Social Security and the End of the Second World War in France, the Netherlands and Belgium

Social Peace, Organizational Power and the State

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Introduction

A comprehensive and compulsory Social Security system was one of the innovations brought by the Liberation in Belgium and France in 1944 and 1945. In Belgium, the Decree-Law of 28 December 1944 introduced a Social Security system for salaried workers in the private sector. In France the Ordinance on Social Security, introducing a system covering sickness, child benefits, old age pensions and industrial accidents, was passed on 4 October 1945. In the Netherlands, the Van Rhijn commission, installed by the government in exile in London, had introduced the concept of Social Security and drawn up a detailed plan for a Social Security system, which was to replace the existing social insurance schemes. Changes proved to be less far-reaching at the Liberation, however, than in France and Belgium. In 1947 the pension system was changed and would include more people, which made the pension system a ‘people’s insurance’. In 1949, compulsory unemployment insurance was introduced which replaced the temporary measures taken at the Liberation. In contrast to France and Belgium, the shift from social insurances to Social Security was a more gradual process, which was only completed in the 1950s, leading to a system that included more citizens than only the salaried workers of the private sector as in Belgium and France.

Social Security had been part of the manifests for social renewal written during the war and proclaimed at the Liberation, in which a new social

and economic regime for the post-war period was designed. In April 1944, leaders of the Belgian pre-war employers’ organizations and trade unions, together with high-ranking civil servants, had reached an agreement, the Social Pact, in which a Social Security system for salaried workers in the private sector was drawn up in detail. In the French ‘Programme commun de la résistance’, the programme of the Resistance for the post-war period, Social Security was mentioned as one of the building blocks of a new France after the Liberation but, unlike in Belgium, it was not developed in detail. Social Security was a general formula but it would, in contrast to the Social Pact, include all citizens. In the Dutch ‘Stichting van de arbeid’ (Foundation of Labour), leaders of the trade unions and employers’ organizations made a blueprint for social policy in the immediate post-war period. Full employment was one of the main aims of social and economic policy during the post-war years.3

Social Security was an element of a new beginning and part of a broader reform of the social and economic regime that would come with the Liberation. It was presented as a fundamental innovation, a response to and a solution for the social gap between labour and business, and a means of preventing class struggle at the Liberation. The implicit or explicit objective of a Social Security system, or alternatively a system of full employment as in the Netherlands, was to maintain social peace and avoid social unrest at the end of the war.

This article looks critically both at the thesis that Social Security was a fundamental innovation, as it was presented by those who had created it, and at Social Security’s promise to bridge the gap between labour and capital. The significance of Social Security at the Liberation will be assessed in the short and medium term in the three countries, starting from the idea that Social Security specifically (and social policy in general) is not only an answer to social needs, but is also an instrument of power over social groups.4 Social policy can be used to attain political aims and can result in the redistribution of power among the actors in social policy – different competing elites, political parties, the Resistance – which wanted to (re)


establish power after the war. Special attention will be given to the tensions between, on the one hand, those organizations that had long been involved in social insurance and, on the other hand, the state. One of the innovations of Social Security was its compulsory character, making the state a central actor, resulting in a recasting of the relationship between the state and the organizations.

**Between Old and New**

The Social Pact designed a detailed plan for an all-embracing compulsory Social Security system for the salaried workers of the private sector, financed primarily through a contribution from workers and employers calculated on the basis of individual salaries. The percentages of the contribution were set out for the different sectors of Social Security.\(^5\) The system was considered as a provisional solution in the sense that, eventually, Social Security should ideally include all citizens.\(^6\)

The French Social Security of 1945 introduced a compulsory system for wage earners, with the prospect of later being extended to the whole population.\(^7\) In contrast to Belgium, unemployment was not part of Social Security: unemployment insurance was only integrated into the French Social Security in 1959, although industrial accidents became a component of Social Security in 1945, while in Belgium this sector remained with private insurance companies, as it had been since 1903.

As already pointed out, Social Security was absent in the manifesto of the Foundation of Labour: the priority was full employment, which was an alternative to unemployment insurance. The Social Security system designed by the Van Rhijn commission also gave priority to employment policy over a compulsory unemployment insurance to cope with the problem of unemployment, which had been a source of social and political instability in the 1930s. As in France and Belgium, the Van Rhijn commission advocated an integrated system of social insurances and a more rational organization. This Social Security would cover all citizens, while social insurances had

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been a matter between employers and employees. Social Security implied a more important role for the state, which was the emanation of the national community. The work of this commission had been inspired by the Beveridge report. The publication of the report had been the reason that the Dutch government in exile installed the Van Rhijn commission.

Even if a new social system should emerge during, or some years after, the Liberation, there were differences between the three countries, which can be explained by the impact of the occupation on social insurances and social relations, by the situation of the pre-war systems of social insurance, by the unachieved political initiatives for reform and political debates on social protection and, finally, by the aims of the architects of the reform plans and the political and social balance of power at the Liberation. Underlying all this was the involvement of organizations, representing social groups, which were competing over the control and form of the system of social insurances. The Liberation also brought a new vision of the economy: classic economic liberalism was considered obsolete; the time had come, it was claimed, to replace it with a more interventionist policy, aiming at economic modernization. The extent to which this modernization materialized differed from country to country. The question is, to what extent Social Security was part of this modernization.

Social insurances before and during the Second World War

Social insurances dated back to the late nineteenth century and were further developed during or in the aftermath of the First World War and in the interwar period. In the Netherlands, social insurances had been modernized during the Second World War under German influence. Health insurance became compulsory in 1941 for wage earners with a modest salary but mutual-aid societies, one of the pillars of the health insurance system before the war, remained in charge of the organization of the health insurance system and paid the cost of medical care. A voluntary unemployment

9 Kappelhof, ‘Omdat het historisch gegroeid is. De Londense Commissie...’.
insurance, with a central role for the trade unions, was created during the First World War. The Germans abolished this system in 1942. After the Liberation, a special programme was set up for unemployment relief work and those who could not find a job in this system were only entitled to unemployment benefit for a few weeks. After that, the unemployed had to make an appeal for assistance provided by the local authority. Compulsory unemployment insurance started in 1949 with a central role for the trade unions, as before the war.¹¹

The pre-war Dutch system of social insurance was complicated.¹² The question of how to organize social insurance had been debated since the introduction of insurance against industrial accidents in 1901. The key issue was whether the state, bipartite (employers-workers) councils (Raden van Arbeid) or the private sector would be in charge of the organization of insurance once it was made compulsory. The labour movement, developing its own organizations, especially the trade unions, also had an interest in the organization of social insurance. Dutch society was a 'pillarized' society, meaning that Catholics and Protestants had developed a network of organizations for the different social groups within their religious community (workers, farmers, employers, self-employed). Especially in the Catholic world, the organizational networks of both workers and employers were well developed. The socialist movement also had its own social organizations but only for workers.

