

Pat Thane

The Origins of the British Welfare State

The Winding Road to the Welfare State: Economic Insecurity and Social Welfare Policy in Britain. By George R. Boyer (Princeton, Princeton University Press, 2019) 346 pp. \$45.00

“Welfare states” were established in most countries of Western Europe in the mid-twentieth century, following World War II, though awareness of social deprivation, its causes, and state action to alleviate it had been increasing prior to that point. Peter Baldwin presents a good survey of these cross-national developments in *The Politics of Social Solidarity. Class Bases of the European Welfare State, 1875–1975* (New York, 1990), focusing upon Scandinavia, Britain, France and Germany, the most highly developed welfare states of the mid-twentieth century. A proper grounding in these developments is important for understanding the modern history of these countries. Welfare states emerged from the determination of political leaders to avoid social conflict and extreme left- and right-wing political movements as societies became ever-more democratic and poorer working people exerted greater political influence.

States began to take social action by improving educational and health standards and providing social security in hard times through old-age pensions and other benefits. Such provisions and expenditures reached a peak in the 1970s before declining as neoliberalism gained political strength during the 1980s (though the welfare mission in the Scandinavian countries, particularly in Finland, has managed to proceed more effectively than it has in Britain and other larger European countries).¹ Britain, especially since the financial crisis from 2007 to 2010, has seen its levels

Pat Thane is Visiting Professor, Dept of History, Birkbeck College, University of London. She is the author of *Old Age in English History: Past Experiences, Present Issues* (New York, 2002; orig. pub. 2000); the editor of *Unequal Britain: Equalities in Britain since 1945* (London, 2010).

© 2019 by the Massachusetts Institute of Technology and The Journal of Interdisciplinary History, Inc., https://doi.org/10.1162/jinh_a_01448

1 Erik Eklund, Melanie Oppenheimer, and Joanne Scott (eds.), *The State of Welfare: Comparative Studies of the Welfare State at the End of the Long Boom, 1965–1980* (Oxford, 2018).

and causes of poverty return to those that stimulated the first moves toward welfare states in the early twentieth century.

The emergence and subsequent history of welfare states has attracted abundant, comprehensive research. Major studies by Harris and Thane sought to elucidate the history of welfare by placing it within the broad context of economic, political, and social change since the later nineteenth century.² Boyer's book purports to cast the same net for Britain's situation.

Boyer's study of the shift in Britain from the early nineteenth-century Poor Law to the post-1945 welfare state is strongest and most useful in its analysis of the labor market in relation to poverty and insecurity and in its precise quantification of wages, poverty, insecurity, and public relief and its recipients. In this intensely political arena, it is much weaker when discussing how politics and public opinion shaped social policies; overlooking important areas of British state welfare, the book focuses upon unemployment and old-age policies. Nor is the book really about "Britain." Most of the statistics and analyses refer to England and occasionally Wales. Scotland, with its different economic, administrative, and legal structures, though constitutionally in Britain, is barely mentioned.

Boyer's survey of nineteenth-century Poor Law policies, motivations, and impacts is detailed and thorough, though it says little that is new. Its main original contribution consists of quantitative accounts of working-class efforts to avoid the stigma of pauperism by practicing the self-help urged by Victorian moralists, which the Poor Law was designed to encourage. Those who earned enough saved through friendly societies, trade unions, and savings banks. Also carefully quantified are the numbers of those who could not save, due to low pay, insecurity at work, disability, and other issues, though Boyer barely mentions the large numbers of women with low incomes, especially widowed mothers.

Boyer calculates numbers of poor-relief recipients and the costs in England (for the nation as well as selected places), manual wages, unemployment and under-employment rates, old-age incomes, and their sources. He provides a thorough analysis of the poverty surveys of the late nineteenth and early twentieth centuries—rightly stressing low-paid, insecure employment, rather than the feckless

2 José Harris, *Unemployment and Politics, 1886–1914* (New York, 1972); Thane, *Foundations of the Welfare State* (London, 1996; orig. pub. 1982).

idleness widely assumed, as a major cause of poverty—and their influence upon the emergence of innovative state-welfare policies after 1906, the foundations of the post-1945 “welfare state.” Boyer also provides a similarly useful quantification of poverty, employment and unemployment, living standards, and the impact of expanding state policies between the wars. But he overstates his case in claiming, “This book rewrites the history of working class living standards and the growth of government social welfare policies in Britain since 1834” (24). The survey is accurate, but it contains little that is new, except in some points of quantitative detail, given the extensive existing historiography.

Boyer traces the growing recognition in the late nineteenth century that poverty was often due to involuntary unemployment and the inadequacy of working incomes, as well as the criticism of the Poor Law that ostensibly attempted to address it. But his analysis is superficial compared with Harris’ thorough study of the deepening understanding of unemployment as the result of the growth of economics as a discipline from the 1880s onward and the expansion of the labor movement, among other influences, and the ensuing state policies that followed after 1909.³ Moreover, this reviewer’s survey of the experience of aging and the growing demands for state pensions to assist hard-working, low-paid people since the 1870s, not the 1890s as Boyer suggests (183), lends additional context, as does the influence of Otto von Bismarck’s introduction of state pensions in Germany in 1889 and Britain’s choice of non-contributory rather than insurance pensions in 1908.⁴

Boyer similarly fails to draw adequately upon existing studies to strengthen his analysis of the making and content of the important Liberal welfare reforms that started in 1906. He rightly states that the Liberals were motivated by fear of losing working-class votes to the growing Labour party but does not point out how dependent the Liberals were on Labour for their victory in 1906. The pre-election “Lib-Lab Pact” between the parties, which prevented them from opposing one another in constituencies where a Conservative victory was possible, largely contributed to creating a Liberal majority and facilitating Labour’s influence on the government. Furthermore, although, as Boyer suggests,

3 Harris, *Unemployment and Politics*.

4 Thane, *Old Age in English History: Past Experiences, Present Issues* (New York, 2000).

Liberal leaders were reticent about social reform in the election campaign, many successful backbenchers actually made it a major election issue. Boyer does not mention that Labour introduced the first of the welfare reforms—free school meals for needy children—in 1906.

