on the relationship of the discourse and decisions regarding national security and social security during the watershed year of 1950, the year in which NSC-68 was promulgated and the Social Security Amendments of 1950 were passed. A study of this unique historical conjuncture would shed light on crucial questions of sociological theory and on two aspects of postwar history which have rarely been examined in relation to each other - postwar social welfare development and postwar foreign policy. If such a study enabled a better understanding of the specific events of that year and of the ways in which the modern state balances its activities in securing the social and the world, it would be a study worth doing.
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