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The Origins of Unemployment Insurance in Britain

A Cross-Class Alliance Approach

Britain's 1911 National Insurance Act ranks as the world's first compulsory program of unemployment insurance and was a key element of the Liberal government's reforms. Yet by failing to incorporate differences in actor preferences toward insurance, existing theories of social policy origins provide incomplete explanations for its timing and scope. The objective of this article is to improve on accounts of the 1911 unemployment insurance scheme using a cross-class alliance approach. It argues that employers and workers in capital-intensive trades formed an alliance in support of the scheme, whereas their counterparts in relatively labor-intensive trades were unable to strike a similar bargain. Unlike other frameworks, this approach is amenable to explaining why the unemployment scheme was designed as a contributory system that excluded many trades. The study's findings carry implications for social historians, political economists, and sociologists alike.

The notion that the net income of an employer varies according to the number of persons he employs may seem plausible in circles where men are judged by the length of their retinue of public servants, but to anyone acquainted with practical business it is a cruel absurdity. (George Bernard Shaw, *The Times* (London), October 23, 1911)

What explains the timing and nature of the unemployment scheme created in Britain by passage in 1911 of the National Insurance Act? This question is important in several ways. To students of nineteenth- and twentieth-century

British history interested in the growth of the state apparatus, the 1911 act was a key element in the Liberal government's battery of reforms. While they did not mark the beginning of the welfare state, these reforms paved the way for its establishment following World War II. To political economists interested in government responses to the vagaries of the market, the act was a milestone in efforts to deal with one of capitalism's most intractable problems. And, as the first nation to adopt a compulsory, state-run program of unemployment insurance, Britain before the world wars presents a critical case for political sociologists interested in understanding policy variation across industrial democracies. It is not surprising, therefore, that scholars from a variety of backgrounds and using a variety of theoretical frameworks have addressed this question. While some approaches are directly at odds with one another, many differ only as a matter of degree.

This article has two objectives. The first is to offer up a new framework for understanding Britain's 1911 unemployment scheme. I argue that a cross-class alliance approach contributes substantially to an understanding of the origins of the act's unemployment scheme. Dominant approaches to social policy development focus on the relative power of class-based interests, on the political and intellectual motives of government policy makers, or on an interactive synthesis between class interests and the state. I argue that the first perspective suffers from constraining social groups into unidimensional concepts, whereas the second overemphasizes the role of governmental structures and the rise of prominent individuals operating within them. Neither provides a sufficient understanding of unemployment insurance in Britain. Recognizing these shortcomings, synthetic approaches aim to strike a middle ground between the influences of both group and state interests. Such efforts, however, often result in an imprecise sort of theoretical eclecticism. While also acknowledging the shortcomings of more parsimonious explanations, this article does not attempt a similar rapprochement. Parting from earlier work on the origins of Britain's welfare state, it draws instead on recent scholarship in political economy to disaggregate and reconstruct class-based interests in terms of a cross-class alliance. I show that this approach is amenable—in ways others are not—to explaining why the unemployment scheme initially was not designed as a universal insurance but instead as a contributory system that excluded many trades.

The second objective is to offer a basis for making such a cross-class bargain possible. The scheme initially covered only 2.25 million workers in

the building trades, mechanical engineering, iron founding, vehicle construction, and saw-milling; coverage was not extended to all manual laborers (save those in agriculture and domestic service) until passage of the Unemployment Insurance Act of 1920. The limited scope was not due as much to the desires of government bureaucrats as to the fractured class interests, owing, as Shaw recognized, to the value which labor contributed to a trade's final product. Specifically, I argue that employers and workers in capital-intensive trades formed an alliance in support of the scheme, whereas laborers operating in the more labor-intensive trades were unable to strike a similar bargain with their employers.

The article is organized as follows. The first section surveys the literature in history and political sociology to identify both the strengths and weaknesses of existing explanations for Britain's unemployment insurance policy. The second section analyzes evidence from employer and worker organizations to uncover the scope of support for the insurance scheme. I show that although support existed among both of these groups, it was not uniform across all industries. Intra-class differences facilitated interclass ties. The third section discusses the forces behind the capital-labor, cross-class alliance. A factor-intensity explanation whereby workers and employers in the relatively more capital-intensive industries united in favor of a compulsory-based system of unemployment insurance is, I suggest, more plausible than other explanations. The final section draws implications for theories of social policy origins.

Existing Explanations for Unemployment Insurance in Britain

Several claims have been advanced to account for the development of centrally administered social legislation in early-twentieth-century Britain. Regarding unemployment insurance, the primary concern is with the ability of these perspectives to address two questions. The first pertains to the timing of the legislation; the second, to its scope. First, why was the bill passed into law in late 1911 rather than earlier or later, and what actions by which actors were necessary prerequisites for passage? Second, what accounts for the limited nature of the original unemployment scheme?¹ Why did it insure only 1 in 10 members of the labor force, compared to schemes for occupational injuries and health that covered two-thirds of all workers? Why was it set up

as a contributory rather than voluntary system? And why was a distinction in coverage drawn between the able-bodied, “respectable” worker and the socially declassed poor? This section begins by evaluating claims from three broad perspectives that have been used to explain social policy developments in Britain. Contemporary approaches differ by emphasizing working-class strength, the independence of government policy makers, and the intersection of class interests and state actors. Finding deficiencies in each of these approaches, I then outline an alternative approach centered on a tacit alliance between employers and workers.

An influential line of argument is the working-class strength or power resources explanation (Stephens 1979; Korpi 1983). Premised on the notion that economic resources are distributed unequally among social classes, this perspective accounts for policy outcomes in terms of the relative strength of labor and capital. Thus, like Marxist approaches to the welfare state (e.g., Przeworski 1985), the power resources approach is class-centered. But unlike the former, it drops the assumption that political power necessarily resides with capital and its control over the means of production. Rather, gains made by labor may shift the balance of power in its favor. A powerful, broad-based union movement gives rise to a strong reformist-socialist party, which, the argument goes, is able to achieve hegemonic status in the political arena and deliver a host of redistributive social policies. In this way, the welfare state “is a product of the growing strength of labor in civil society” (Stephens 1979: 89).

