

DIETRICH RUESCHEMEYER
THEDA SKOCPOL

States, Social
Knowledge, and the
Origins of Modern
Social Policies



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**STATES, SOCIAL KNOWLEDGE, AND
THE ORIGINS OF MODERN SOCIAL POLICIES**

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AND THE ORIGINS OF MODERN
SOCIAL POLICIES**

Edited by Dietrich Rueschemeyer and Theda Skocpol

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Preface

THE INTELLECTUAL conversations that led to this book started years ago under the auspices of the Committee on States and Social Structures at the Social Science Research Council. The Committee had already commissioned conferences that culminated in the volumes *Bringing the State Back In*, edited by the two of us along with Peter B. Evans, and *The Political Power of Economic Ideas: Keynesianism Across Nations*, edited by Peter A. Hall. A focus on social knowledge and the origins of modern social policies seemed a good way to further explore the sorts of questions that had been taken up in these earlier projects, and especially in the one coordinated by Peter Hall. With funding from the Spencer Foundation, meetings of social scientists and historians were convened and papers were drafted and revised. After some years interrupted by other demands on academic schedules, this collection came together. By the time it was ready for publication, the SSRC Committee had moved to the Russell Sage Foundation, to become the Working Group on States and Social Structures.

Over the course of work on this book, we have accumulated many debts. All of our colleagues on the original Committee on States and Social Structures had a hand in planning this project, and for that we thank Peter Evans, Albert Hirschman, Ira Katznelson, Peter Katzenstein, Stephen Krasner, and Charles Tilly. We also appreciate the work done by SSRC staffers Martha Gephart and Yasmine Ergas. And we are very grateful for the support given to the workshop meetings and preparation of the book by the Spencer Foundation. Martin Bulmer, Stephan Liebfried, and Giovanna Procacci made valuable contributions to meetings on this project, contributions which have intellectually enriched the book as well as the group discussions. For help with publication, we are grateful to Lisa Nachtigall at the Russell Sage Foundation, Malcolm DeBevoise at Princeton University Press, and the anonymous scholarly reviewers who made valuable suggestions in response to the first version of the manuscript. We would also like to acknowledge Margie Towery for the meticulously prepared index. Finally, we wish to thank our spouses, Marilyn Rueschemeyer and Bill Skocpol, for the help and encouragement they have offered in many ways.

**STATES, SOCIAL KNOWLEDGE, AND
THE ORIGINS OF MODERN SOCIAL POLICIES**

Introduction

THEDA SKOCPOL
AND DIETRICH RUESCHEMEYER

THE MODERN social sciences took shape in close interaction with early attempts by national states to deal with the social consequences of capitalist industrialization. From roughly the 1850s to the 1920s, such social policies as regulations of the industrial labor process, pensions for the elderly, unemployment insurance, and measures to educate and ensure the welfare of children were enacted into law in many industrializing capitalist nations. This was also the period in which the modern social sciences emerged, taking on intellectual and institutional characteristics still recognizable today. The emerging social sciences can be examined as social groups and as modes of knowing about the social world. In both senses they influenced, and were influenced by, the making of early modern social policies.

This book uses a focus on the origins of modern social policies to explore the interrelations of states and social knowledge. The chapters examine how the social dilemmas of industrialization changed the ways in which knowledge about social and economic life was created—and how, in turn, new knowledge and newly constituted knowledge groups influenced the substance and direction of governmental policies. Looking at the emerging social sciences in relation to governmental policymaking enhances our general understanding of the cultural accompaniments and intellectual bases of state action.

We can examine in a fresh and informative way matters which, heretofore, have been de-emphasized in scholarly debates about the development of national states and their social policies. Previous scholarly debates about the origins of modern social policies have focused almost exclusively on class and political conflicts, de-emphasizing the equally important contributions of ideas, of knowledge-bearing groups, and of knowledge-generating institutions. Most previous research has likewise not explored as fully as possible the impact of varying national government institutions and social policies on the outlooks, institutional arrangements, and civic impact of the emerging social sciences.

Although this book looks at its own distinct time period and set of substantive questions, its comparative-historical and institutionalist approach resembles the theoretical and methodological approaches used in

Communities of Discourse: Ideology and Social Structure in the Reformation, the Enlightenment, and European Socialism by Robert Wuthnow, and in *The Political Power of Economic Ideas: Keynesianism Across Nations*, edited by Peter A. Hall.¹ Both of these works, and this collection as well, investigate intellectual transformations in the modern world—asking about the social locations of the proponents of new ideas, and about the institutional conditions that have influenced the spread, transformation, and policy successes or failures of the ideas and their carriers. This book, like the other two, concludes that historically changing and cross-nationally varying institutional configurations—interrelations among states and social structures—have much to do with the development and deployment of systems of ideas, including scientific ideas as well as political or moral ideologies.

In the remainder of this brief introduction, we do two things. We first note the broad epochal transformations that form the backdrop for all of the chapters in this volume, pointing to the special relevance of partially autonomous elites and groups making claims to new kinds of knowledge about the social world in the nineteenth and early twentieth centuries. Then we introduce the three major parts of the book, discussing how the chapters included in each part address a particular subset of issues about states, social knowledge, and the origins of modern social policies.

Social Knowledge and Modern Social Policies

Leaders of states in the modern world have concerned themselves with social order and with at least the external conditions for the smooth functioning of markets and production processes. Modern social policies of the more specific types we are considering in this volume were developed by or through the national states of industrializing capitalist countries in the later nineteenth and early twentieth centuries. These state interventions aimed at giving working people and their dependents, or members of the “respectable poor,” minimal protection against the economic hazards of injury, illness, family breakup, old age, and unemployment. In time, the earliest social policies established by industrializing nations were expanded and knit together into what have been labeled, since World War II, “modern welfare states.” Governments became involved in social life in unforeseen and unprecedented ways.