At the end of the nineteenth century, the traditional economic elite – mainly bankers, commercial entrepreneurs and industrialists connected with colonial and international trade – had established ideologically neutral organizations as an employers’ association in order to be associated with the implementation of social insurances and to avoid social insurances being organized by the state exclusively. This economic elite could mobilize political support from the liberal as well as the Protestant political parties since this elite was less affected by pillarization. The motivation to build organizations to implement social insurances and avoid a state-controlled system was not, in the first place, financial but rather political: the old economic elite had a social policy for some of their employees to continue the relations of patronage which were part of a class-ridden society and the political domination of the old economic elite, which was rooted in the Dutch Republic.

¹¹ Roebroek, Hertogh, De beschavende invloed des tijds, p. 186.
¹² Hoogenboom, Standenstrijd en zekerheid.
The position of this old economic elite was called into question by the democratization of suffrage and the growth of the labour movement. Another factor was the emergence of a group of Catholic entrepreneurs in the south of the Netherlands. This group differed in two respects from the old economic elite: they produced for the internal market (e.g. textiles) and therefore advocated protectionism rather than free trade. Secondly, they were often self-made men in contrast to the long-established families of the old economic elite. This new Catholic industrial elite was excluded from the political and organizational networks of the old economic elite. They developed their own organizations, and after a period of bitter conflict, cooperated with the Catholic trade unions. The Catholic industrialists had their own organizations for social insurances and preferred a system in which joint organizations of employers and trade unions could implement social insurances.

The First World War changed the balance of power between these different groups dramatically. The introduction of universal suffrage in 1917 put an end to the political dominance of the old economic elite, even if the Socialist Party did not participate in government until 1939. The continental blockade in the First World War was a window of opportunity for the Catholic industrialists, who acquired a quasi monopoly over the Dutch market and could improve their economic position. The old economic elite, on the other hand, suffered from the revolutionary situation in Russia and Eastern Europe and from the economic crisis of the 1930s in central Europe: many of their investments were lost.

Since unemployment grew dramatically during the First World War, an unemployment insurance system was created. The existing insurance schemes of industrialists and trade unions were not called into question: the role of the state was limited to granting a subvention.

In 1928 a law on the implementation of social insurances was passed, a question on the political agenda since 1913. The question was still about which organizations would be entitled to implement the social insurances. This was the last confrontation between the old economic elite, the Catholic employers and the labour movement, a confrontation lost by the old elite: joint organizations, as favoured by the Catholics, would prevail for the organization of social insurances.

The crisis of the 1930s brought a temporary standstill in the development of social insurances. The governments of the Protestant prime minister H. Colijn, a political representative of the old economic elite, pursued an orthodox economic and financial policy involving cuts in social expenditure and a rationalization of social aid by reducing the autonomy of local authorities,
which led to a transfer of power and control to the central state. As a result, specialized departments increased in size and expertise, and the role of the state in the social insurance system grew, a development that the old economic elite had always wanted to avoid. Moreover, the massive unemployment of the 1930s was considered proof that voluntary unemployment insurance was insufficient. In 1939 an unemployment insurance scheme was designed, but it was not passed by parliament before the war. The old economic elite and their ideas on social policy were marginalized. Since different groups had made their mark on the social insurance system, it had become complex: different types of organization were involved, but joint organizations dominated.

The Foundation of Labour proposed a system in which trade unions and employers’ organizations were the core of social welfare, in order to avoid state socialism and a planned economy as advocated by the planists in the Socialist Party. This opposition against direct state intervention was to a certain extent comparable to the position of the old economic elite at the end of the nineteenth century but, as a consequence of the democratization of society, a coalition with the confessional and socialist trade unions was necessary in 1945 to avert state intervention. The alternative was in line with the model favoured by the Catholic employers and guaranteed the employers an equal representation alongside the trade unions. A compulsory Social Security system, as developed by the Van Rhijn commission would give more power to the state and would possibly threaten the social insurances controlled by joint organizations of trade unions and employers.

In Belgium, social insurances had been based on ‘subsidized liberty’ since the end of the nineteenth century, with a strong involvement of organized labour. Catholic, socialist or liberal mutual-aid societies organized health insurance. To be entitled to health benefits, one had to be a member of a mutual-aid society that was subsidized by the state. The same system was applied to unemployment benefits after the First World War: unemployment insurance was primarily in the hands of the socialist and Catholic trade unions. Both social insurances were voluntary, unlike child benefits, which were created and organized by the employers. Child benefits had been compulsory since 1930 in the private sector. Benefits were paid by special funds, directly linked to the employers’ organizations. Old-age pensions, compulsory for salaried workers since 1924, were the only insurance organized exclusively by the state. Employers and workers financed the pension jointly: a percentage of the salary was paid by employer and worker, which was collected and transferred to the state by the employer.¹³

¹³ Vanthemsche, *De beginjaren van de sociale zekerheid*, pp. 14-44.
Since the Belgian social insurances were less developed than in Germany, the occupier wanted to introduce a compulsory health insurance system. The socialist federation of mutual-aid societies supported this attempt. In contrast to the Netherlands, the Germans failed, mainly due to the opposition of the Catholics, who feared that their own organizations could lose their grip on health insurance. The Ministry of Labour, where Catholics held leading positions, was not inclined to favour a compulsory health insurance system either.14

The question of the compulsory character of the social insurances had already been debated in the 1930s and was focused on unemployment insurance. Unemployment increased dramatically during the crisis and a compulsory unemployment insurance, which would protect all blue-collar workers, was put on the political agenda. The government appointed a Royal commissioner, the socialist social technocrat Henri Fuss (1882-1964) who was working for the International Labour Organization at that time and would become one of the architects of the Social Pact.15

Fuss studied the problem and prepared a compulsory unemployment insurance scheme. In 1938, the government submitted a project to parliament, but it was never passed following the opposition of the employers, who feared the financial cost. Another issue was the position of the trade unions. A compulsory system, organized by the state, would question the central role of the trade unions in the unemployment insurance system. This was unacceptable for the Catholic trade union for practical as well as for ideological reasons. Payment of unemployment benefits had allowed the unions to attract new members. From an ideological perspective, the Christian Democrats could not accept a system in which the state held the monopoly of social protection. This was in contradiction with the principle of subsidiarity and, in the end, the state would overrule social organizations. This was difficult to accept for the Catholic labour movement, since Catholic social organizations were necessary to promote the Catholic religion among the workers. Involvement in unemployment insurance was an instrument to integrate the workers in a Catholic organization. The socialist trade union was more divided on this issue: part of the trade union leadership, especially those on the left, accepted an unemployment insurance organized by the state. The administration of unemployment insurance was seen as burden for the trade unions, hampering labour militancy at the workplace, the