Viewed from a power resources perspective, the set of social policies that emerged in Britain during the period 1906–11 was the result of the increased strength of organized labor and its ability to make effective demands on the state. At first glance this explanation seems plausible. Although overall union density tapered off slightly between 1892 and 1910, membership in the less homogeneous general labor unions increased from 1900 to 1914, suggesting that the labor movement was more united just before the First World War than it had been during previous eras (Hobsbawm 1949).² Thus, to the extent that the British working class was able to express its demands in a coherent voice, a stylized version of the power resources argument appears to fit.

Yet the power resources approach can be criticized on at least two grounds. First, it does not sufficiently explain the early phases of social insurance. Although the theory may approximate postwar social policy developments, sustained socialist influence in the national legislature was nonexistent

in Britain prior to World War II. Among work accident, pensions, sickness, and unemployment insurance, none emerged before the first meeting of the Trades Union Congress in 1895, and only work accident insurance existed prior to the consolidation of the Labour Party around 1900. If labor's power was sufficient to serve as the force behind Britain's National Insurance Act, why had the party made only minor gains in Parliament?³ A second criticism is the failure of power resources theory to unpack *labor* and *capital*; classes are treated instead as undifferentiated blocks.⁴ This is a mischaracterization of the British case. The advancement of the "new unionism" (the extension of worker organization to groups of less-skilled workers) was uneven, and union growth in general experienced several setbacks. Moreover, there is evidence of widespread suspicion of the 1908–11 reforms made by the Liberal government among the newly organized workers (Pelling 1968; Thane 1984), and according to government estimates fewer than 500,000 of the 2.5 million workers initially eligible for the unemployment compensation belonged to a union (reported in Ashley 1911).

A second set of approaches emphasizes extragovernmental elites and the autonomy of the state. These explanations contend that innovation originated with a small network of policy makers who were guided more by intellectual currents than by pressures from society. With regard to the British case, an expanding and centralizing state apparatus provided the resources necessary for policy-maker innovations to be applied effectively to large social problems. In contrast, the diffused organization of economic interest groups meant that unions and employers were not equipped to influence the shaping of the 1911 insurance schemes. The relative weakness of these class interests vis-à-vis the state is said to contribute to why the insurance schemes did not mark a major break from the broad but limited coverage of the New Poor Law of 1834. Further, the scheme's provision for flat-rate contributions centrally administered at the Board of Trade is consistent with the interests of the government, in terms of both Prime Minister Herbert Asquith's liberal ideology as well as preferences for an efficient bureaucracy (Daunton 1996).⁵

The state autonomy perspective also has been adopted by more general political-sociological explanations of policy development. Hugh Hecló (1974) downplays the influence of private sector interest groups. Instead the development of the 1911 program in Britain owes much to social learning by state administrators as civil servants drew lessons from the failures of past experiences such as the poor-law system and the locally administered 1905 Unem-

ployed Workmen Act. Similarly, Ann Orloff and Theda Skocpol (1984) argue that the extension of the franchise during the nineteenth century gave rise to a counterbalancing strengthening of the civil service that stymied potential working-class influence in politics. The growth of the civil service together with the demise of patronage politics is cited as the reason why the 1908–11 reforms occurred when they did, while the still-fledgling status of the Labour Party contributes to why the reforms were limited in scope.

The state autonomy approach provides insight into the origins of unemployment insurance in Britain. The timing question is addressed by reference to fresh ideas from expanding national bureaucracies. And, in contrast to power resources explanations, the unions had to be persuaded by the government to support the social insurance schemes, rather than vice versa. It was not necessary for working-class groups to demand unemployment insurance in order for it to come about (Hecló 1974: 84; Orloff and Skocpol 1984: 737). Yet while calling into question working-class mobilization explanations, this approach presents little room for the influence of class interests. This seems insufficient. Recent work argues that both worker mobilization and state institutions influenced the adoption of social insurance programs before the Great Depression (Hicks et al. 1995; Hicks 1999). Another shortcoming of the approach is its neglect of employer interests. Employer motivations for creating systems of social protection are considered only briefly, and when they are these authors fail to distinguish them from the demands of the state itself (e.g., Hecló 1974: 85–86). This amounts to a contradiction of the state autonomy argument itself: if the interests of employers are coterminous with the state, is the latter truly independent from social influence?

The inadequacies of power resources and state autonomy approaches have led to the development of explanatory syntheses. Synthetic approaches vary according to whether classes are subordinate to state structures or whether the state merely provides the boundaries within which the class struggle plays out. The former is associated with Skocpol's later work (Weir and Skocpol 1985; Skocpol 1992). According to this polity-centered approach, the state possesses an independent source of power rooted in resources such as the administration of collective functions and the monopoly control of the legitimate use of force. Yet unlike state autonomy theories, this perspective makes allowances for class and other group forces. Skocpol exchanges earlier emphases on state structures for explorations of how these structures "fit" with the influence of class and non-class-based inter-

est groups. In this way she (Skocpol 1992: 47–48) contends that “social and political factors *combine* to affect the social identities and group capacities involved in the politics of social policy-making” (emphasis in original).

The second class of synthetic works—both neo-Marxist and non-Marxist in nature—reverses the order of importance, placing class above state. Parting from both classical Marxist and power resources theories, neo-Marxist theories of policy development accommodate nonclass forces by stressing their class aspects. In order for capitalist production to thrive, the argument goes, the state necessarily intervenes to address deficiencies in the market. The result is a structural dependence of the state on capital, where state managers become dependent on capitalists due to the private control of investment and wealth. The state, therefore, assumes a class aspect (Block 1977; Jessop 1977). Applying such reasoning, Steve Valocchi (1989) contends that state-centric analyses fail to unpack the class elements that affected the administrative structure of the British state in general and causes of the 1911 unemployment insurance scheme in particular. State managers, Valocchi argues, acted in response to business confidence by making a series of reforms that were, for the most part, self-financing and limited in coverage and that involved little income redistribution. And while class conflicts pushed the state to act, class biases present within the state dictated the nature and scope of reform.⁶

Finally, some political sociologists have recently advanced a class-driven but state-mediated theory of the welfare state that refrains from making assumptions about group relations to the means of production (Mann 1993; Hicks et al. 1995; Hicks 1999). This class politics theory, as Alexander Hicks (1999) labels it, asserts that the ability of social classes to drive welfare state outcomes is framed by the state. This flexible perspective interprets the 1911 act as a strategic response by the state to working-class mobilization, constrained by a particular political-institutional setting. To gain favor with growing labor strength, the 1906–11 Liberal government strategically allied with the Labour Representation Committee (the precursor to the Labour Party) in common pursuit of social reforms, including the unemployment insurance law (Mann 1993). This eclectic class politics model addresses several shortcomings found in earlier models of welfare state origins. Unlike the power resources approach, it offers an answer to the puzzle of why reform came about when it did, under the Liberals. Unlike state autonomy approaches, it contends that policy makers acted in response to changing

social forces. And unlike neo-Marxist varieties, it is not bound by the burden of establishing intentional procapitalist biases in the state.

