

The 'ages of welfare': why Europe's welfare states are at risk of terminal decline

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Has the financial crisis fundamentally weakened Europe's welfare states? [Luis Moreno](#) assesses the development of welfare states in Europe in the post-war period. He writes that three distinct 'ages' of welfare can be identified: a 'Golden Age' which ended in the mid-1970s, a 'Silver Age' which ran from the 1970s until the financial crisis, and a 'Bronze Age' in the period after the crisis. He argues that in each 'age' the stability of welfare states has been challenged and action is now required to ensure the welfare states of the future continue to meet their obligations to citizens.



During the second half of the 20th century, the European welfare state made possible the improvement of citizens' living conditions with a high degree of legitimacy. Looking back in retrospect, a sequence which started with the *treinte glorieuses*, or 'Golden Age' of welfare capitalism (1945-1975), can be established. A subsequent 'Silver Age' (1976-2007) proved to be resilient in the face of the persistent adjustments introduced in Western democracies to achieve cost containment of social expenditure and to avoid welfare retrenchment. After the financial crash of 2007, the question to ponder is whether the present 'Bronze Age' of welfare (2008-?) could maintain the welfare institutional arrangements and performance consolidated in the previous 50 years.

This is an allegory of the mythical ages of gold, silver and bronze alluded to by the ancient Roman poet [Ovid](#). According to this sequence, elaborated on in the work of the Greek poet Hesiod (in the 7th century BC), each Age is a corruption of the precedent and signals a worsening of the previous situation. The narrative of the 'ages of welfare' serves the purpose of illustrating the various stages faced by the welfare states since WWII and their uncertain future.

The 'ages of welfare'

Throughout the Golden Age of welfare development, the systems of social protection in western Europe based their expansion on the high rates of male labour employment, and on the complementary action deployed by families. Within families, unpaid household work carried out by women was crucial. Equal access to mass consumption also contributed to strengthening internal added demand and, consequently, to sustained economic growth.

A combination of social policies – Keynesianism, Taylorism and gender segregation – facilitated the generalisation of a type of "affluent worker", which was representative of the practical totality of the male salaried labour force of professionals and skilled workers. Governments were able to command and control national economies with a high degree of relative autonomy and implemented social programmes to cover human risks and needs that markets and families could not cope with (education, health, pensions, social services and housing, among others). Fiscal consequences for such welfare provision were legitimated by the political support of wide inter-class coalitions.

Shortly before the outbreak of the oil crises in the mid-1970s, the sociologist James O'Connor had warned about the fiscal crisis faced by the budgetary burden produced in those western democracies with an ever-growing expenditure on welfare policies and services. As paradoxical as it may seem, both neo-Marxists and neoliberal thinkers shared analogous analytical views about the difficulty of reconciling both rationales of expanding the activities of the welfare state and securing capitalist growth. The former was instrumental to guaranteeing societal stability despite the unequal distribution of wealth. The latter struggled to maximise high levels of profitable returns to investments according to the logic of capitalist productive efficiency. The welfare state began to make visible the inherent contradiction between the legitimacy of democratic capitalism and the erosion of the means of capitalist accumulation.

During the Silver Age of welfare (1976-2007), the maintenance of the emblematic values of liberty, equality and fraternity – foundational tenets of political modernity in Europe – came to be reinterpreted in a framework where liberty (of those stronger) prevailed over any other consideration. In some majoritarian democracies “winner-takes-all” politics has resulted in a widening of income disparities and a further disproportion of fiscal responsibilities.

Developments in the United States in the last decades illustrate such effects. During the transition to the Bronze Age of welfare (2008-?), the globalisation favoured by the Anglo-North American model strived to sponsor self-interest and an individualistic ethos as the main codes of social life. Not surprisingly, the uneasy compatibility of both welfare and capitalist logics has been put under further strain.

Following the early conceptualisation advocated by the German social reformer Gustav von Schmoller, welfare capitalism was to place emphasis on the need for governments to provide social welfare to employees without relying on the principle that employers and corporations would assume such obligations. During the ages of welfare development, the European systems of social protection have followed, with a varying degree of generosity, the assumptions of von Schmoller. The figures in the table below reflect the greater commitment of EU countries to public social expenditure. Not surprisingly, the welfare state – a European invention – is also set to promote social citizenship in the on-going process of Europeanisation.

Table: Public social protection expenditure as a percentage of GDP in the mid-2000s

<i>Territory</i>	<i>Public social expenditure</i>	<i>Public health expenditure</i>	<i>Total social protection expenditure</i>
EU-27	17%	7%	24%
United States	9%	7%	16%
World	9%	5%	14%
China	4%	2%	6%

Source: European Commission (2013)

Attempts to derail the European project are put forward by those in favour of values not congruent with the axiological and institutional bases of the welfare state. Human avidity and greed has been encouraged by a new type of “casino capitalism” and global Neoliberalism. Both are key factors in causing welfare deterioration.

In its origins, neoliberal thinking is not alien to Europe. There is a reinforcement of the glamorous appeal to possessive individualism in growing segments of the middle classes in the Old Continent. Only the effective use of those power resources channelled by European voters can preserve public social policies and services. It can further neutralise the feeling that the current Bronze Age of welfare is just the prelude to the return of prehistoric social Europe.



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About the author

Luis Moreno – *Instituto de Políticas y Bienes públicos (CSIC)*

Luis Moreno is Research Professor at the Institute of Public Goods and Policies (IPP) within the Spanish National Research Council (CSIC). In 1986, he was awarded his PhD by the University of Edinburgh with the thesis, *Decentralisation in Britain and Spain the cases of Scotland and Catalonia*. His books include: *The Territorial Politics of Welfare* (Routledge, 2009), *Diversity and Unity in Federal Systems* (McGill-Queen's University Press, 2010), *Nationalism and Democracy* (Routledge, 2010), and *Europa sin Estados* (Catarata, 2014).



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