14 Karel Vanacker, Kroniek van een overleving. De Belgische ziekenfondsen tijdens de Tweede Wereldoorlog (Ghent: AMSAB-ISG, 2010).
core business of any trade union according to these left-wing unionists. Other socialist trade union leaders wanted the continued involvement of the trade unions in unemployment insurance. As a consequence of those divisions, unemployment insurance remained as it was on the eve of the Second World War. When the Germans forced the trade unions to stop their activities, unemployment insurance was replaced by a system of assistance by the local authorities.16

While, in Belgium, organized labour held a key position in social insurances, in France the employers dominated. Between 1930 and 1932 social insurance became compulsory for health, old age pensions, maternity and child benefits. The system was controlled by the elite: the local elite in the case of health insurance and the employers in the case of child benefits.17 Under the Vichy regime Labour minister René Belin and Pierre Laroque, at that time a civil servant, developed a compulsory Social Security scheme, which was part of a corporatist reform. Compared to the pre-war system, this Social Security system would have given more power to the trade unions and to users, and given the state a central role. This reform was aborted, but more people were incorporated into the insurance scheme.18

Under the Vichy regime the state played a more prominent role and initiated changes in the social insurance system. The old age pension system was reformed in order to give people a higher allowance. The age at which one was entitled to an old age pension was lowered to take people out of the labour market. In 1942, the maximum wage level was suppressed, implying that all workers and also those older than sixty were entitled to social insurance.19 Even though the introduction of compulsory Social Security failed, new ideas were launched: the unification of social insurances and the financing of the system by a single contribution covering all the sectors of social protection.20

Major differences can be seen in the organization of social insurances before the war, and the occupation did not have the same impact in the three

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countries. However, the relationship between the state and the organizations was a key issue in all the three countries. Moreover, social insurances were, as a result of their financial cost, a source of conflict between employers and organized labour. The social and political significance of the introduction of Social Security at the Liberation differed in the three countries, but the state came more into the foreground, an evolution already initiated during the war.

Social Security at the Liberation

Compared to the pre-1940 social insurances, Social Security involved two innovations. Social Security had a direct, compulsory character: all the workers or citizens, depending on the type of Social Security system (following Bismarck or Beveridge), were subject to Social Security. The second innovation was unification: all the social insurances were to be incorporated in one comprehensive system and financed by a single contribution from employers and worker, often collected by the employer. Social Security provides a general protection against a set of social risks, starting with wage earners in the private sector. Later, all citizens would be covered, implying that, at the Liberation, the social cleavage was seen as primarily a problem for the working class. Even if the war was presented as a breaking point, what existed before the war in the field of social insurances was to a large extent integrated into the new Social Security systems. But since the state played a more prominent role, the position of organizations was called into question: what role could the organizations play in a state system and, alternatively, to what extent could the state use the organizations to build the system and to facilitate its acceptance?

Social Security in Belgium was organized by the state from 1945 onwards, but the labour movement and the employers’ organizations continued to pay the benefits. These organizations acted as subcontractors of the state. Unemployment benefits were paid by the trade unions; mutual-aid societies, which were also part of organized labour, paid the allowances for health care; child benefits were paid by organizations directly linked with the employers’ organizations, as were the holiday allowances of blue-collar workers. When it came to financing these schemes, the system for the old age pensions was extended to the whole system of Social Security: the employers collected contributions from the worker and the employer. The Social Security administration received these contributions and distributed them over the different sectors. This Social Security administration was a
state office, but its first director was a former official of the central employers’ organization, who had been one of the negotiators of the Social Pact.21

At the organizational level, the Decree-Law of 28 December 1944 was not a ‘big bang’ for the Belgian system of social protection: the trade unions and federations of mutual-aid societies which had long been involved in social protection, wanted to maintain their position so they could continue, after the Liberation, to play the political role they had acquired through their implication in social insurances.22

It is often argued that the significance of French Social Security was primarily a political one. The management of Social Security shifted from the employers to the users, in practice mainly through the CGT acting as their representative. The Social Security system of 1945 led to a dramatic loss of influence for the employers, who had been the central players in the pre-war system of social insurances, especially child benefits. Not only was the involvement of the users in the management of the system new, but workers’ representatives actually outnumbered employers representatives by two to one (even three to one in 1946). In the French case, Social Security therefore represented a democratization of the previous system: before the war, social insurances were managed by an elite, the system was paternalistic and was used by the employers as a means of maintaining social peace and controlling the workers. In his defence of the new Social Security system, its architect Pierre Laroque stressed this democratization: Social Security was, he argued, more than a technical operation aimed at a better social protection; it was a matter of making a new social and democratic order.23

This democratization implied participation: the management of Social Security was in the first place a matter of workers and employers, through their organizations. There was a link with the funding of the system: financing through a wage-based contribution implied that employers and workers were themselves responsible for the funding of Social Security. This democratization served other purposes too. Laroque sought a stabilization of social relations after the war, through close cooperation between the state and organized interests.24

In Belgium the principle of parity – equal representation of employers and workers – had made its way for the management of industrial relations

22 Vanthemsche, De beginjaren, pp. 45-77.
23 Valat, Histoire de la sécurité sociale, p. 82.
and social policy in the interwar period, even if this principle was never legally defined. The principles of parity and representativeness were laid down and defined for the first time in the Social Pact and were even among the founding principles of the pact. In the Social Pact, representatives of the pre-war trade unions and employers’ organizations gave themselves the monopoly of representation based on the number of workers organized (in the case of the trade unions) or employed (in the case of the employers) and their national reach: only organizations which were active on the whole Belgian territory could be labelled as representative.\(^{25}\) The implicit idea was that those organizations could control their members and guarantee the enforcement of the agreements they had made. This was how the system of social consultation at sector level had worked in the interwar period: neither the joint commissions nor the collective labour agreements had a legal status, but the collective agreements were nevertheless applied by the employers of the sector, since their organizations played a disciplinary role and most firms were members of the sector organization. The same was true for the trade unions, which tried to avoid strikes or convinced their members to accept a lower wage if this was the consequence of the mechanism of the indexation of the wages.\(^{26}\) The last criterion for being considered a representative organization was the acceptance of the idea of class collaboration, the ideological foundation of the Social Pact.