All the perspectives reviewed—the class politics model included—are informed by the rise of working-class power, by the actions of political and administrative state agents, or by some combination of the two. Other independent sources of influence remain absent from contemporary social science explanations of British welfare state origins. In particular, the role of the employer has received surprisingly little attention in the historiography on British social policy. Some years ago Roy Hay (1975, 1977, 1981) argued that employer desires for new social policy actually preceded those of state policy makers. Some have criticized Hay's analysis for attaching too much power to employer interests independent of finance, the state, or both. Neo-Marxist analyses, for example, contend that only those members of the business community from the more "dynamic and monopolistic" sectors of the economy could, through their intellectual affinity with the Liberal Party, make an impact on the reforms (Valocchi 1989: 357; Melling 1991). However, the largest industries remained outside the act's coverage (see below). Such criticisms do not allow for the possibility that the divided nature of employer interests may have played a role in the limited scope of the 1911 unemployment scheme.

This article relies in part on Hay's work, but it goes beyond his argument in two ways. First, I attempt to set apart the proinsurance employers from those who stood against the reforms. Can distinguishing among employer interests contribute to an explanation of why the bill passed in December 1911 dealt with only a fraction of the unemployment problem as defined over the previous 20 years? Second, I aim to uncover employer ties with worker organizations by using a cross-class alliance approach. This approach understands the development of social arrangements in terms of class-splitting alliances between select employer and worker groups supporting policy change. In contrast to the power resources argument, this perspective asserts that organized labor alone cannot drive major social policy reform. Rather, an alliance forms along a particular nonclass division.

The cross-class alliance approach builds on scholarship on the political role of industry groups in shaping policy (Schattschneider 1935). Peter Swenson (1991, 1997, 2001) has applied this perspective to explain social policy origins. According to this approach, the relative success or failure,

or presence or absence, of a given policy is informed by the alignment of capital and labor interests. In contrast to dominant power resources models that explain social democratic hegemony in terms of capital's relative weakness, Swenson (1991) connects the development of tripartite wage bargaining arrangements in Scandinavia to a subset of employers acting in tandem with unions in the traded goods or skilled labor sectors. Elsewhere, Swenson (1997) counters state-centric explanations for American social policy development by asserting, among other things, that the National Association of Manufacturers allied with the more organized sections of labor to be the catalyst for the system of unemployment insurance implemented by the Social Security Act of 1935.⁷ In each of these country experiences, reform was adopted by politicians despite opposition from significant segments of capital and labor. An extension of cross-class alliance explanations of unemployment compensation is Isabela Mares's (2000) work on France and Germany. As in Swenson's work, the reformist role of employers allying with trade unions takes center stage in her explanation. But Mares also demonstrates how unions and employers uniquely affected the formation of insurance against unemployment, as distinct from other components of what would come to be known as the welfare state. In this way she helps us understand why national solutions to unemployment were often arrived at separately from health and sickness, occupational injuries, and pensions.⁸ More generally, her analysis signals a note of caution to those who search for single causal determinants for separate social policy outcomes.

The cross-class alliance approach has not been applied to the case of policy origins in Britain. Although reasons for this neglect are not clear, it may be that existing models suffice to capture the broad parameters of British social policy developments in the twentieth century. Indeed, the power resources model ties into the strong class-based emphasis of British historiography, while polity-centered or class politics theories accommodate reasons for why the 1906–11 reforms occurred, as strategic preemptive actions by a Liberal government. But addressing broad parameters is not sufficient. None of these models can accommodate the scope of the 1911 legislation. Why was coverage limited in the first instance to only shipbuilding, engineering, and building and works construction? Why was it set up as a contributory system rather than built on the voluntary contributions of union members? These questions motivate the discussion in the next two sections.

Employers, Workers, and Support for the National Insurance Act

Both power resources and state autonomy theories view the British employer as having little influence on the timing or nature of the 1911 unemployment scheme. As Hay notes, it is difficult to detect a unified employer voice—in either support or opposition—during the period 1905–14. This assessment may be due in part to tendencies to focus on Parliament debates and/or the implementation of policy at Whitehall. Employer position on social reform, however, can also be gauged by the extent of industry’s active inquiry into the workings of insurance.

In this regard, German social policy precedents have received some attention. Hay (1981: 11) notes that sometimes one “gets the impression that the streets of Berlin were clogged with little groups of British inquirers of one kind or another, subjecting every aspect of Germany’s social institutions to more or less detailed scrutiny” (see also Mommsen 1981). But though these employers were from across the whole spectrum of society, they did not pose as a united front. Their motives were diverse and stemmed from quite different backgrounds. Furthermore, their visits were not part of a concerted government program to learn from the German experience. This contrasts somewhat with developments in health care. The influence of Germany’s pioneering system of sickness insurance on Part I of the 1911 National Insurance Act is well established, given David Lloyd George’s 1908 visit to observe German practices and his subsequent involvement in developing the British scheme. But even on matters of health Lloyd George’s references to German achievements may have been selective at best and perhaps entirely speculative (*The Times* [London], August 3, 4, 7, and 8, 1911). Regardless, it is doubtful that the German case offered a clear guide on what to do about unemployment, particularly since the country did not develop a national system of unemployment insurance until 1927, much later than many neighboring countries. Yet Hay’s investigation reveals two notable findings. First, certain employers had an active interest in social insurance; industry was not apathetic. Second, employers did not mount a united front in their position on policy reform.