Creators of modern social policies responded to a number of master trends set in motion by the rise and success of capitalism. Class interests, both new and old, became more openly antagonistic, and they expressed themselves with an unheard-of starkness in collective organization and collective action. At the same time, there occurred what Karl Mannheim called the “fundamental democratization” of society—the empowerment

of subordinate groups and classes formerly excluded from political influence and participation. Together these two developments raised the specter of nations irreparably divided: politically and economically disruptive class conflict loomed as a realistic possibility. And a third development gave a special urgency to these threats to social order and economic efficiency. As English dominance of the international economy gradually gave way to an increasingly harsh competition among nationally organized political economies, authorities within each nation had geopolitical as well as domestic reasons for attending to the problems raised during the course of capitalist economic development.

Who, then, defined such transformations as political challenges, and then devised ideas about how to respond to them? The obvious answer may seem to be: the political representatives of dominant class interests facing challenges from the subordinate classes. Yet this answer does not take account of major transformations at the apex of the industrializing capitalist political economies.

It does not take into account, in the first place, the rise in many places of bureaucratic states whose power was structurally separated from the economic power of landlords and of capitalist entrepreneurs. Power grounded in the ownership of land no longer, in and of itself, conferred governmental authority; and neither did power grounded in the ownership of other capital assets. Increasingly effective in their internal workings, bureaucratizing state apparatuses became—at different times and in varying degrees in different countries—more important as sites for official actors who were potentially autonomous from dominant economic groups. And so did political parties devoted to mobilizing groups for (more or less democratic) elections. Thus, even in the United States, where bureaucratized agencies of government emerged only slowly and in piecemeal fashion, powerful political organizations—in this case, patronage-oriented political parties, along with state and federal courts—exercised some relatively autonomous authority in relation to social classes and class conflict.²

Also obscured by a simple class analysis are the new uses of knowledge and the new roles of knowledge-generative institutions and knowledge-bearing elites. Throughout Western Europe and North America, schools, academies, universities, and scholarly societies were reconstructed or newly created on a large scale. The rise of capitalism and of modern national states created many new practical uses for social knowledge. Set off to some extent from religious leaders as well as from economic owners and established political authorities, knowledge-bearing groups and intellectual elites acquired a new authority based on their claims to effective secular knowledge. While the new knowledge-bearing elites probably never had (nor ever will have) the dominant impact on society that was ascribed to them by the eighteenth-century French philosophers—not to mention by such present-

day theorists of “post-industrial society” as Alvin Gouldner and Daniel Bell—they did gain considerable social and policymaking influence.³ Just as the state cannot be collapsed into capitalism or class conflict, neither can knowledge-generating institutions or knowledge-bearing groups and their ideas be analytically collapsed into capitalism or the state.

This said, of course, the role of experts and intellectual elites was markedly greater when and where they served the knowledge needs of other powerful actors—above all interests understood and acted upon by agencies of modern national states. In historical actuality, the rise of bureaucratically organized government and the new role of secular knowledge were not unrelated. Not unjustifiably did the seminal social theorist and comparative-historical analyst Max Weber view bureaucratization and the increased governmental use of social knowledge as twin aspects of a more comprehensive process of “rationalization” associated with capitalism from its earliest beginnings.

The major actors in the initiation of modern social policies were not, in fact, simply class-based groups. The bourgeoisie and the industrial working class were without doubt of great importance; their relations shaped much of the context within which knowledge-bearers and policymakers operated. Yet, in any immediate sense, neither bourgeois capital owners nor industrial workers played the leading roles in social reform. In fact, both business and working-class organizations took either oppositional or reserved and ambiguous positions in the debates about such policies as social insurance for workingmen and their dependents.⁴ Working-class organizations, such as unions and early social-democratic political parties, often constituted an apparent threat to the established order; and without this threat the formulation of proposals for the first modern social policies is hardly conceivable. Yet challenges from below had an effect on social reform primarily through the perceptions and interpretation of elite actors powerfully situated in or around the state.

In the later nineteenth and early twentieth centuries, the primary forces behind policy innovations were often what one might call “third” parties (presuming that capital and labor are considered as the two main parties to many underlying conflicts). The “third party” role could be played by such central political figures as Britain’s Lloyd George and Winston Churchill, and Germany’s Chancellor Bismarck. As well, civil servants often had a critical part in the design and in the political realization of social reform measures. Similarly, intellectual elites reshaped educated opinion and advised governments on social problems and social policy.

The historical record and the chapters of this volume show that various sorts of ideas and different sorts of knowledge-bearing elites have played distinct parts in various countries, and in relation to specific kinds of policy issues. But amidst the variation, there is one constant: intellectual expertise

and authority invariably left their imprint on the formation of early modern social policies. We need to understand more deeply both the ideas and the socio-institutional locations of the bearers of new knowledge about society who figured so importantly in the origins of early modern social policies.

Looking Ahead

All of the authors in this volume engage themselves in historical comparison, undertaking the difficult task of exploring policy changes and the generation and use of knowledge across national borders. Inevitably then—and we think, valuably—the chapters cut at different points into complex webs of interrelationships, all parts of which need to be explored if we are to better understand states, social knowledge, and the origins of modern social policies. We have chosen to cluster the essays not by country or by time but according to how each set cuts into the empirical interrelationships at issue here. In this way, the findings and arguments of these chapters can be seen to resonate with, and build upon, one another, leading toward more sophisticated and grounded generalizations than one could achieve by theoretical deduction alone.