This definition of representativeness in the Social Pact also served as an instrument of exclusion since the pre-war social organizations determined the criteria of participation in social policy-making. During the occupation, left-wing trade unions had emerged as an alternative to the pre-war unions and the collaborationist Union of Manual and Intellectual Workers. These radical unions, part of the Resistance, challenged the pre-war unions. The radical unions did not meet the criteria for representativeness defined in the Social Pact (no national reach and favouring class struggle) and were, as a consequence, excluded from decision-making on post-war social policy. Social Security was not a priority for those radical unions, which emphasized labour militancy at the workplace. After the Liberation, Social Security was used by the social democrats as one of the instruments for competing with the political and social challengers on the left. The architect of the Decree-Law on Social Security was the socialist Labour minister Achille Van Acker, presented in Belgium and abroad as the originator of Social

\(^{25}\) ‘Ontwerp van overeenkomst’, p. 19.
Van Acker had started his career as a trade union leader and had been involved in the negotiations on the Social Pact. The introduction of Social Security was the first important legislative measure in the social field after the Liberation. Although, in the Social Pact, no decision was taken to involve the trade unions in the payment of social benefits, Van Acker preferred to do so: this decision gave the heirs of the pre-war socialist unions a competitive advantage over the more leftist unions. Another reason to confirm the role of social organizations in the new Social Security system was to avoid the opposition of the Christian Democrats, who had been less involved in the negotiations on the Social Pact. Some Christian Democratic leaders and organizations even openly opposed the Social Security system outlined in the Pact. The strategy of the Belgian socialists shows the impact of state involvement: a political family could use the state to reinforce its position towards the other organizations.

The position of the employers differed in Belgium and France: while in Belgium they were put on the same footing as organized labour, the French employers lost their key position in Social Security. This difference can be explained by the political position of the French ‘patronat’ after the war, which in its turn was related to their policy during the war.

The legitimacy of the French patronat was called into question dramatically at the Liberation: economic collaboration, the participation of French business in the economic organization of the Vichy regime and the social policy of the employers were the main sources of the loss of its legitimacy. French business had cooperated closely with the comités d’organisation, created by the Vichy government to organize the economy as an alternative to economic liberalism. As a consequence, the interest representation of French business was to a large extent taken over by the state. The general strike of 1936 had been a traumatic experience for many French employers and some saw in the war an opportunity to challenge social achievements, a policy which did not make them popular with the

workers.\textsuperscript{30} At the Liberation the French _patronat_ was not in a position to make its mark on the new Social Security system. Moreover capitalism and liberalism were contested after the war, while in the 1930s plans to develop social insurances further had been opposed by a widely shared liberal opinion in the leading political and economic circles arguing that more generous social insurances implied higher contributions, which was unacceptable from an economic point of view.\textsuperscript{32} One of the main political innovations of the Liberation was that proponents of state intervention and planning in order to modernize the economy could hold key positions. The employers were not entirely marginalized however. Due to the opposition of the employers, supported by the pro-natalist movement and General de Gaulle himself, child benefits were not fully integrated in the Social Security system. The employers wanted to keep control over the _caisses_, but Laroque succeeded in putting these funds under the joint management (‘parity’) of employers and workers.\textsuperscript{32}

Labour relations in Belgian industry had been discordant in 1940 and 1941, with high strike activity, notwithstanding the German ban on strikes. Many employers saw an opportunity to cut wages or to no longer grant certain arrangements of the collective labour agreements. A social policy at the level of the firm and factory councils, in which the workers’ representatives were mostly not democratically elected, served as an alternative to the pre-war trade unions. Contacts between employers and trade unions were broken. Relations were restored after the May 1941 strike, during which about 70,000 miners and metalworkers went on strike for ten days. Wages were raised by 8 per cent, the only official pay rise under the occupation.\textsuperscript{33} Later, many employers, especially in the key sectors of the economy directly useful for the German war effort, agreed to increase wages even if this was illegal: wages and prices had been fixed by the Germans after the invasion.\textsuperscript{34} This policy contributed to pacification between employers and workers.

In October 1941, negotiations began between leaders of employers’ organizations, trade unions and civil servants over what would become the

\textsuperscript{30} Alain Beltran, Robert Frank and Henry Rousso, _La vie des entreprises sous l’Occupation: une enquête à l’échelle locale_ (Paris: Belin, 1994).

\textsuperscript{31} Valat, _Histoire de la sécurité sociale_, pp. 26 and 29.

\textsuperscript{32} Nord, _France’s New Deal_, pp. 169-170.


April 1944 Social Pact. The first issue on which an agreement was reached in 1942 was industrial relations. The pre-1940 social consultation was to be re-established immediately after the Liberation and the principle of parity applied in the whole field of social policy.\textsuperscript{35} The central position of the organizations in social policy was confirmed.

This pact was not, however, the consecration of a general social consensus. The actors involved in the negotiations on the Social Pact represented some but not all the tendencies of the pre-war trade unions and employers’ organizations. The participants were mainly socialists and modernist leaders of employers’ organizations, who were open to what would become Fordism: a model of economic growth based on a permanent increase of purchasing power financed by productivity gains. More traditionalist employers did not accept the new ideas.\textsuperscript{36}

Although Belgian business held different views on post-war social policy, the Belgian employers remained united in a national organization: the Comité Central Industriel (CCI). This organization was the umbrella of the organizations at sector level, the federations. Even if they had cooperated closely with Nazi corporatism, introduced in 1940 and 1941 in occupied Belgium, the private employers’ organizations continued their activities and could, at the Liberation, take up again their role as employers’ representatives once again. The CCI represented the employers at the National Labour Conference (which brought together employers, trade unions and the government) convened by the government in September 1944, the start of a three-year tradition. The CCI could even improve its representative position, since the Vlaams Economisch Verbond (Flemish Economic League), which had challenged the CCI since the late 1930s and called into question its monopoly of representation in the northern, Dutch-speaking part of Belgium, had lost legitimacy as a consequence of the collaboration of its main leaders and was no longer recognized by the government as a legitimate partner. In 1944, by way of the National Labour Conference, the CCI could speak for the whole of Belgian business. The National Labour Conference initiated a close cooperation of the state, the trade unions and employers and was one of the instruments for avoiding social unrest at the Liberation.\textsuperscript{37}