This second finding is particularly important here. Minutes from the Royal Commission on the Poor Laws of 1905–9 and records of the Association of Chambers of Commerce of the United Kingdom reveal that the

opinions of certain employers were well in advance of those of government experts. Many of these opinions found their way into the Board of Trade's proposal. Representative is the following extract backing different treatments for different classes of workers:

It is essential that permanent machinery be constructed for obtaining reliable information as to the number of persons out of work who are entitled to be classed as bona fide unemployed, that is to say, men who, through some cause over which they have no control, are temporarily out of work—men who will work when they have to. These men are assets of the nation, and it devolves on the nation to see that they are not allowed to become pauperized. (*Birmingham Chamber of Commerce Journal* 3 [1905]: 177–78; cited in Hay 1977: 444)

The convening of the Industrial Council in July 1911—as a realization of the underlying links between groups of employers and workers—provides further evidence of employers' autonomy from the state. The council's intent was to bring capital and labor together to stave off militant action during a time of industrial unrest. Though initially created through government channels, the council did not enjoy the sustained support of politicians or government planners. Noting that the body was unable to settle a single dispute, council member and president of the federation of the Master Cotton Spinners' Association Charles Macara (1921: 173) contended that “there was a certain amount of jealousy on the part of the politicians. . . . They were afraid of the practical men holding controlling positions in industry becoming too powerful or too popular in carrying out the work for which they were so eminently fitted.” Restated, the employers and workers were the force behind the council's formation, not the state. George Askwith, the comptroller general at the Board of Trade at the time, concurred. In his memoirs he wrote that industry “largely led to the establishment of the Council” (Askwith 1920: 179). The presence of bodies such as the council to serve as an independent point of contact outside the state diminishes both state-led and neo-Marxist assertions of an activist state in the social policy realm.

Where existing treatments of employers' interests often conflate them with those of the state, most discussions of workers' interests assume them to be at odds with those of the employers. The history of the nineteenth- and early-twentieth-century labor movement in Britain has been written mainly from the perspective of engaged conflict with industry. Conflict-motivated

unionism—in particular the use of the strike to gain wage concessions—increased in the early 1900s following the economic downturns of the 1880s and 1890s (Harris 1972: ch. 2; Pelling 1963: 89–102). Over the years 1892–1910 membership in general labor unions increased while the ranks of the traditional crafts unions diminished. These developments, along with extensions of the franchise in 1867 and 1884, could be interpreted as evidence that a powerful labor movement gained policy concessions from the 1908–11 Liberal government. But focusing on the trajectory of this “new unionism” as an explanation for the timing of the 1911 scheme glosses over other functions of early working-class organization. This first took the form of the friendly societies and later of the trade unions. In particular, many unions had already offered unemployment, or “out-of-work,” benefits to their members. These benefits were not uniform in coverage across sectors. For instance, provisions were more sufficient in metalworking and engineering than they were in textiles or mining (Robinson 1913: 287–94). The state-administered compulsory scheme of 1911 therefore was not laid upon a blank slate but was instead introduced into a system that had a history—albeit at times not a very successful one—of caring for the disadvantaged.

If the empirical record belies a steady and uniform rise in working-class organization, how are we then to gauge differences within the working class? One way is to examine systems of wage setting. Though not typically analyzed by social historians, students of labor relations show that methods of bargaining over wages can be a proxy for degree of worker-employer cooperation (Calmfors and Driffill 1988). Voluntary wage setting at the district level or above requires compromise between disparate interests. This increases the likelihood that employers, unions, and the state will come together to craft policy. Conversely, without broad encompassing bargaining frameworks, local-level wage settlements provide less opportunity for wide policy agreement. According to the Board of Trade’s 1910 *Report on Collective Agreements*, the vast majority of settlements did occur at the local level. Of 278 conciliation boards known to the board, 262 dealt with “particular trades,” and only 16 pertained to dispute settlement at the district or national level (ibid.: xxxviii). Industries with bargains settled at the national level were the building trades (including bricklayers, stonemasons, carpenters, and joiners), coal mining, iron and steel, boot and shoemaking, cotton weaving, engineering, and shipbuilding. The report singles out the last two as having the most “elaborate” schemes of conciliation, both of which would be eligible for the

contributory system of unemployment insurance. There were strong sanctions for bargaining with nonunion workers in the engineering industry: "An employer who refuses to employ trade unionists will not be eligible to sit in conference" (*ibid.*: xxxv). And the conciliation scheme in the shipbuilding industry was framed on lines closely resembling the engineering trade.

Subsequent Board of Trade reports also highlighted differences within working-class organization. The board's 1912 *Report on Strikes and Lock-outs and Conciliation and Arbitration Boards* notes that by the early twentieth century the state had become increasingly involved in the settlement of industrial disputes (see also Askwith 1920). This involvement, however, was far from identical across industry sectors. In particular, state involvement played little role in building, engineering, and shipbuilding. In these sectors provisions had been made for ultimate reconciliation of disputes to occur via national bodies or national conferences. Within the building trades, the National Scheme of Conciliation for bricklayers, stonemasons, carpenters and joiners, and laborers had been in operation since 1905, and the engineering and shipbuilding trades had in place conciliation procedures for dispute settlement by way of a conference between the employers' federation and trade union representatives (Board of Trade 1912: xx; Flanders 1954). This suggests that employer-union connections were among the strongest in these three groups of trades. And, as noted, workers in engineering and shipbuilding, along with certain building trades and construction, were identified to be among the few eligible for national insurance.

Evidence on preferences over the insurance scheme also indicates splits among workers. Although the Board of Trade's proposal called for a contributory system, several unions were against having to make out-of-pocket contributions. Many preferred to have a voluntary (also known as Ghent) system of insurance or, more likely, to have none at all so as to concentrate energies on the more pressing demands of greater pay and improved working conditions (*The Times* [London], September 8, 1904; Thane 1984). For example, *Unity*, an Oddfellows monthly, held that the state should not compromise the liberty of the workman by forcing him to make contributions for the benefit of others who were "indolent, indigent, or negligent" (cited in *The Times* [London], December 10, 1911). And while not distinguishing between Parts I and II of the bill, referenda of electors in two constituencies, Walsall and Rutland, showed large majorities to be against the contributory scheme (*ibid.*).

These tepid views were shared by some employers. Two and one-half months before the act's passage, Macara, the cotton industrialist, indicated that many captains of industry and well-known labor leaders opposed contributory insurance and would only support some noncompulsory scheme. "I fear that many people have been led to believe that I am advocating compulsion," he wrote. "Having 20 years' experience of labor disputes in one of the staple industries of the country I hold strongly that any form of compulsion would be found impracticable" (*The Times* [London], October 3, 1911). Anti-contributory sentiment among workers is also prominent in I. G. Gibbon's writings—referenced by many members of Parliament—on the pioneering schemes in Europe. According to Gibbon (1910), the attitude of workers on the continent toward compulsory insurance was generally one of suspicion. The workman "begrudges the compulsory contribution, and fears that he would be mulcted to provide benefit for less competent or less deserving members of his class" (*ibid.*: 178).