The nature of modern social knowledge as it took historical shape in industrializing Europe is the concern of the chapters collected into Part I, “The Emergence of Modern Social Knowledge.” As Ira Katznelson points out, scholars often move too quickly to asking about the instrumental purposes of intellectuals—“knowledge for what”—before adequately exploring “knowledge about what.” In Katznelson’s view, there emerged in modernizing Europe a quest for knowledge about the relationships of postfeudal political authorities to citizens of more and more participatory nation-states. A “new liberal” intelligentsia, Katznelson argues, focused thought and research on the changing linkages among states, markets, and citizens. These intellectuals had faith that empirical and rational analysis would lead toward scientific solutions of ethical and policy problems. The bulk of Katznelson’s chapter discusses in detail the ideas of certain English “new liberals,” chiefly John Stuart Mill, Alfred Marshall, and H. L. Beales. Variants of the same ideas, and reactions against them, have in Katznelson’s view “shaped and limited” Western social science from the nineteenth century to the present.

Anson Rabinbach also writes about the substance of social knowledge in modernizing Europe, about the emergence of the general belief that society develops in lawlike ways and that behavior and public policies can rationally be made to conform to social laws. Specifically, Rabinbach examines ideas embodied in late nineteenth-century French and German discus-

sions about industrial accidents. Two “novel ideas” gained currency and prestige at the end of the nineteenth century, he tells us. Society came to be seen as having an obligation to reduce risks and inequities for individuals. And the notion developed that “social responsibility can be grounded scientifically and demonstrated by statistical laws.” Because of the emergence of such ways of thinking, issues about industrial accidents that were once centered directly in immediate employer-employee relationships were “displaced” into realms of jurisprudence and statistical and medical expertise. Industrial “work” became subject to social-scientific investigation, as did other aspects of economic and social life. This did not, however, end class conflict. Rather, it led to the “politicization” of knowledge, as conflicts based in class and other interests came to be carried out in the guise of disputes among scientific experts, situated within new institutional locales, and using new forms of discourse.

Neither Katznelson nor Rabinbach pay great attention to the causes of cross-national variations in ideas or public policymaking. To be sure, Katznelson notes the limits of his focus on English intellectuals; and Rabinbach discusses in considerable detail the contrasting sorts of industrial accident policies and political coalitions that held center stage in France versus Germany at the end of the 1800s. But both Katznelson and Rabinbach are chiefly interested in similar trends in the contents of modern social knowledge as it emerged in nineteenth-century Europe. In contrast, the third chapter in Part I, by Björn Wittrock and Peter Wagner, stresses the need for, and analytical advantages of, comparative studies of variations across the nations of industrializing Europe.

Wittrock and Wagner have written a synthetic “think piece” that reflects on findings in all of the chapters in this book. The origins of modern social policies in Western nations coincided, these authors point out, with the emergence of modern universities and professions as the institutional settings for the production and deployment of new kinds of social knowledge. Yet no single master evolutionary path of change was followed, and scholars cannot understand these intertwined changes either in terms of socioeconomic reductionism or simply the internal logic of ideas as such. They must, instead, explore and seek to explain cross-national variations, with a focus on the diverse institutional configurations that tied together political institutions and knowledge-producing institutions.

Wittrock and Wagner argue that key differences are to be found between “statist” European nations that had bureaucratic-absolutist political systems prior to industrialization, and “non-statist” nations, such as England, that lacked such pre-modern institutional arrangements. Yet Wittrock and Wagner do not reify this as the only comparative-historical distinction that matters. They go on to show that differences among governmental institutions within the “statist” and “non-statist” categories also

matter for the purpose of making sense of cross-national variations in ideas and politics.

Wittrock and Wagner's chapter marks an appropriate transition to Parts II and III of this book, where their call for careful cross-national analysis of actors within varying institutional configurations is put into practice. Each chapter in Part II, "Reformist Social Scientists and Public Policymaking," features a close comparison of analogous groups of policy-oriented reformist intellectuals in two nations. Actors with ideas and reformist policy goals thus become the entering point of discussion, rather than the content of idea systems as such. Likewise in Part III, "State Managers and the Uses of Social Knowledge," actors remain at the center; these chapters look at groups of officials in parallel governmental agencies of two or more national states. The authors of each of the chapters in Parts II and III move "outward" from the groups of actors they have chosen to juxtapose, toward an analysis of the cultural, social, and institutional conditions that explain cross-national similarities and differences in intellectual and policy developments.

Germany and Great Britain were among the first Western nations to use national social policies to address the insecurities of the industrial working class during industrialization; and the German Verein für Sozialpolitik and the English Fabian Society were groups of reformist intellectuals centrally involved in the social investigations and policy debates that shaped these pioneering welfare states. In the first chapter of Part II, Dietrich Rueschemeyer and Ronan Van Rossem compare the sociopolitical contexts within which these two knowledge-wielding nations emerged, operated, and changed over time. Both the content of authoritative social knowledge and the nature of knowledge-bearing groups are shown to depend on larger socio-institutional patterns.

The authority and effectiveness on public policymaking of the German Verein was originally grounded in the status and bureaucratic structures of the Imperial German "Kulturstaat," Rueschemeyer and Van Rossem argue. As Germany partially democratized, the Verein's distinctive fusion of cognitive and moral-political authority dissolved, putting the emerging German social sciences on a new academic trajectory. Meanwhile in Britain, the nature and modes of operations of the Fabian Society depended equally on the porousness of the British state, social status structure, and emerging moderate labor movement. As the liberal British oligarchy of the nineteenth century gradually democratized, the Fabians' "amateur" empiricist style of social research persisted through its incorporation into a wing of the Labour Party.

Reform-minded British social investigators also figure in Libby Schweber's chapter which seeks to compare them to their counterparts in the late nineteenth- and early twentieth-century United States. Schweber analyt-

ically revisits a historical paradox first noted by the historical sociologist Philip Abrams, who argued that there was an elective affinity between the persistence of amateur social inquiry and the early emergence of a national welfare state in Britain and the converse turn toward academic, professional social science, while early efforts at national welfare-state-building were failing in the United States.⁵ Schweber introduces both greater complexity and more analytical specificity into this comparative insight. She traces in detail the modes of politics used, more or less effectively, by reformist social scientists promoting new governmental responses to industrial unemployment in Britain and the United States. In order to explain the differences she notes in the involvements of intellectuals in policy formation, Schweber brings together a historical and institutional account of transformations in political institutions, and changes in universities in relation to states and social structures.