\begin{acronym}
  \acro{CCI}{Comité Central Industriel}
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\textsuperscript{37} Luyten, Sociaal-economisch overleg, pp. 125-146.
Belgian business had, as in France, produced for the German war economy but had done so within certain limits, outlined by the Galopin Committee, a shadow government of leaders of holdings, banks and big industry. Working for Germany was acceptable – except producing weapons and ammunition – to be able to import food, to protect workers from deportation to Germany, to maintain control over Belgian firms and to preserve the competitive position of the Belgian economy for the post-war period. Decisions on whether to produce for Germany were not to be taken on an individual basis, but rather collectively at sector level, to avoid an order being accepted in order to obtain a competitive advantage. These mechanisms, implemented by the federations at sector level, created solidarity among employers: since they had adopted the same policy, it would be more difficult to punish an individual entrepreneur for economic collaboration. Solidarity was also created between entrepreneurs and workers by paying higher wages, which can be labelled as the distribution of the benefits of collaboration. As a result, Belgian industrialists had not lost all legitimacy at the Liberation – some socialist trade unionists took up their defence in public – even if their position was debated and called into question by the judiciary, for which punishment of economic collaboration was a priority. As a consequence, the Belgian employers were less politically marginalized than French businessmen. By concluding the Social Pact, the employers and the trade unions would be put on the same footing for the management of Social Security, confirming and codifying the principle of parity, which had emerged before the war.

Following the marginalization of the patronat in France, Social Security was more easily accepted. This consensus was also based on the weaknesses of the pre-war social insurances, identified over the years. The allocations were low, restrictive measures excluded many people from the system, there were too many organizations involved, the users had no say in the management, the percentage of contributions for child benefits differed greatly from one fund to another and, since industrial accident insurance was not compulsory, some workers who fell victim to an accident had difficulty obtaining the allowance to which they were entitled. Insofar as

Social Security put an end to these problems, which had proved impossible to solve in the 1930s, the new system gained support.

This acceptance is visible in the debates of the advisory commission, involving representatives of the different groups concerned and the Commission for Labour and Social Affairs of the provisional assembly. The discussion focused on aspects of the organization of Social Security, but not on the principles. One of the main innovations brought by Social Security was centralization: a ‘caisse unique’ (central fund) would organize and manage health insurance, old age pensions, child benefits and industrial accident insurance and take over the other funds. Employers opposed this plan in the case of child benefits, since they had to give up the exclusive control. The ‘caisse unique’ would lead to the suppression of the so-called ‘caisses d’affinité’, funds with a religious or political profile. This was opposed by Catholics and by representatives of the mutual-aid societies, who argued that the caisses d’affinité should be maintained since they symbolized liberty. In his defence of the caisse unique, Laroque argued that his plan made solidarity prevail over liberty and that the involvement of the users in the management of the system was more important. Moreover, the market share of the caisses d’affinité had been limited before the war. Even if democratization was the central aim of Social Security, the administrators should not be elected but appointed according to the representativeness of the different organizations, a system comparable with the Belgian Social Pact. Elections were more democratic, the argument ran, but there was a risk of absenteeism and the non-representation of certain tendencies.40

In Belgium, Social Security was criticized not only by traditionalist employers, but also by a part of the Catholic world. The latter feared that as a consequence of the central role of the state and the compulsory character of Social Security, the sense of providence of the individual would be undermined. The system of ‘subsidized liberty’, the organizing principle of the Belgian social insurance system since the end of the nineteenth century, offered more guarantees in that respect. Moreover, if the state organized Social Security, the umbrella organization of the Catholic mutual-aid societies feared that the role of the social organizations would be belittled.41

In contrast to France, such opposition had no direct political impact, since on 14 December 1944 the parliament had granted full powers to the

40 Ibid., pp. 62-73.
government to change the legislation on social insurances in order to create ‘Social Security’.\textsuperscript{42} Two weeks later, the Decree-Law of 28 December 1944 was promulgated. Since the parliament played no role in the decision-making process, the socialist minister Achille Van Acker and his administration had their hands free to lay down the principles of the Social Security system. The head of the administration was the aforementioned socialist technocrat Henri Fuss, one of the architects of the Social Pact. It was easier for him to reach a consensus since he was acquainted with the problems and the different views on Social Security, could rely on the Social Pact and could have direct consultation with leaders of employers’ organizations and trade unions.\textsuperscript{43}

The Belgian case shows that the administration had a key position in the construction of the Social Security system. The same goes for France. The architect of the French Social Security was Pierre Laroque. He was a high-ranking civil servant, but lost his position following the anti-Jewish legislation and joined the Resistance in London. In October 1944 he was appointed director-general of social insurances and was in charge of the preparation of Social Security. Laroque could make an appeal to the staff of the office, which was helpful in solving the technical problems involved in the introduction of Social Security. Laroque relied on civil servants with a socialist or trade union past who had been active in the Resistance. In France, the project was a product of the administration without prior consultation with social organizations, as had been the case in Belgium.\textsuperscript{44}

This procedure was a deliberate choice: Laroque wanted to present a coherent plan, which would have been much more difficult if the organizations with different views had had a say in drawing up the project. Consultation was organized on the basis of a coherent text produced by the administration. This procedure was in line with the technocratic ideas of the 1930s: an administrative elite should play a leading role in political decision-making, using the latest scientific insights. As far as Laroque is concerned, this administrative-elitist vision was somewhat mitigated, since he favoured a close cooperation between the state and organized interests. A comparison between Fuss and Laroque reveals the differences in the social position of the two civil servants who initiated Social Security. Although

\textsuperscript{42} Loi complétant la loi du 7 septembre 1939 donnant au Roi des pouvoirs extraordinaires\textit{ Moniteur belge}, 16 December 1944.

\textsuperscript{43} Luyten with Hemmerijckx, ‘Achiel Van Acker, architect van de Belgische welvaartsstaat?’, p. 28.

\textsuperscript{44} Valat, \textit{Histoire de la Sécurité Sociale}, pp. 43-46 and 59.
Laroque had defended nonconformist ideas in *L’Homme Nouveau* in the 1930s, he was first and foremost a technocratic civil servant. He wrote an (aborted) project of Social Security under Vichy. He was involved in the Resistance, not via the Left, but via the Comité Général d’Études, a group of technocratic reformers initiated by de Gaulle and Jean Moulin. The CGE was close to Vichy’s techno-corporatism and composed of civil servants and academics. Even if Fuss was also a specialist in social problems and was a high-ranking civil servant in 1940, he had a clear socialist profile. This was the reason why the Germans dismissed him in 1940. Fuss set up the committee to prepare for Social Security, in which the social organizations dominated. The Social Pact was a fine-tuned project for Social Security: the state only had to transpose into law the project developed by the social organizations. Laroque did not have the same direct link with an organization. His Social Security plan was not meant to serve the interests of one particular group (the workers) but took into account other interest and was conceived by the administration.45

In the Netherlands, civil servants also brought the new ideas and concepts on Social Security: the Van Rhijn commission was composed exclusively of civil servants.46 During the introduction of compulsory health insurance in the Netherlands in 1941, civil servants played an important role and used the threat of a system following the German model to bring the mutual-aid societies under one umbrella organization. The German intervention ended the deadlock between different actors in the health insurance system before the war and this also served the plans of the specialized civil servants.47

The Liberation brought the state in as a prominent actor in social and economic policy, more prominent than in the interwar period. Social Security was, through its scope, cost and impact, one of the main instruments of this intervention. It was clear for most actors involved that Social Security would have far-reaching and long-lasting economic effects. This was especially true for the employers. It does not imply, however, that all advocates of Social Security had always considered the system to be part of a global vision of the growing economic role of the state.