In sum, neither employers nor workers were apathetic toward the Liberal government's reforms. Yet neither were employers and workers always at loggerheads over the issue. The powerful alliance of interests might not have been between capital and the state, as certain neo-Marxists would have it, but between capital and labor. But why were certain segments of capital and of labor more likely than others to favor the legislation? Concedes Hay (1977: 440), "It is not possible . . . to say definitely why some employers were in favor of welfare while others opposed it." The task of the next section is to offer a basis for the divisions within employer and worker preferences over unemployment insurance.

Production Factors and the Cross-Class Alliance

What determines employer and worker differences in support of the insurance scheme? Three explanations are found in historical accounts of the British case and in the political-sociological scholarship on class alliances. They emphasize the roles of dominant industries, foreign competition, and industry volatility. This section briefly reviews these contending explanations and, finding shortcomings in each, offers an alternative explanation based on the relative intensity of factors in production.

The most straightforward explanation for the existence of intraemployer

and intraworker differences is to look to the positions of dominant industries. Students of social policy development often constrain the boundaries of investigation by focusing on particular sets of actors assumed to dominate the debate. Polity-centered models look to state representatives responsible for facilitating policy change. Accounts interested in industry-based actors, such as this one, compare the relative strength among employers and among workers. But due to a dearth of reliable data, dominance often cannot be measured explicitly. We can, however, get some sense of industry dominance by comparing employers and workers across sectors, both in terms of relative concentration and in terms of share of national income. Available data on employer concentration in 1911 rank the commercial sector first with over one-third of the nation's employers, followed by manufacturing (25 percent), services (17 percent), agriculture (15 percent), building and construction (6 percent), and transport (2 percent) (Flora et al. 1987: 529). Available data on worker concentration indicate that the textile industry employed the most laborers (15 percent), followed by the domestic services (13 percent), then engineering and metals manufacturing (10 percent), and then transport (9 percent) (table 1, column A). The national income figures show commerce and services to be the largest, followed by transport and engineering and metals manufacturing (table 1, column B). These data are highly aggregated and come from different sources. Nevertheless, in no way do they indicate that a group of dominant industries united to use its influence either to be a part of or remain outside of the insurance scheme. In short, some other explanation must at least be supplemented to form the basis for a cross-class alliance.

A second explanation centers on exposure to overseas trade. The general argument is that employers and workers in industries susceptible to foreign competition unite to lobby the state for the creation of risk-sharing institutions, while their counterparts in the sheltered industries lack incentives to call upon the state for aid. Regarding the British experience with unemployment protection, Peter Mathias (1969) observed some years ago that employers favoring welfare legislation were those facing intense foreign competition. In contrast, industrialists operating in areas in which outside competition was less acute tended not to push for reform. More recently Michael Harrington (1998) has argued that unemployment insurance was established to minimize the risks arising from international trade.⁹ The British export economy rapidly expanded through the 1800s, and by the turn of the cen-

Table 1 Industrial composition in Great Britain

Industry	A National labor force, 1911, percent ^a	B National income, 1907, percent ^b	C Estimate of intensity of nonlabor factors in production ^c
Transport	8.7	9.5	1.09
Chemicals	1.1	1.1	1.04
Government and defense	3.1	3.0	0.97
Mining and quarrying	6.4	6.0	0.94
Engineering and metals manufacturing (including iron foundries and vehicle construction)	9.7	8.2	0.85
Agriculture and fishing	7.7	6.0	0.78
Paper	2.1	1.6	0.76
Building and contracting	5.8	3.7	0.64
Wood industries	1.7	1.0	0.57
Textiles and clothing	15.4	8.0	0.52
Food, drink, and tobacco	8.5	4.3	0.50
Domestic servants	13.0	3.8	0.29

Sources: National labor force data calculated by author from the summary tables of the Census of England and Wales, 1911 (Great Britain Census Office 1915: 134–37). National income data based on 1907 production census. National income data reported in Deane and Cole 1962: 175.

^aEngland and Wales only.

^bEngland, Wales, and Scotland.

^cCalculated by dividing percentage of national income by percentage of national labor force.

tury the question of tariff reform had become a major issue dividing Conservatives and Liberals in Parliament. Harrington shows that cyclical downturns in British exports during the period 1870–1914 correspond empirically to peaks in unemployment levels. He also notes the growing diversification and regionalization of industry that took place steadily over the nineteenth and early twentieth centuries (*ibid.*: 174). We have here two prerequisites for a basis for the cross-class linkage. First, rising production for export, related to swings in unemployment levels, suggests that trade may have served as a catalyst for the alliance. Second, greater diversity of production led to a more specialized system of market capitalism, which in turn created an opening for diversity of interests, both among employers and among the working class. By 1911, the setting may have been ripe for a counterbalancing centrally administered insurance scheme. The Liberals' social insurance programs, Harring-

ton claims, were a “necessary concomitant” to open trade policies, while the compromises needed for the act’s passage “were supported (or at least not too strenuously opposed) by both organized labor and international business interests in the mutual interest of freer trade” (ibid.: 202).

This line of reasoning contains an attractive logic. The problem is that the industries most exposed to trade did not correspond to those industries eligible for the scheme at the end of 1911. From 1880 to 1910, cotton and woolens accounted for 37 percent and coal for 26 percent of the share of growth in British exports. Iron and steel production made up only 15 percent. Textiles were by far the industry most susceptible to foreign competition measured in terms of raw levels as well. During the decade 1900–1909, this category accounted for 38 percent of British imports and 19 percent of exports. In contrast, other manufactured goods and machinery accounted for only 7 percent of exports and 6 percent of imports (Mathias 1969: 468–69; Mitchell 1988: 482–83). Although shipbuilding played an important role in overseas trade as a facilitator of transportation, this should not be confused with being subjected to competition from overseas. Thus, the data imply that differences in production position vis-à-vis the world economy may not have played a critical role in shaping support for the Liberal reforms, unemployment insurance included.