The final chapter of Part II takes us further into North American history. John Sutton is fascinated by early developments in an area of modern social policy, child welfare policy, where the United States, even at the national level, actually took earlier programmatic steps than did other nations, including Canada. Canada has often been seen by scholars as closer to the pioneering welfare states of Europe, while the United States has been considered an extreme laggard in modern social policy, but in the area of child welfare policy this overall pattern does not hold. Sutton analyzes two federal-level governmental agencies—the U.S. Children's Bureau and the Canadian Council on Child Welfare—both of which grew out of social-reform movements spearheaded by women's groups wielding new research methods and ideas about families and the needs of children. After noting a series of telling differences between the reform movements and the agencies, Sutton relates them to differences between the U.S. and Canadian colonial experiences and constitutional and party structures. He argues, moreover, that especially in "weak" states such as Canada and the United States, nonofficial groups serve as crucial intervening agents in the setting of policy agendas and the definition of the modes of research and information that can influence state policymaking. The exact characteristics, capacities, and proclivities of those groups may have a great deal to do with the substantive evolution of a policy area such as child welfare.

Taken together, the chapters of Part II suggest that the social composition, ideas, and favored modes of research and argument of knowledge-bearing groups are profoundly influenced by the social-status arrangements and the political institutions of their respective societies. In turn, these larger contexts influence whether and how (that is, through what kinds of knowledge-claims) policy-oriented intellectuals can have influence within national politics. The chapters show, as well, that national contexts are not unbreakable, essentialist entities; there can be important, analyt-

ically explicable differences across groups and policy areas as well as nations and epochs. This point is especially well driven home for the nations that appear in more than one chapter in Part II: Britain, which figures in similar yet slightly different ways in the findings of Reuschemeyer and Van Rossem versus Schweber, and the United States, about which clearly different aspects are highlighted in the respective arguments of Schweber and Sutton.

In Part III, governmental agencies and officials who create or mobilize social knowledge for policy purposes come to the fore. The chapters by Stein Kuhnle and Sheldon Garon also expand the comparative and theoretical scope of this volume by focusing on nations beyond the core European and North American "great powers." The state and intellectuals tied to it emerge in these essays as pivotal, not only to the management of intranational social conflicts, but also the handling of international relations, including the spread of models of social policymaking from one country to another.

Stein Kuhnle builds his analysis around a pair of precise questions about Scandinavian social policy innovations in the 1890s. Why, he asks, did Denmark, Norway, and Sweden all enact new social insurance or income maintenance programs in that decade; and why were there significant variations in the kinds of programs first established? Neither sheer levels of industrialization nor the simple imitation of policy models from Bismarck's Germany can explain the Scandinavian patterns, Kuhnle argues. He shows that the prior development of state agencies with certain capacities to collect and analyze official social statistics was a key variable contributing to the timing and forms of Scandinavian social programs. The point is not only that governmental leaders were themselves influenced by the problem-definitions and data offered by agencies that had collected statistics. They were. Yet Kuhnle also points to other influences. Ties had been established between official statistical agencies and societal actors, including emerging economics professions and politically active groups and social movements.

Official statistical capacities afforded technical supports for certain kinds of legislation and administration, and they also helped to make extra-state actors comfortable with the idea that government should actively address social problems. Thus, as Kuhnle puts it, the prestigious foreign model of German social insurance became available at a juncture when officials and groups in Scandinavian countries were politically and intellectually "prepared" for "state social action," albeit of different particular types in each country. The German model helped to stimulate social policy innovations in Scandinavia, but the contents of those innovations depended on prior governmental capacities and varying social needs and political alliances in each nation.

A concern with international policy modeling mediated by active and partially autonomous governmental officials also figures in Sheldon Garon's essay, comparing the role of official experts in shaping and reshaping the industrial relations of Japan and Great Britain. Despite their many differences—in social structure, political institutions, and the timing of industrialization—Garon points to certain similarities of official involvement in social policy innovations in these two nations. He highlights the roles of the Labour Department of the Board of Trade in Britain, and of the “social bureaucrats” of various Japanese national ministries, particularly the Home Ministry. Officials in both countries were concerned with handling labor unrest and, initially, both sought to incorporate organized labor into public policymaking. But Garon also underlines the different ultimate outcomes: pro-labor social policies were enacted in Britain, and the labor movement was incorporated into a democratizing national polity, but in Japan, social bureaucrats eventually abandoned incorporative efforts, turned toward authoritarian foreign models, and played a central role in the 1930s dissolution of the Japanese labor unions.

To elucidate “how bureaucratic innovation and the application of social knowledge could produce such contrasting results,” Garon explores the different kinds of social knowledge—including shifting foreign models in the Japanese case—to which civil servants had access. Even more, he underlines the need to examine the overall contexts within which partially autonomous state interventions emerge and play out, including relations between employers and employees, the political relations of national state authorities to labor and employers, and societal attitudes toward state intervention. These contextual factors differed greatly between Britain and Japan, and over time in Japan. “In the Japan of the 1930s,” Garon concludes, “we witness a case of what can happen when relatively autonomous bureaucrats deal with crises by relying on social knowledge that is divorced from actual conditions in civil society.”

