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## Summary Report

The objective of the project was to explore the relationship between structures of inequality and prevailing principles of social justice in the modern welfare state across two periods: the three decades of its “Golden Age” after World War II, and the still ongoing period of welfare state retrenchment since the 1970s. It focuses on the social conditions of old people and asks how these conditions were connected to changes in pension systems and the debates surrounding them. As an exercise in cross-national comparative history, I compare the historical development in Great Britain and the Federal Republic of Germany. The research project has three major analytical dimensions. Firstly, it sets out to explore the social history of older people in Britain and Germany since 1945. Secondly, it asks how structures of inequality have been perceived and articulated in terms of justice. And thirdly, the exploration of the relationship between both spheres makes the institutional setting of the welfare state a focal point of attention not only because questions of distributive justice are at the very core of its normative foundation but also because the welfare state is the central institution through which politically influential concepts of redistributive social justice directly affect societal structures.

The project is based on the extensive use of primary sources. In order to analyze the principles with which both existing inequalities and pension reforms have been justified, criticized and negotiated in both Britain and Germany, I’ve started from a tripartite scheme of three basic types of justice norms: need, merit and equality. Using this scheme as an analytical tool, the research project has traced how different conceptions of distributive justice have been employed by different political parties, trade unions, economic interest groups and organizations of the elderly like *Age Concern* or *Help the Aged*. Empirically, I’ve analyzed the published and unpublished statements, the attitudes and policies of the various political and societal actors in the context of major pension reform debates. For each country, four debates of particular interest were at the center of analysis, from discussions of the Beveridge Plan in the 1940s to the reforms of New Labour around the turn of the millenium in the British case and from the debates preceding the pension reform of 1957 to the red-green reforms of 2001 and 2004 in the German case. With regard to the structures of inequality within the group of the elderly and between them and the rest of the population, the project has relied on the analysis of contemporary surveys in the living conditions of old people and on a diversity of statistical data. In this respect, however, it turned out to be central to be aware of the socially constructed character of the categories of inequality. How poverty and inequality were conceived, how they were measured and which of their dimensions were in the foreground – all this varied considerably over time.

Turning to the main results of the project, Great Britain emerges as having developed one of the most complex systems of pension provision world wide. Since fundamental reform seems to have been extremely difficult, layer after layer has been added to the existing pension system. The backbone of the provision for old age, however, is still the flat rate benefit of the Basic State Pension, based on the equality principle and introduced after the Beveridge Report. Despite its explicit aim, the British state pension was never successful in preventing poverty among the elderly. Consequently, from the beginning of the new welfare state after the Second World War up to the present day, a considerable part of the elderly are entitled to means tested benefits. As a legacy of the poor law and in spite of recent critiques, the needs principle has become the second important justice norm in the public system of old

age security. The difficulties in overcoming the manifest shortcomings in the British provision for old age can be attributed in part to systematic lock-in effects. In part, path-breaking reforms were made difficult by deeply entrenched norms of welfare justice. Trade unions, pensioner organizations and other political key players vigorously opposed deviations from the traditional flat-rate principle for a long time. As far as the elderly in the British welfare state are concerned, equality in poverty has been established as the dominant norm, at the same time opening up a wide space of inequality in old age due to occupational and private pension provision. Moreover, in Britain substantial improvements in the social well-being of the aged were hampered repeatedly by the easy mobilization of the argument of old age as a “demographic burden”.

In Germany, in the 1950s the Adenauer Government established a public pension system, based on the equivalence of contributions and benefits and thus on the merit principle. The main rationale of this highly unequal scheme was not poverty prevention but social justice defined by the preservation of the status one had attained during work life. At the same time, political actors aimed at reestablishing social hierarchies, which were partly mixed up due to the war and two inflations. Since the new West German pension system was immensely beneficial for the middle classes, a much higher volume of contributions could be mobilized than in the British case. As a result, in Germany public pension provisions did not only bring about more inequality but also less poverty among the elderly than in Britain. Poverty, quite paradoxically, was defeated as a side effect of a system geared towards maintaining living standards in old age. The developments of the last decades present an ambivalent picture. On the one hand, we find considerable continuity both of dominant justice norms and of living conditions with low levels of poverty among the aged despite increasing rates of general poverty. On the other hand, under the pressure of demographic arguments, neoliberal ideas, and economic interests, the German system of public pensions has been profoundly changed after 2000. All things equal, for the future this will mean increased levels of poverty in old age, less correspondence with widely held attitudes of social justice and a higher potential for generational conflicts.

The potential impact and use of the project lie in providing in-depth basic research from a historical perspective in a field that is central both to the national welfare policies of two important member states of the EU and to the Open Method of Coordination (OMC) on Social Protection and Social Inclusion on the EU-level. Political decision makers and civil servants should be aware that national pension systems are not simply institutional settings but deeply rooted in widely shared norms of social justice. Entrenched in the beliefs of political actors and the electorate, these diverse national cultures of social justice can form major obstacles to pension reforms in general and to a European coordination process based on common assumptions and norms in particular. At the same time, the research project shows that pension reforms, and even comprehensive ones, are more frequent than one might think given the widely held assumption that path dependency is a central variable in the evolution of welfare states. Fundamental pension reforms, however, rely on the rare existence of windows of opportunity, which themselves are the results of a cumulation of systemic problems and the availability of attractive alternatives. Moreover, such reforms prove to be successful in the long run only when they are backed by corresponding changes in the realm of ideas of social justice.