A third possible explanation motivating a cross-class alliance is industry volatility. Shipbuilding, construction, and engineering were said to be industries subject to seasonal (construction) and extended (engineering) spates of unemployment. The regularity of unemployment in these occupations, presumably, was the reason why the scheme allowed for a maximum of only 15 weeks’ insurance per year. This perspective was widely held among government elites. Churchill noted that these were “precarious” trades in which unemployment was “not only high but chronic . . . marked by seasonal and cyclical fluctuations” (House of Commons debate, May 19, 1909; quoted in Bruce 1973: 156–57). In 1908, William Beveridge (1953: 371) noted that “in view of the great variation of risk between different occupations, any compulsory scheme should be limited to particular trades.” And in a speech in Parliament fewer than two months prior to the bill’s passage, John Simon, the solicitor general, granted that

so far-reaching a scheme could not, of course, be brought into force for all trades at once. . . . Some people might complain that the scheme of the

bill was only partial, because it did not include all trades, but they must make a beginning. If the beginning was rejected they could never hope to cover the whole field. They chose those trades . . . because they included occupations which suffered most from fluctuations of unemployment. (*The Times* [London], October 30, 1911, 7)

But in practice this rationale too seems not to hold. These were not among the trades that suffered most acutely from unemployment, cyclical or otherwise (Sherman 1931). Other industries, particularly textiles, cotton, and woolens, were subjected to cyclical patterns. As one employer noted, “we have the variation in supply of many classes of raw material. . . . [Consider] the annual seasonal periods of supply of produce. . . . No ethical ideal will persuade the sheep to alter the season at which it grows its wool; hence a trade like wool-combing becomes one with regular busy and slack periods each year.” Fluctuations in demand are a symptom of “every class of article,” apparently inclusive of construction, engineering, and the like (*The Nation*, February 22, 1911, 874–75). The Board of Trade itself acknowledged the volatility of the clothing trades in its 1906 survey of the industry by stating that calculations of annual earnings estimates may differ greatly from reality due to seasonal fluctuations in demand. Interestingly, no similar caveat was given in reporting results of parallel studies on earnings in the metal, engineering, and shipbuilding trades; the building trades; or public utilities (*Board of Trade Labour Gazette*, September 1909, April 1910, July 1910, September 1911). Finally, there was considerable variation *within* the set of trades chosen to be insured, suggesting that references to seasonal fluctuations as rationale for compensation may not have been grounded in the evidence.¹⁰

Since none of the above accounts sufficiently explains the nature of the 1911 unemployment scheme, an alternative explanation may be advanced: the relative intensity of factors in production. This explanation shifts focus onto the fundamental issue of production costs. Following Ricardo-Viner models of market exchange, trades can be characterized as either labor intensive or capital intensive. Designating a trade as capital intensive does not require that it allots a greater share of revenue to capital than it does labor, but means only that it spends more on capital inputs relative to other trades. Regarding the unemployment scheme, contributions were set up to be tripartite, with the state, employer, and worker each offering two pence-halfpenny per week. Because they paid into the system on a per-worker basis, the relative factors

explanation predicts that employers with smaller wage bills relative to total expenditures are more likely to support the scheme than are employers operating in more labor-intensive trades. Similarly, the argument predicts that workers in capital-intensive trades—who tended to receive better remuneration for their labor—will be more willing to support a contributory insurance scheme.

On the face of it, a production factors argument is plausible. Trades such as shipbuilding, engineering, and iron founding rely less on labor inputs than textiles, clothing, or services production. One way to test the proposition would be to measure labor versus capital costs across various trades. Although available only at coarser industry groupings, data on labor force and national income distribution in different sectors can be employed to obtain a serviceable approximation. Consider the manufacturing and construction industries. Trades in the former were by and large left out of the unemployment scheme while those in the latter were included. According to a 1911 population census, two-thirds of the labor force came from manufacturing industries, whereas construction trades accounted for only 6 percent (Flora et al. 1987: 529). But a 1907 production census reports that building, engineering, and metalworking accounted for nearly 12 percent of national income, whereas the main components of the manufacturing sector, textiles and clothing, contributed only 8 percent to national totals—a small percentage given its proportion of the labor force (Deane and Cole 1962: 175).

Columns A and B of table 1 give a better sense of the relative factors of production. Industry figures are further disaggregated, both as share of the national labor force and as percentage of national income. These aggregations separate the engineering and metals manufacturing trades from the manufacturing sector overall and can be used to obtain a rough estimate of the intensity of nonlabor factors in production—that is, capital and, in some cases, land—by dividing income share by labor force share (table 1, column C). Clearly, labeling a given trade as labor or capital intensive is a matter of degree. Nonetheless, those trades covered by the insurance scheme do appear as relatively more capital intensive compared to the large textiles, clothing, food, and domestic services trades. All told, industry and trades data confirm what we might expect: most manufacturing workers were in labor-intensive industries, while those employed in the building trades were in capital-intensive industries.

National labor force and income data, however, should be taken only as

tentative evidence in support of the production factors argument. Even without consideration of their accuracy, these statistics do not directly express employers' or workers' preferences toward the 1911 National Insurance Bill. Evidence from newspapers can be used to supplement the economic data and shed light on industry preferences. During the summer of 1911, leading weeklies criticized the government's proposal for treating different classes of workers differently. At the same time, they portended hardships for certain employers. As one newspaper reasoned,

it is not too much to say that the Bill is an endowment of the prosperous workman at the expense of the less prosperous, and to our mind it will work hardship unless there is a reasonable graduation throughout. We want it "more carefully adapted to the classes in need of assistance." Then, as to the employers' case. A man in whose total expenditure the labour bill plays a small part will probably not feel the contribution. But if wages, as in many industries, are by far the largest item, he may feel it acutely. (*The Spectator*, July 22, 1911, 131–32; see also *The Nation*, July 22, 1911, 278–79)

Using the fledgling science of economics, another editorial pointed out that if the employer has to pay out of his pocket, "it increases his wage-bill, and either reduces his profit, deterring the application of fresh capital to industry, or, if he is able to put it on to prices, shifts the burden on to the consumer—largely the working class" (*The Nation*, June 24, 1911, 453–54).

The writings of employers provide some of the more telling evidence in support of a relative factors argument. An employer in the engineering trade, for instance, contended that the merits of demand volatility as justification for insurance depend on the mix of production factors. Since workers compete "not merely against their fellows, but against capital in the form of automatic machinery," the employer feared that "employers will have to choose between purchasing a machine upon which there is no tax and employing ten men for whom he is taxed heavily." Insurance against discontinuities in employment is not justified, he argued, if labor composes a large share of production costs. Yet if "material is the predominating item of cost, it might be practicable to give continuous employment" (*The Times* [London], October 4, 1911, 19).