Sheldon Garon's chapter is an excellent concluding piece for this volume. Because of the cross-cultural and temporal boldness of his comparative analysis, he is able to underline the need to avoid “whiggishness” in historical understandings of the intertwined development of states and social knowledge. From a European historical perspective it may look as if state-building, the growth of modern social knowledge, and socially ameliorative public policymaking all go together. But, as Garon points out, the history of modern Japan highlights the darker possibilities of state controls over the development and mobilization of social knowledge, as well as the danger of hyper-bureaucratic autonomy married to “runaway social knowledge.”

In the Conclusion, we offer reflections on generalizations that may be drawn from all of the studies assembled here, considered against the back-

drop of previous contributions to the literature on states and social knowledge. As this Introduction has tried to convey, however, each of the chapters to come is compelling in its own terms, and there are many cross-currents among them. Singly and together, these chapters raise fascinating analytical questions and develop historically rich hypotheses about states, social knowledge and the origins of modern social policies.

Notes To Introduction

1. Robert Wuthnow, *Communities of Discourse*. Cambridge, MA: Harvard University Press, 1989; and Peter A. Hall, ed., *The Political Power of Economic Ideas*. Princeton, NJ: Princeton University Press, 1989. Hall's collection, like this one, was sponsored by the Committee on States and Social Structures, which was originally based at the Social Science Research Council and moved in the early 1990s to become the Working Group on States and Social Structures of the Russell Sage Foundation.

2. Theda Skocpol, *Protecting Soldiers and Mothers: The Political Origins of Social Policy in the United States*. Cambridge, MA: The Belknap Press of Harvard University Press, 1992, chap. 1.

3. See the discussion in Dorothy Ross, "American Social Science and the Idea of Progress." In *The Authority of Experts*. Thomas Haskell, ed. Bloomington, IN: Indiana University Press, 1984, pp. 157–59.

4. Quite plausibly, August Bebel claimed that without the socialists' political presence, Germany's social insurance legislation would not have come about. At the same time, the SPD (German Social Democratic Party) was both hostile to an enterprise designed to undercut its appeal and participated in parliamentary revisions of the legislation. See Gerhard A. Ritter, *Sozialversicherung in Deutschland und England: Entstehung und Grundzuege im Vergleich*. Munich: Beck, 1983, pp. 49–52, esp. p. 50.

5. Philip Abrams, *The Origins of British Sociology*. Chicago, IL: University of Chicago Press, 1968.

Part I _____

THE EMERGENCE OF MODERN
SOCIAL KNOWLEDGE

I

Knowledge about What? Policy Intellectuals and the New Liberalism

IRA KATZNELSON

FROM ROUGHLY the middle of the nineteenth century through the early decades of the twentieth, scholars, in tandem with activists, state officials, and politicians, developed fresh ways to talk about public affairs and the role of the state in Western Europe and North America. They also helped create new institutional forums to initiate, debate, and refine such ideas. As key actors, these intellectuals were not just traditional wise thinkers. They composed a new type whose claims to professionalism and recondite understanding about public policy demarcated them as a group from broadly comparable predecessors. The knowledge they produced—organized in disciplines and based on claims to rationality and science—became a leading feature of public life. Concurrently, public reasoning about complex social problems became a hallmark of both democratic and authoritarian politics and a defining influence on social science scholarship.

To help think about these entwined developments, I propose a reorientation of perspective. Studies that inquire after the instrumental purposes of intellectuals (that is, those that ask the question Robert Lynd made famous, “knowledge for what?”) too often take for granted the content of policy-relevant knowledge. A stress on “for what?” at the expense of “about what?” moreover, has characterized the two dominant approaches to social knowledge within the social sciences: the *Marxisant* sociology of knowledge, associated with such seminal thinkers as Karl Mannheim and Alvin Gouldner, which locates producers of ideas either within, or aside, the capitalist stratification system, and the Weberian alternative, which identifies the growth of social knowledge with a hunger for usable information by states with enlarged managerial capacities and ambitions. Whether scholars who work in these traditions deem expertise, ideas, and policy advice to be mere rationalizations of conduct or a primary impetus for action (issues I believe to be situational and contingent),¹ they tend to treat the macroscopic environment and the subject matter of social knowledge in terms of bulky and seemingly self-evident categories like the industrial revolution, modernization, and capitalist development. These

background assumptions are unfortunate. The purposes of social knowledge necessarily remain underspecified in the absence of a finely targeted identification of the substantive objects of social knowledge.

With these considerations in mind, I should like to inquire after the central elements of the macroscopic context which both summoned and shaped the emergence of the new social knowledge. What, precisely, was this body of thought about? Which aspects of large-scale processes did its producers and practitioners concern themselves with? In pursuit of these puzzles, I treat policy intellectuals in terms of their relationship to the ties that bind states, markets, and citizens in capitalist and democratic societies. In so doing, I claim the period's social knowledge can best be understood as a constitutive aspect of revisions to liberalism's doctrines, institutions, and policies. These innovations sought to make liberalism capable of apprehending and managing the social and political tensions inherent in societies premised simultaneously on commodification and mass political participation. This "New Liberalism" (labeled as such in late Victorian Britain), including its American Progressive variant, grappled with the analytical and political space between pre-modern conservatism and Spenserian *laissez-faire*, on the one side, and the wholesale rejection of liberal markets and citizenship, on the other. We know, of course, that since the Second World War it has been just this political zone that has come to define the location and legitimate limits of public policy in the European and North American democracies. Conservatives and socialists alike have been co-opted into a politics based on liberal institutional foundations.