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46 Kappelhof, “Omdat het historisch gegroeid is”. De Londense Commissie’.
State and Economy

For the mainstream Belgian socialists, Social Security was not a building brick of a more ambitious economic reform. Belgian socialists traditionally gave priority to pragmatic reform with an immediate social return. The socialist ministers favoured a policy of wage moderation and struggle against inflation, which also contained the growth of the total wage cost. The socialists claimed and defended Social Security, using official publications such as the review of the Labour Ministry: in the January-March 1945 issue, the text of the Social Pact was published and revealed as the foundation of the Social Security Act, implicitly underlining its consensual character.48 This indicates the strong identification of the Belgian socialists with the state at the Liberation, especially with its social functions.49 Belgian socialists did not aim at a fundamental change of Belgian capitalism – nationalizations never were a serious option – and the democratization of enterprises, which was also on the political agenda, was not the first priority of Belgian socialists. This can be explained by the pragmatist tradition and by competition with the leftist current in the labour movement. The leftist socialist union Mouvement Syndical Unifié founded by André Renard and the communists, who had both built their power base in the factories during the war, aimed to continue by giving priority to the introduction of works councils, with social and economic powers. Introducing a Social Security system with a strong implication of the organizations of the traditional labour movement would give them a competitive advantage over the leftist challengers.50 Opting for Social Security and a policy of wage moderation and the containment of inflation can be interpreted as a defensive choice, which put the burden of the cost of the war primarily with the workers. Indeed, the 60 per cent wage increase decided on by the National Labour Conference, convened shortly after the Liberation, was only the sum of all the wage increases during the war. It was only in 1946 that real wages reached their pre-war level again. The policy of wage moderation, including a ban on strikes in the key sectors of the economy, did not change this situation: it was only at the end of the 1940s that real wages increased more rapidly than in other European

48 ‘Ontwerp-akkoord’, as in note 5.
49 This was also perceived as such by conservatives: Kurgan-Van Hentenryk, Max-Léo Gérard, p. 284.
countries.\footnote{Isabelle Cassiers and Peter Scholliers, ‘Le pacte social belge de 1944, les salaires et la croissance économique en perspective internationale’, in Het Sociaal Pact van 1944, ed. Luyten and Vanthemsche, pp. 161-190, here p. 174.} In that perspective, the introduction of Social Security was an alternative wage increase, which was ‘bought’ at the price of a giving less priority to economic democracy or a more offensive wage struggle, making workers pay the highest price for the war.\footnote{Martin Conway, The Sorrows of Belgium: Liberation and Political Reconstruction, 1944-1947 (Oxford: Oxford University Press, 2012).} This is a valid interpretation, but leaves the economic and long-term effects of the post-1944 social reforms somewhat in the shadow.

Belgian capitalism had been export oriented since the nineteenth century and its competitive strategy was based on low prices and low wages since the key sectors of the Belgian economy (coal, steel, textiles, engineering) were labour-intensive. Keeping wages low had been one of the cornerstones of economic policy. This not only involved the containment of the wages, but also avoiding mechanisms leading to automatic and general wage increases for large groups of workers. This is the reason why the employers in the 1930s strongly opposed legal instruments to make collective labour agreements binding for all employers (and their employees) in one sector.\footnote{Dirk Luyten, ‘Ontstaansvoorwaarden voor het corporatisme. Het model van het neocorporatisme in het licht van de Belgische ervaring uit de jaren dertig’, in Tijdschrift voor sociale geschiedenis, 19 (1993), pp. 316-338, here pp. 326-327.}

Social Security was another mechanism leading to an increase of the wage cost for all the workers. Its compulsory character, guaranteed by the state, made it in principle impossible to escape from it. Since Social Security was organized by the state, it was subject to regulation by government and parliament. Social Security was not only an extra cost for the employers; they also lost the direct and exclusive control over the distribution of benefits. Fears of the political impact of the Social Security system being prepared at the end of the occupation were expressed in an internal memo of the Société Générale, the main Belgian holding company controlling much of the country’s industry, written in July 1944 on the position of the trade unions. It was not the radical trade unions in big industry that were considered the main challenge for the post-war period, but the group of trade unionists (such as Van Acker) who were preparing a Social Security system. The fact that it was organized by the state and had a compulsory character was seen as a fundamental threat to the policy of low wage costs that had to be continued
after the war.\textsuperscript{54} As long as there was no agreement on the maximum wage level, the argument ran, the employers should not accept Social Security, since this would lead to an automatic increase in the wage cost, which would be a threat to the economy. The Comité Central Industriel rejected the Social Pact that was discussed by the organization in June 1944. The strongest opposition against the Social Pact and its implementation came from the federation of the coal industry, while the federation of engineering favoured the new social model laid down in the Social Pact. The latter was aware of the need to modernize the productive apparatus and had made steps in that direction during the occupation, aiming at standardization, which was facilitated by production for Germany. The coal mines had become obsolete: exploitation was difficult for geological reasons, especially in the southern part of the country. This made an increase in productivity, necessary to compensate for the higher wage cost, difficult in the coal mines, while this was on the agenda of the engineering sector, a sector that moreover could profit directly from a higher wage level, since a part of its production consisted of consumer goods.\textsuperscript{55} Although their power was in decline in the second half of the 1940s, the traditionalist employers still dominated the central employers’ organization\textsuperscript{56} and were critical to the new social model that was emerging, with Social Security as one of its key components. Taking into account the strong opposition of the dominant fraction of Belgian business, the introduction of a Social Security system could be presented by the Belgian labour movement as a political conquest. It was only in the 1950s, when the modernist fraction of the employers started to dominate the central employers’ organizations, that Fordism was more accepted. These modernists had an alternative political strategy aiming at the generalization of the principle of management of social policy on the basis of parity. This would take away the administration of social policy from parliament and government and give it to employers and trade unions. This had two advantages for the employers: social costs were more predictable and more coordinated and the employers could not be overruled by labour as could happen in parliamentary decision-making.\textsuperscript{57}

\textsuperscript{55} Dirk Luyten, Ideologie en praktijk van het corporatisme, pp. 274-277.
\textsuperscript{57} Luyten, Sociaal-economisch overleg, pp. 161-164.
The assessment of the impact of the war can also be made regarding the medium and long term. It may be true that, in the short term, wages did not increase as fast as many workers expected.58 This is made clear by the high strike activity, which could only be contained to a certain extent by social consultation and systematic implication of the trade unions in social decision-making, both informally and via the National Labour Conferences. A ban on strikes in the key sectors of the economy was a more repressive instrument to limit the social unrest.