An employer who employed both handworkers and machinists offered a less balanced opinion of the scheme:

To an employer the new and most striking feature of the Bill is that it is the first time a direct tax has been put on him per head of persons employed . . . and it is interesting to see how this affects different types of industries so differently. . . . Is there not here a strong discouragement to the use of handwork, and especially to handwork in country villages remote from the markets where expenses for carriage and other inconveniences have to be compensated to the employer by lower wages? (*The Nation*, July 1, 1911, 502–3)

While handworkers certainly would fall outside the proposed scheme's purview, machinists may well have been covered by it.

Macara's (1921: 219) reflections on the bill also are of a decidedly production-factors-oriented variety: "Primarily, of course, I was concerned for my own industry of cotton, where I could see that employers would be penalized to an extent far beyond what was just, and altogether out of proportion to other trades which required much less manual help to carry on their business." He estimated that some 50 percent of revenue in the cotton as well as coal industries went to wage costs (*ibid.*). Needless to say, the foreign competition explanation would wrongly predict that an employer in the export-oriented textile industry would support rather than oppose state-provided insurance schemes.

In practice, industries in which labor contributed a smaller proportion to final output are those that employed a relatively greater percentage of skilled labor. Capital-intensive industries, such as the building trades, needed skilled workers to operate the machines. Results of estimates from a 1906 Board of Trade earnings survey show that the metals, engineering, and shipbuilding group of trades paid the highest wages (table 2). Within this sector, the shipbuilding, engineering, and iron-founding trades ranked first. Each of these would be covered by the 1911 act. The public utilities sector and the building and woodworking trades on average paid slightly lower wages. Not surprisingly, persons employed in the textiles and clothing trades earned considerably less per annum.

The favoring of high-paid, high-skilled laborers was not lost in the public debate. The main defect of the bill, commented the *Nation* (July 22, 1911, 593–94), was "its tendency to confer its most valuable boon upon the aristocracy of labor and the lower middle class, while the casual and the sweated worker, the 'poor lives' and the struggling, half-submerged families

Table 2 Estimated annual earnings in the United Kingdom by trade, 1906

Trade	Average annual earnings (nearest £)
Metal, engineering, and shipbuilding (all)	69
Chains, anchors	83
Iron and steel	82
Pig iron	79
Tinplate	75
Ship- and boatbuilding and repairing	71
Engineering and boilermaking	69
Cycle making and repairs	68
Railway carriage and wagon building	67
Scientific instruments	65
Bedsteads	63
Edge tools	62
Tubes	62
Wire drawing	62
Electrical telegraph	61
General smithery	59
Light iron castings	59
Jewelry	57
Gold, silverwares	55
Brass wares	53
Watches and clocks	53
Typefoundry	51
Nails, screws	45
Locks, latches	45
Needles, fishhooks, tackle	42
Public utilities (all)	68
Gas supply	78
Electricity supply	75
Tramway and omnibus	73
Water supply	71
Borough and urban district councils	63
County and rural district councils	42
Building and woodworking (all)	63
Building trades	68
Construction of harbors, roads, docks, sewers	65
Cabinetmaking	62
Sawmilling, machine joinery	56

Table 2 (continued)

Trade	Average annual earnings (nearest £)
Agriculture ^a	48
Textiles (all)	44
Bleaching, printing, etc.	55
Lace	55
Cotton	48
Flock and shoddy	47
Carpet	41
Woolens and worsted	40
Hosiery	39
Other textile	39
Elastic web	37
Hemp	36
Jute	35
Silk	35
Fustian and cord cutting	31
Hair	31
Linen	30
Smallwares	30
Clothing (all)	37
Fur	59
Boot and shoe bespoke	57
Tailoring bespoke	54
Silk and felt hat	53
Boot and shoe ready made	45
Straw hat and bonnet	44
Dyeing and cleaning	43
Leather glove	43
Tailoring readymade	36
Dress millinery factory	35
Laundry (factory)	32
Shirt, blouse, underclothing	31
Corset	30
Dress millinery workshop	30
Laundry (workshop)	29

Source: *Board of Trade Labour Gazette*, September 1909, 291–92; April 1910, 117–18; July 1910, 224–25; December 1910, 407; September 1911, 328–29.

^a1907, England only.

are saddled with relatively heavier burdens for much less valuable benefits.” Furthermore, public discourse revealed fear that the legislation would exacerbate the fraying of the traditional class order. One industrialist noted that “during the past year hundreds of capable artisans have left this industrial center for Canada and the United States. . . . Faced with this serious problem, wise statesmanship must . . . take means to provide for the (skilled) artisan class some security” (ibid.: 603–4). In short, the version of the bill drafted in late 1911 contained a decidedly pro–skilled worker bias, despite earlier calls from government advisors favoring the establishment of insurance chiefly for the unskilled.¹¹

The above suggests that much of the debate over the bill’s passage rested on its different treatment of labor and capital inputs in industrial production. Further, there is little mention of overseas trade issues in journals published after mid-1910. Taken with the census data, this suggests that production factors issues influenced the conscribed nature of the unemployment scheme to a greater extent than foreign competition. The influence of industry, voiced through the press, helps explain why the bill was passed at the time and in the manner it was.

Conclusion

This study has argued that a cross-class alliance approach based on the relative use of labor as a factor in production deepens our understanding of Britain’s 1911 unemployment scheme. To do so, I parted from more traditional investigations of trends in working-class membership, speeches in Parliament, and exchanges between bureaucrats to consider a broader range of sources. An investigation of employer and worker groups revealed, in contrast to state autonomy models, that industry was neither passive nor apathetic in regard to the bill. Evidence of divisions within employers and unions alike supports the argument of splits between industrial sectors (rather than between social classes) regarding unemployment compensation. This runs counter to power resources and neo-Marxist assertions that the interests of capitalists and workers are chiefly determined by the relations of production. Rather, an explanation rooted in the relative use of factor inputs in production provides the best basis for the cross-class linkages. Workers eligible for the insurance tended to be employed in relatively non-labor-intensive industries such as shipbuilding, construction, and engineering. And one of the

leading industries of Britain's industrial buildup, the labor-intensive textile and clothing industry, was left outside the scheme in the first instance.