I address these subjects by looking primarily at nineteenth- and twentieth-century Britain (principally England). In so doing, I run the risk of distortion. Certainly the ties between social knowledge and state institutions were less developed there than in Germany or France. The British knowledge community was more humdrum and pragmatic in cast than, say, the Austrian, where a militantly conservative strand within neoclassical economics confronted a creative Marxism. By contrast, it also was more expansively ideological than the American. There, after a flirtation with socialism by leading figures of the academic generation of the 1870s and 1880s (including Richard Ely, Henry Carter Adams, and John Bates Clark, who played a leadership role in the founding of the American Economics Association), this tendency petered out and what became the Progressive impulse remained contained within the new social liberalism. Quite unlike Britain, socialism in America was left "without a respectable intellectual base."²

The British case also is distinctive in what it meant to speak of the state as compared to countries on the continent and in North America, and in such features of its state as parliamentarism and the utilization of expertise

lodged in civil society (especially in the ancient universities of Oxford and Cambridge). Nonetheless, the British example exhibits some of the principal tendencies that have characterized the relationship joining knowledge and policy in settings where politics has been concerned more with defining the character of liberalism than with securing its presence. For all its specificities, the development of social knowledge in Britain proved exemplary of the architectonic role taken by policy intellectuals in the marking of the “new liberal” welfare state and of the substantive objects of their work. During the period assayed in this book, Britain and other broadly liberal settings confronted immensely significant practical and normative choices concerned with how the state should transact with markets and citizens. For more than four generations, these concerns have defined the main axis of democratic political conflict in the West, and so they remain at the center of the public sphere.

Property and Sovereignty

Neither of the great macrostructures of modernity, those of national states and capitalism, was new to the nineteenth century. They were grounded in the postfeudal separation of property from sovereignty. Even before the age of constitutionalism, states in early modern Europe that centralized sovereignty and shattered the power of autonomous authorities (who, under feudalism, had controlled property rights as well as political authority simultaneously at a local level) constructed new relationships with the governed. These ties were not just instrumental and strategic. They nestled within conceptions of the public interest and the general welfare. These embraced not only specific roles and obligations, “but also the residue of the traditional ethical mission which perforated the limits of state activity and called for loyalty transcending the appeal of interests.”³ Thus, the national states that were shaped between the thirteenth and sixteenth centuries had both an instrumental and a moral dimension. Each possessed: sovereignty, based on law, and with it legitimate force within a distinctive territory; an ensemble of institutions; and a vision and articulation of the common good. With these attributes, the state emerged as a calculating actor vis-à-vis other states, the newly separated economic sphere, and a newly distinguishable civil society.⁴

Modern capitalism, like the modern state, also was the product of the postfeudal division of property and power. In his 1914 article on stages in the history of capitalism, Henri Pirenne drew our attention to the towns of medieval Europe, especially the Italian city republics of Venice, Florence, and Genoa, to argue that “capitalism is much older than we have ordinarily

thought it.”⁵ Such may be the case, but the key break point in the development of capitalism as the dominant framework for economic development in the West came only with the concentration of sovereignty, the liberation of the political order from direct control of production relations, and the establishment of an authoritative framework for property rights and economic transactions on a large scale. Capitalism prospered and urbanization (as well as rural proto-industrialization) accelerated once capitalist development began to move in tandem with the new national states that centralized sovereignty. As Douglass North and Barry Weingast have argued in the case of England, this political envelopment of capitalism as a consequence of the dissociation of property and political power helped secure property rights and their less arbitrary enforcement. The result was a more entrenched capitalism, blessed by a reduction in the burdens of specifying and enforcing contracts and in realizing the gains from these exchanges. These reductions in transaction costs proved a prod to dramatic gains in investment and productivity, and with these advances the various national states enhanced their capacities to raise revenues for their own purposes through tax collections.⁶

What was fundamentally new about the postfeudal relation of polity and economy was the emergence of a state that was not merely extortionist, but which shared an interest in creating the conditions required to organize independent market transactions. Whereas early medieval face-to-face exchanges had taken place in towns whose existence depended on grants of autonomy from local lords, thus creating insecurities outside this tight embrace, by the sixteenth century, kings, in exchange for revenue, protected towns and traveling merchants on a much larger scale. Within the framework of law and enforcement mechanisms that developed in some of these states, “sophisticated forms of organization, efficient capital markets and trading systems evolved with the encouragement and support of the State.”⁷

With states providing a framework for capitalist development and not acting merely as rent-seekers, as in the public choice vision, the linkage between the economy and the polity was utterly transformed into a new kind of strategic game. States will not ensure just any structures of property rights, but only those consistent with state interests; capital will not give obeisance to any state, but only to those that secure its economic activities. The terms of this relationship thus became the first of two fundamental pivots of modern domestic politics in the West.⁸

The second was the hinge between the state and civil society. Separated from property, and concentrated in authority, the states of postfeudal Europe had to forge new, and uncertain, ties to civil society. If the hallmark of the possession and the centralization of sovereignty is “the final assertion

of authority within a territory,”⁹ one of the problematical correlates is a set of contestable questions both about the range of activities over which the state will have such authority—that is, the extent of its *hubris* in penetrating and regulating civil society—and about the ways in which members of civil society will be able to affect the activities of the state. From one vantage point, this pivotal issue of modern politics appears as that of the autonomy of the state: the extent to which it will be capable of imposing its will by ignoring other actors, but this is an entirely misleading perspective. With the breakup of the tightly knit juridical, economic, and social units characteristic of feudalism, states could not simply impose their will by despotic imposition. Instead, it was a condition of their effectiveness that they transact with society and coordinate aims with other “private” power holders, to develop what Michael Mann has called infrastructural capacity. Building on this insight, John Hall and John Ikenberry note that it was the curbing of despotism, and the emergence of a politics based on a widening sphere of consent that made the growth of infrastructural state capacity possible. Taking the example of eighteenth century England, they observe that “the presence of the state was accepted because it was recognized that the state could be trusted, not least because its actions were subject to control. The state had the capacity, in other words, because it represented society.” State-society relations become reciprocal; over time, the very ability of the state to utilize its authority to intervene in society “may eventually lead to commitments and obligations that bind the state in subsequent periods of decision.”¹⁰

Both of the pivots of post–sixteenth-century domestic politics—transactions between states and economies and between states and societies—thus were marked by a reduction in arbitrariness. The terms of these exchanges became the objects of political struggle and the subjects of expert consideration by political theorists and by political economists. Hobbes, Locke, Montesquieu, Rousseau, Millar, Steuart, the Physiocrats, and Adam Smith, amongst a cast of many, mostly lesser, others, theorized these relationships and sought to find rules of interested engagement between the relevant parties.¹¹ At stake was both the scope of responsibility of states for economic and moral situations and the ways in which the actions of states could be shaped by people, interests, and values outside the state itself.