Even if the workers were not compensated for material losses during the war, the pre-war social regulation was changed in a fundamental way, offering a much higher level of collective protection, with stronger guarantees for more workers than before the war. Social Security was one of the new mechanisms of social regulation: the state guaranteed social welfare to all the workers. Since unemployment was included, there was also an effect on wage formation. The national labour conferences, which were the key institution for wage policy, made wage setting a national matter. The decisions of the national labour conferences concerned all the workers in the private sector and enabled the trade unions to improve the wages of all workers rather than only in certain sectors or categories of workers. Another social innovation was the legal status for the collective labour agreement, which could be made binding for a whole sector from 1945.59 As a consequence, social policy had become a political issue, to be handled by the state, albeit in close cooperation with social organizations.

That these social changes would have economic effects was immediately clear for business, but not for the labour movement. The traditionalist Belgian socialists, such as Van Acker, were focused on social reform and did not have an integrated vision of economic and social policy. It was the leftist leader of the new FGTB (Fédération Générale du Travail de Belgique, the new socialist union, a merger of the pre-war socialist union, the Mouvement Syndical Unifié and the communist unions), André Renard, who partly inspired by Hendrik De Man’s planism, focused more on economic reform, including economic democracy at the workplace, at the Liberation.60 Renard was also aware of the fact that the Belgian economy was ill-prepared for a Fordist model of economic growth based on a permanent rise of purchasing

58 Conway, The Sorrows of Belgium, pp. 336-337.
59 Luyten, Sociaal-economisch overleg, p. 126.
power. He put this theme on the agenda in the socialist trade union in the 1950s. In order to modernize the Belgian economy, planning and nationalizations were needed. After the Liberation, economic modernization was not high on the political agenda. Planning was not an issue and the system of social and economic consultation introduced in 1948 focused primarily on trade union participation in general rather than on the modernization of the Belgian economy, which seemed to be doing well by that time. The main economic issue was coal production, but in this sector there were no structural changes calling into question the position of the owners. To compensate the cost of Social Security, the state gave a subsidy.

In France, economic modernization was a key issue and was taken up by the state in a systematic way. Social Security was seen as a part of a global economic reform, of which works councils and nationalizations were the other components. There were two issues: workers’ participation and economic modernization. The idea that the French economy should be modernized and that the state had to play a prominent role in this process was part of the ‘Programme commun de la résistance’, while in Belgium the Social Pact did not address economic reform. The only new idea was that economic growth should lead to social progress.

The French Resistance was not the only group convinced of the need for economic reform. The idea that the French economy needed structural change and modernization was widely shared. It was part of a political project, tracing back to the ideological crisis of the Third Republic in the 1930s. This crisis was primarily a crisis of liberalism: parliamentarianism and party politics were criticized, as well as economic liberalism, especially during the economic crisis of the 1930s. This criticism came, as in Belgium, from planist socialists, but it also came from nonconformist Catholics and, more importantly, from technocrats, many of whom were graduates of the École Polytechnique (the ‘X-Crise’ group). Even if the solutions to the crisis of liberalism differed – some were socialist, others corporatist – they had some points in common: the free market was considered a source of economic instability and the economy viewed as needing coordination, with a central role for the state. For this purpose, a reform of the obsolete political system of the Third Republic was deemed necessary, with the executive power playing a major role. The administration had to be professionalized, using

62 Luyten with Hemmerijckx, ‘Achiel Van Acker, architect’, pp. 33 and 36-37
modern statistical and econometric techniques as well as social sciences. Pierre Laroque was involved in this reform movement and advocated close cooperation between the state and social organizations in social policy.\textsuperscript{64}

The role of the state was, at the same time, a contested issue, focused on the relationship between the state and social organizations. In France, one of the results of Social Security was democratization and participation.\textsuperscript{65} In Belgium, social organizations maintained a key position in the system, but there was a permanent tension between the socialists who, given their identification with the state after the Liberation, favoured the primacy of the state, and the Christian Democrats, who traditionally gave priority to the social organizations. The gap between these two views became clear in 1949, when two commissioners, one socialist and one Christian Democrat, were appointed to make an inventory of the (financial) problems of Social Security and propose alternatives.\textsuperscript{66} The conflict between socialists and Christian Democrats over the relationship between the state and the organizations would dominate the debate on social policy in the 1950s.\textsuperscript{67} The question was resolved in 1963 with a law on the joint management of the Social Security system on the basis of parity,\textsuperscript{68} an option that was in line with the Social Pact.

In the Netherlands, the objective of the Foundation of Labour was precisely to prevent the state from playing a key role in the economy. Making the state the central actor in a planned economy was one of the innovations of the programme of the Socialist Party. This party reorganized itself, open to all, for Catholics as well as Protestants, putting an end to pillarization. A planning office was established. For the employers involved in the Foundation of Labour, the objective of the Foundation was to avoid state intervention in the economy. The state and the economy should be separated and, if some regulation was necessary, this was the prerogative of the community of business and labour, of which the Foundation of Labour was the emanation. Dutch employers could more easily create such a consensual structure, since the antagonism between employers and workers had been less overt during the occupation than it had been in Belgium and France. But the tension between the organizations and the state were also visible in the Foundation of Labour. The initiative

\textsuperscript{64} Nord, \textit{France’s New Deal}, pp. 25-45.
\textsuperscript{65} Ibid., p. 167.
\textsuperscript{66} Vanthemsche, \textit{De beginjaren}, pp. 112-113.
\textsuperscript{68} Vanthemsche, \textit{De beginjaren}, p. 103.
grouped together several employers’ organizations (Catholic, Protestant and neutral) and the Catholic, Protestant and socialist trade unions and, as such, respected the notion of pillarization. Pillarization, which also reflected the internal divide within the business elite, was to be continued after the Liberation, precisely to have a countervailing power against the state: pillarized organizations could claim political legitimacy since they organized a part of the population. This legitimacy could be used as an alternative type of political legitimacy to the parliament and government. This was the aim of the employers, who wanted to use the Foundation of Labour to prevent the state from playing a key role in the economy, as the Socialist Party advocated. The Foundation of Labour was an instrument for the Dutch employers against the economic ambitions of the state. As far as Social Security is concerned, the Foundation rejected the plan of the Dutch government to introduce a Beveridge-like ‘people’s insurance’ inspired by the project of the Van Rhijn commission. Social insurances for moderate incomes had to be continued and the implementation was to be in the hands of organizations (employers’ and workers’), which were the emanation of trade and industry. In 1947, a mixed commission was installed (civil servants and the Foundation of Labour) and made proposals that were no longer in line with the ideas of Beveridge but that aimed rather at the continuation of the system that had developed over the years.