As is typical of analyses of social policy origins, no single factor but rather several influenced the timing and nature of Britain's unemployment scheme. The power resources approach recognizes the role of growing labor strength and organization as catalyst for the spate of social reforms that occurred between 1908 and 1911. By considering the interests of workers and employers, the class alliance explanation utilizes this insight. Yet as proponents of the state autonomy approach rightly point out, focusing on labor's expansion alone cannot predict the onset of social change, nor can it adequately address the limited nature of the reforms. For this reason I sought to identify instances in which employers and workers were united. It is in these areas—the relatively capital-intensive trades—that we see the confluence of interests needed to exert direct or indirect pressure on the state for reform. Thus, unlike state autonomy arguments, the perspective advanced here does not make the heroic assertion that government officials made decisions on social policy absent external pressures.

More synthetic models borrow selectively to craft flexible understandings of policy development in order to avoid implausible claims of the “mono-causality” of complex macro-social outcomes. In this regard, neo-Marxist models of capitalist state managers pose the strongest challenge to the argument developed here. Might the real alliance have been between capital and the state, rather than segments of capital and labor? Although a definitive response to this question must be left for future research, an affirmative answer seems unlikely. First, the argument that dominant industries shaped the nature of the insurance scheme is not consistent with the details of the bill. Second, such perspectives dismiss the possibility that skilled workers in capital-intensive industries lobbied for the bill's passage. Third, neo-Marxist approaches in general are functionally deficient and do not allow a space for agency essential in any explanation of policy change.¹² Finally, like all synthetic accounts, neo-Marxist explanations remain situated along a continuum between state and society. In doing so, they are unable to consider whether bargains struck *within* these groups were essential to the reform's success. In short, despite the complexity of factors influencing the development of Britain's unemployment policy, the cross-class alliance perspective supports the historical evidence better than alternative theoretical approaches.

This study has several implications for future inquiry. For students of

prewar British history, the analysis calls into question earlier treatments that focus solely on the dispositions of political elites. For students of the dynamics of capitalism, this article suggests that the channels through which the lower classes receive concessions in the form of social policy reform are complex; they cannot simply be read off of the relations of production. For those interested in social reform in comparative perspective, this approach contributes to our understanding of cross-national policy variation. By the end of the 1940s, six other Western democracies had introduced compulsory unemployment insurance programs, while five others had established voluntary union-administered schemes (Flora and Alber 1981: 59). To the extent that compulsory schemes developed at times and in places where the labor force was more differentiated (such as Britain or the United States), rather than where it was more homogeneous (such as Scandinavia or the Low Countries), the cross-class approach adopted here could offer important insights. Finally, the present study contributes to debates on the contemporary welfare state. The early twentieth century marked something of a critical juncture in the development of the state apparatus in Britain. If current understandings of today's welfare regimes as the product of long-term, path-dependent processes are correct (Hall and Soskice 2001; Pierson 2001), the question of social policy origins should remain an important one for some time to come. Research efforts on the British case and elsewhere ought to assess the extent to which previously cast interclass alliances affect the future of the welfare state.

Notes

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- 1 The unemployment scheme made up Part II of the 1911 National Insurance Act. Part I dealt with health and sickness. Combining the two schemes into a single piece of legislation had more to do with external events than with conscious design.
- 2 *General labor union* is the term given to organizations that enroll all classes of labor, irrespective of skill or occupation. See Hobsbawm 1949: 123.
- 3 Following the December 1910 election, the Labour Party occupied only 42 of 670 seats in the House of Commons (Mackie and Rose 1991: 446).
- 4 This is not to say that proponents of power resources theory neglect the possibility for cooperation between social classes (see Esping-Andersen and Friedland 1982).

Rather, these scholars do not entertain the existence of class-splitting alliances as social forces.

- 5 Some varieties of state-centric explanations focus nearly exclusively on the influences of particular individuals. Bentley Gilbert (1966: 850) asserted that the solution to the problem of unemployment as social insurance was due to influences that entered the cabinet in 1908, chiefly those of Winston Churchill at the Board of Trade. Gilbert (*ibid.*) writes, "To a more experienced social reformer, unemployment insurance would have appeared impossibly dangerous. With a less persuasive advocate, the project might have died from a party veto. Under a minister more influenced by the social thinking of his time, unemployment insurance might have never been considered." Gilbert also assigns much of the credit for Part II of the National Insurance Act to another cabinet member, Chancellor of the Exchequer David Lloyd George. Many others disagree with Lloyd George's role, however, claiming that he was concerned only with the health scheme (e.g., Bruce 1961; Hay 1975).
- 6 Pat Thane (1984: 897–99) notes that some proworker papers claimed the scheme was part of a conscious plan made by the government and employers to weaken the rising labor movement.
- 7 The ability of Swenson and others to generalize the cross-class alliance approach beyond a single case detracts from the ability of others to dismiss the model as country-specific (e.g., Hicks 1999: 18).
- 8 Comparatively speaking, France was a social policy laggard, yet was among the first to introduce unemployment legislation. And while Germany was a leading innovator in the area of health and other provisions, it did not establish its contributory system of unemployment insurance until 1927 (Mares 2000).
- 9 The link between trade openness and postwar welfare state provisions has been discussed in the political science literature. Seminal works include Cameron 1978 and Katzenstein 1985.
- 10 As one observer noted, "the building trades, lumped together under the provisions of the Bill, contain branches liable to unemployment in different ways and to very different degrees. Those whose work is done indoors can scarcely feel seasonal depression so much as masons, for instance, with whom frost is such a serious obstacle to the continuance of work. . . . [T]he rate of unemployment among carpenters and plumbers [is estimated to be] only half the rate in the building trade taken as a whole. Similarly, in the engineering group, the high rate of unemployment among those engaged in shipbuilding makes against the practicability of a scheme which treats shipbuilding as on a par with mechanical engineering and the construction of vehicles" (Lennard 1911: 344).
- 11 In particular, the insurance scheme differed from recommendations made in 1909 by the Royal Commission on the Poor Laws and Relief of Distress, which, in paragraph 134, stated that "the establishment and promotion of unemployment insurance, especially amongst unskilled and unorganized labour, is of paramount importance."
- 12 Neo-Marxist models do not give an active role to political actors, namely, politicians. Although the cross-class alliance approach does subordinate the role of politicians, it

does not dismiss them as unimportant. As Swenson puts it, “The real instrumental agents are politicians and institution builders, but rarely do they choose to act as if they can operate with much autonomy from the market interests in which durable and robust policy must be anchored” (Swenson 1997: 105). See also Mares’s (2000) discussion of the decisive role played by policy entrepreneurs.

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