To speak of transactions between the state and the economy and the state and society is not, of course, to imply equal exchange or a stable set of abilities. It is to suggest bargaining relationships in which all the actors possess resources the others require. At critical moments, the rule-governed and institutional *terms* of these transactions become the subjects of the most fundamental kind of political struggle.¹²

Liberal Markets and Citizenship

The period with which this book is concerned was just such a formative moment. Coming at the junction of the decline of mercantilism and the ascent of a new kind of interventionist state, state-economy and state-society transactions experienced a fundamental restructuring.

Mercantilism had produced a powerful recipe for state-building and for rules to govern the transactions between the state and the economy and between the state and civil society. Its main aspects included “regulation of the economically strong, support and direction for the economically weak, and the state’s own enterprise where private initiative is wanting.”¹³ As Perry Anderson, among others, has stressed, at its early moments mercantilism was put to use for the conservative purposes of buttressing a social order in crisis; later, under the initiatives of Charles Colbert, mercantilism went hand in hand with the protection of property rights and the reduction of transaction costs to provide a dynamic basis for capitalist economic development. Both facets were integral to the process of state-building from the fifteenth to eighteenth centuries in which

regional rulers utilized provisions for welfare as well as force to extend their control over all the inhabitants of their realm. Indeed, it was precisely the need for such a politics of welfare over a larger area when the old local welfare arrangements were being broken down that went far to establish the ruler as the head of the state.¹⁴

During the first half of the nineteenth century, the mercantilist formulas for state-economy and state-society transactions could not withstand “The Great Transformation.” Karl Polanyi has stressed the ways in which independent labor markets with more than local and regional scope came to be a pivotal institution of industrial capitalism. With the introduction of market mechanisms to allocate people to jobs and set wage levels, capitalism entered a new, liberal, phase. Now, as labor markets joined markets in capital and land, the conventions and moral impulses of economic markets became so powerful as the governing rationales of capitalist societies that they no longer seemed to be objects of human action.¹⁵ Yet, Polanyi stressed, at the very moment when markets prevailed over mercantile regulation, they “implied a start utopia” because they “could not exist for any length of time without annihilating the human and natural substance of society; it would have physically destroyed man and transformed his surroundings into a wilderness.” For just this reason, it was inevitable that “society took measures to protect itself” by invoking the state both to organize the new markets and to mitigate their distributional effects. This linking of state and market quickly proved disorienting: “Whatever mea-

asures [the state] took impaired the self-regulation of the market, disorganized industrial life, and thus endangered society in yet another way. It was this dilemma which forced the development of the new market system into a definite groove and finally disrupted the social organization based on it,"¹⁶ and it was this nexus of developments that oriented and challenged the new practitioners of social knowledge.

It was not capitalist industrialization or social unrest as such that commanded their attention, but a specific tension between two of the outstanding features of the period. On the one side, early industrial capitalism was marked by the emergence of independent labor markets (later supplemented by independent housing markets) lacking in the ameliorative traditions of Tory paternalism and the softening traditions of mutual responsibility or clientalism and by the concomitant development of a new social geography of work and home dictated by market forces. These features of proletarianization provided a crucible for new working-class identities, dispositions, and patterns of collective action.¹⁷ On the other side, largely as a consequence of the working out of the implications of the American and French revolutions, the period was marked by the development of compelling conceptions of popular representation and citizenship. From the moment of these democratic revolutions, all members of civil society became actual or potential citizens. No longer could citizenship be restricted to those who, by holding property, demonstrated a stake in the existing commonwealth. Instead, the possibility of political (and military) participation was universalized, in the expectation that in a community of citizens people would act rationally in pursuit of individual, group, and common interests. Citizenship—perhaps more so at this time than at any moment since—possessed a radical, emancipatory edge.¹⁸

The consequence of the broadly simultaneous development of market rationality and market institutions for labor and a new ethic and practice of citizenship was this: precisely the same people who were workers and/or paupers in the new market regime also in fact either were citizens or potential citizens. It was in this novel circumstance that the "social problem" emerged. This emblematic term condensed the new tensions of markets and citizenship, and it put at the core of public life the question of whether, and to what extent, the political relations of citizens might modify the operation of markets, as well as the extent to which the rationale of the marketplace would dictate limits to citizenship. Prerevolutionary approaches to citizenship (whether Roman, Medieval, or Enlightenment) had not ignored the connection between citizenship and minimum levels of security, but they had dealt with it by excluding those without economic means from the community of citizens. No longer was this solution possible, at least not in more than the short run. As a result, as citizenship became more inclusive, states had no choice but to extend the scope of

their policies aimed at organizing markets and mitigating their distributional inequities.

