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Enterprise and the Welfare State. Martin Rein and Eskil Wadensjo

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Book Notes

Martin Rein and Eskil Wadensjo, *Enterprise and the Welfare State*. Williston, VT: Edward Elgar Publishing, 1997. \$ 95.00 hard-cover.

Despite hopes that progressive political leaders will reverse the retrenchments which have taken place in the public social services over the last 20 years, it is now generally accepted that the welfare state has undergone a profound transformation. The belief that governments should provide a comprehensive system of care for their citizens has been undermined, if not abandoned. Today, many governments are encouraging the purchase of private health care, retirement and other forms of social protection. As public welfare services are being focused increasingly on the poor, residualism is emerging as the dominant modality in social policy.

This book examines the expansion of private social provision with specific reference to pensions policy in nine industrial nations including Austria, France, Germany, Japan, Sweden and the United States. As the editor's comprehensive introduction points out, the governments of these nations now recognize that the public system cannot adequately meet the needs of their aging populations, and that a multi-pillared system will be required if the contingency of retirement is to be adequately addressed. The nine case studies contained in this book examine the nature of the public-private welfare mix in each country in detail, and this permits the editors to draw some general conclusions about current pension policy trends in the industrial world.

The analysis is both informative and important. The editors suggest that the contrary to current thinking, the situation is extremely fluid and that the notion of static pillars of provision do not provide an adequate conceptual framework for analysis. In addition, those who receive pensions are not a homogenous group who respond to the challenges of retirement in the same way. Elderly people in many of the countries included in the book continue to engage in productive employment and many proactively manage their own retirement incomes. While many

elderly people are dependent on state pensions, others effectively manage the different sources of income that accrue to them. There are also significant differences in the way governments seek to formulate pension policies. Despite its misleading title, which suggests a much broader analysis of enterprise and social policy, this account of changing pension policies in the industrial nations is a significant addition to the literature.

Patrick J. Kelly, *Creating a National Home: Building the Veteran's Welfare State. 19860–1900*. Cambridge, MA: Harvard University Press, 1997. \$ 37.50 hardcover.

Numerous explanations for the emergence of the so-called welfare state in the industrial nations in the middle decades of this century have been offered by social scientists. Generally these explanations have emphasized the role of class in the evolution of state welfare. While Marxists view welfare statism as little more than a conspiratorial attempt on the part of capitalists to subdue the revolutionary potential of the working class, social democrats regard the creation of comprehensive government welfare programs as a triumph of working class struggle. Although functionalist explanations emphasize the importance of industrialization in the genesis of state social programs, they too regard class as an important factor in welfare development.

In recent years, scholars such as Theda Skocpol have offered a radically different interpretation of the emergence of government social welfare. Skocpol's historical analysis contends that the American welfare state did not emerge out of class struggle but rather from campaigns for the introduction of pensions for widows and civil war veterans in the 19th century. The initial impetus for the welfare state was not rooted in European style class politics but in populist attempts to provide for needy mothers and soldiers.

In his engaging book on the factors that gave rise to a network of residential institutions for the disabled veterans of the American civil war, Patrick Kelly extends Skocpol's work. His impressively detailed account of the way disabled war veterans were initially supported by philanthropic organizations and later by the federal government shows that populist sentiment and organized interest group politics were vitally important for the