This conflict over the role of the state was inevitable considering the compulsory character of the system and the participation of the state in the financing of Social Security. The public service character became an issue following the deficits of the system in the late 1940s. As a consequence, an appeal was made to the state to contribute to its financing. The implication of the state also had consequences for the management of the system. The question of whether the state or social partners should dominate the management of Social Security was the subject of debate in Belgium after 1949, triggered by the financial problems of the system. The evolution of the management of the French security system went in the opposite direction, which can be explained by the marginalization of the ‘caisses d’affinité’. As such, the state would obtain the upper hand in the French system.

69 Luyten, ‘Op zoek naar de sociaal-economische consensus’.
Social Effects

Workers were most directly concerned by Social Security and, in principle, profited the most. The effects, however, were more nuanced. The contribution of the employee was an extra cost, without direct return, since Social Security was based on the insurance principle. The introduction of the system needed some ‘education’ and explanation, a role that was taken on by the labour movement. The new system and its advantages were explained to the workers and were claimed as a social conquest of organized labour. Employers who tried to avoid Social Security contributions by paying a part of the salary unofficially were blamed. It was explained that this could lead to a loss of entitlements in the future.72

Social Security implies income redistribution within the group of employees, meaning that certain groups will lose. This was used by the Catholic mutual-aid societies in Belgium as an argument against the compulsory system. The better-paid workers (especially white-collar workers) were forced to pay for (blue-collar) workers who were not able to see beyond their day-to-day needs.73 In Belgium, this group was integrated in the Social Security system on the same footing as the blue-collar workers. In France, white-collar workers and cadres also opposed their incorporation in the Social Security system. Christian Democrats, whose political weight grew after the Liberation, supported them. The result was that cadres were subjected to Social Security, but obtained a specific and more advantageous system. Miners and railway-workers, who had a tradition of labour militancy, could maintain their special regimes, which were more generous and were not merged with the new ‘general’ system to avoid those groups losing certain advantages.74 The same was true in Belgium, where miners and seamen had a specific regime. A study commission of the Belgian government in exile in London made a proposal for a national and public Social Security system for all citizens, sweeping away the old social insurances. This plan never had a serious chance and was even not generally accepted by all the members of the study commission.75 It would call into question the role of the social organizations in social policy.

74 Nord, France’s New Deal, p. 172.
75 Vanthemsche, De beginjaren, p. 51.
This nuances the idea that Social Security was an element of social unification, as it was presented in 1944-1945. But since the state was the organizer of Social Security, opposition could be overruled more easily (if necessary using fines or other means of administrative coercion). Since the system was unified and rationalized by the state, Social Security gave the state a more social face, which could contribute to easing social tensions after the Liberation. In the official journal of the Belgian Ministry of Labour, Social Security was presented as one of the foundations of the social renewal that came with the Liberation.76 The same goes for France: Social Security was part of the modernized French state built after the Liberation and an instrument of social pacification and stabilization.77

Philip Nord has argued that the modernization of the French state at the Liberation was not only a ‘social-democratic moment’, since many other forces especially Christian Democrats and technocrats were able to make their mark on the social and economic reforms.78 For Belgium, it can be argued that the first post-war years were indeed a social-democratic moment for social policy. Social democrats made their mark on social policy in the first post-war years in the field of Social Security and industrial relations. In both cases pragmatism prevailed. They succeeded in doing so basically because the Belgian administration was much weaker than the French, which left much more room for the ministers and their direct collaborators such as Fuss. The parliament could not act as a countervailing power since the government had full powers. Socialists identified themselves in a relatively unrestricted way with the state, an evolution that had already begun in the interwar period but was intensified after 1944. The scope of social interventionism had expanded and the link between state and social organizations was institutionalized, as described in the Social Pact. Social Security and the national labour conferences were the key institutions. This led to a strong identification of the socialists and the state, leading to a statesman-like attitude among socialist politicians, for which Van Acker was the model. The economy was much less affected by social-democratic reforms. The Department of the Economy remained in the hands of Liberal or Catholic ministers. Immediately after the Liberation, they could avoid trade union participation in the economic councils that decided on the distribution of raw materials, they were able to postpone the institutionalization of economic consultation and quickly put an end

76 Revue du Travail (1945).
77 Nord, France’s New Deal, p. 169.
78 Ibid., p. 21.
to economic dirigisme and price control. In contrast to Social Security, the immediate post-war period did not entail a fundamental change in the management of the Belgian economy; pre-war liberalism returned, albeit with social adjustments. 79

Conclusion

Social Security was one of the innovations brought by the Liberation. Social Security was not entirely new: it extended the pre-war social insurances or incorporated certain innovations initiated by the occupier. What was new was the unified and compulsory character of Social Security. This meant that the state played a prominent role. Social Security could be (and indeed was) presented by the state as progress for the workers and could, as such, be used as an instrument to maintain social peace and to enhance post-war reconstruction. This was more effective insofar as social organizations were able to play a role in the Security System. The organizations acted as intermediaries between state and workers and employers. Another reason for the continued involvement of social organizations was that they had been at the origin of social insurances and were not prepared to give up the political power they had built on these insurances. The fact that the state cooperated closely with these organizations was also a matter of avoiding political conflicts. Social Security contributed to the modernization and democratization of the state: the state became a social state and the participation of the social organizations was a form of democratization and participation. The transformation of the relationship between the state and these organizations was part of a process of reform by which the state became more interventionist. In the Netherlands, a coalition between employers and trade unions, initiated by the employers, was a means of tempering the interventionist ambitions of the state and of opposing a global, fundamental reform of social insurances through a Beveridge-like ‘people’s insurance’. But in this case, the war brought a political change too: while, for a long time, the old economic elite had been able to avoid state control over social insurances, after 1945 a coalition with the trade unions was needed and the result was the joint management of social questions by trade unions and employers’ organizations. This also shows the central position of social organizations in the reconfiguration of the social role of the state, of which Social Security was a key component.