This moment of passage from the mercantile state to a state seeking to manage a liberal capitalist order with citizenship rights often is described as an age of *laissez-faire*. This depiction is misleading. In empirical terms, *laissez-faire* never actually existed, much because of the inherent impossibility of sustaining a market system entirely on its own terms in an age of citizenship. Even though it certainly is correct to see the early nineteenth century in the archetypical case of England as the moment of the achievement of a free labor market and the erosion of mercantile practices with the scaling down of tariffs and the freeing up of food trades, even at this heyday point when the state moved to deregulate commerce, *laissez-faire* was compromised by the remaining statutes of the mercantile era and by the beginning of the regulation of industry, initiated by the Factory Act of 1833 and extended by a host of legislative initiatives. "Throughout this period," Colin Holmes notes, "the trend was towards more rather than less central government intervention in economic and social matters."¹⁹ In terms of political theory, moreover, *laissez-faire* never achieved more than a partial influence. Even in the hands of Adam Smith, the state was given a considerable role in the organization of capitalist markets, and there is clear evidence that *laissez-faire* as a doctrine seeking to leave self-seeking individuals and firms alone to pursue their interests was only one of many influences on policymaking.

If not an age of *laissez-faire*, the middle of the nineteenth century was a moment when the conjoining of large-scale economic and political developments led to the search for mutual and tolerable limits between the state and the post-mercantile economy, on the one side, and the state and civil society, on the other. This pursuit, by numerous actors both within and outside the state, was characterized by new sets of substantive and strategic transactions between the states of Europe and North America and their market economies and civil societies (now constituted not only by estates and groups but by individuals with rights). In forging these relationships, the organization of states and their institutions changed, as did forms and mechanisms of representation and the substance of economic and social policy. At the phenomenal level, the new relationships between these altered states and key others appeared as exchanges between the state and the marketplace and between the state and its citizenry, reflecting new circuits of interaction between three newly constituted sets of actors that had come into being.

We have seen how in the seventeenth and eighteenth centuries the post-feudal division between property and sovereignty had convened new forms of thinking about how to orient and guide a modern civilization divided into components of economy, polity, and civil society. In the nine-

teenth century, the transformations that produced an economy of markets and a polity of citizens and the struggles of groups and movements such as the Chartists, who responded to these changes and opportunities, provoked sharp alterations to the questions, methods, and organization of social knowledge. Subject matter, style, and institutions refocused and were remade. A modernist policy intelligentsia, nourished by Enlightenment conceptions of reason, considered citizenship, markets, and their intertwining with the confidence that they could find scientific solutions to ethical problems. Their methods specialized, and the professionals overtook the amateurs.

How did this happen? What were the characteristic features of this process? The restructuring of the patterns and rules of transaction linking states and markets within capitalist economies as well as those connecting states and citizens in civil society constituted the provinces of the new social knowledge. Rather than speak, as we commonly do, of these emergent ideas addressing problems of industrialization, modernization, or capitalism, a focus on these strategic domains of transaction invites more exact considerations of the loci of the problems, and the problems themselves, addressed by producers of knowledge: how should the state underwrite and confirm property rights, organize markets, and mitigate their distributional consequences; how should political and interest representation be organized and the relevant actors come to be defined? By focusing on the transactions between state and market and state and citizen, we can better understand how it was that these particular problem-sets helped stimulate the reorganization of institutions and ideas, and why it was that a distinctive repertoire of options became available to scholars and policy intellectuals as they crafted solutions to the problems they perceived under these new conditions.

Thinking about policy-relevant knowledge this way restores a place for intentionality without giving up considerations of enabling and pressuring structural conditions. It also helps us treat policy thinkers as actors concerned *about* specific realms of transaction and their constituent tensions within two sets of limits: those defined by the material situation on the ground and those imposed by the finited range of ideas and visions which possess an affinity for the challenges posed by the liberal duality of markets and citizenship.

In situations characterized by the crystallization of these new institutions, practitioners of social knowledge, perforce, had two very broad options: to accept or to repudiate these foundations of liberal social formations. Throughout the nineteenth and early twentieth centuries, deep reactionary currents of refusal and restoration, radical renunciations of the new moral economy, and forward-looking blueprints, the most important of which was a powerful Marxist critique and teleology, assertively rejected

the new institutional and normative framework of liberalism. By contrast, the great majority of social analysts accommodated with varying degrees of enthusiasm to the new order and to its immanent power relations, and sought to solve problems within the boundaries of the liberal premise. Thus, the new social knowledge was inherently and inescapably liberal.

Within this framework, there existed a wide array of alternative conceptualizations, ways of organizing knowledge, and contestations about policies, from right to left (at both poles straddling the liberal/non-liberal divide); but these debates, no matter how hotly contested, remained circumscribed within a distinctive family of possibilities and they focused on a shared subject matter: the field of tension created by the simultaneous development of transactions between states and markets, especially as they concerned labor, and between states and citizens. The harsh realities of unequal and exploitative relations between economic actors helped create contentious class representations that intersected the radical impetus of citizenship to produce incendiary political possibilities, making both the modern state and modern capitalism precarious.

In these circumstances where inequalities of power and plenty undermined the naturalized status of the state and capitalism, the producers of social knowledge—as individual scholars and theorists, and in organized settings, such as universities, learned societies, political parties, organizations devoted to policy goals, and governmental bureaucracies—struggled with how to interpret and manage the new transactions linking state and market and state and citizen with very mixed and often confused motives: to preserve the social order and to reform it, and frequently both. These questions of “for what?” cannot be answered in ways that definitively resolve whether knowledge-holders were independent or subservient to dominant interests; at a self-conscious level, policy intellectuals have ranged from those positioned at the pole of radical criticism to those who wished to serve privilege without making independent assessments. What joined them together across this variety of structural and normative positions was their shared “about what” subject matter; this commonality defined the principal distinguishing characteristics of the new social knowledge that began to be elaborated in the middle decades of the nineteenth century.

Overall, this process of a shared agenda leading to an elaboration of policy-relevant social knowledge is best understood as a key element in the making of a revised liberalism, at home with the period’s new separations and transactions yet deeply apprehensive about the stresses inherent in their development. Sometimes cast in a language of socialist transformation, sometimes in a conservative discourse, and sometimes in a vocabulary of individual rights, the center of gravity of the new social knowledge was located in the New Liberal attempt to find reference points and tools of