Boyer underestimates the effect of the fear about national “physical deterioration” after the mighty British army had struggled to win the Anglo-Boer imperial war of 1899–1902, and the resulting concern that Britain would experience further military and economic difficulties competing on the international stage, especially against Germany, unless the working population became fitter and more secure. Wholly absent is any discussion of the growing women’s activism in the 1900s, not only for the vote but also for the health and welfare of women and children, to reduce infant mortality and increase the size and fitness of future generations. As Dwork described, this movement had increasing influence on national and local policies in the early twentieth century; Boyer is mute on gender issues in general throughout the book.⁵

Another surprising absence is Boyer’s silence regarding the major reform of the tax system in his discussion about the cost of pensions and other reforms. According to Daunton, in 1907, Herbert Henry Asquith, chancellor of the exchequer, began the process of moving, for the first time in Europe, from a flat rate to a progressive income tax to raise the necessary additional revenue.⁶ His initially cautious moves, unpopular with voters, were taken further when Lloyd George, who succeeded Asquith as chancellor, introduced his controversial budget of 1909.

Boyer’s treatment of the interwar period is marred by his surprising failure to include any examination of the war period, 1914 to 1918. Winter showed that the exceptional employment rates and living standards among the civilian population during this period raised popular expectations and generated resistance to any hint of a return to pre-war poverty.⁷ Lloyd George’s coalition government was well aware of this sentiment in 1916, but even

5 Deborah Dwork, *War is Good for Babies and Other Young Children: A History of the Infant and Child Welfare Movement in England, 1898–1918* (London, 1987).

6 Martin Daunton, *Just Taxes: The Politics of Taxation in Britain, 1914–1979* (New York, 2002).

7 Jay M. Winter, *The Great War and the British People* (New York, 2003; orig. pub. 1985).

more so in 1918, as Boyer describes, when the vote was extended to all adult men, enfranchising many working men, and to mainly middle-class women older than thirty. All the while, the Labour party continued to grow, and the Russian Revolution of 1917 brought the spectre of socialism ever closer. As a response, in 1918/9 the government introduced more reforms than Boyer describes in the book. He covers the extension of unemployment provision and housing legislation, which led to the first extensive council-house building, but not the major Education Act, which increased funding and access to education for working-class children, or the Maternity and Child Welfare Act of 1918. The war years had already seen continuing campaigns by women that impressed upon the government the need to build a healthy young generation to replace men killed and injured in battle. The result was a substantial increase in funding for maternal and child health and welfare that contributed to the decline in infant mortality between the wars that Boyer mentions but finds hard to explain.

Boyer provides a much more thorough description and analysis of the well-known interwar economy—which expanded in some regions and declined in others—and of state provision for the persistent, severe, regionalized, unemployment that occurred throughout the Great Depression from 1920 to 1940. For the first time, government provided a basic income for most of the unemployed population. Although it was hardly generous, and the conditions were often restrictive, it was unprecedented and sufficient to avoid serious distress. Boyer's account is weak on the matter of the policy's political motivation. Governments of all persuasions were anxious to avoid the political upheaval that a neglect of the unemployed would cause, fearing the spread of communism and fascism then afflicting continental Europe. Britain successfully avoided both, partly because of its relatively progressive social policies.

British state welfare expanded between the wars, despite economic depression, but only piecemeal; by 1939, the Labour party and sympathetic social scientists were demanding further reforms. Early in World War II, William Beveridge—a government adviser on unemployment insurance and other aspects of social-security policy since the beginning of the century—proposed a reform to the social-security system. Boyer's book concludes with a study of Beveridge's famous report of 1942 and its influence, but his treatment

is not always accurate or penetrating. It would have benefited from more careful reading of Harris' excellent biography of Beveridge and of the 1942 report itself.⁸ Boyer links Beveridge's proposal for universal children's allowances to revelations about child poverty in the surveys of the 1930s, but he fails to note the major influence of feminist MP Eleanor Rathbone's campaign for allowances during World War I, with which Beveridge was closely associated.

Beveridge also famously recommended universal, flat-rate insurance allowances fixed at a "subsistence" level. Boyer explores at length what Beveridge meant by *subsistence* and what level of benefits he proposed. In fact, however, the report is clear that Beveridge expected allowances, unlike those before the war, to cover all essential costs—housing, food, clothing, fuel, light, and "household sundries," plus "a margin . . . allowed for inefficiency of spending" (76–87). Beveridge acknowledged that his proposed levels of allowance were estimates rather than hard-and-fast recommendations, since he could not know when his proposals would be adopted or the likely cost of living at that time. When the Labour government actually began to implement his principles in 1946, all allowances, including family allowances were, to his great disappointment, set below the subsistence levels at the time. Boyer does not fully discuss the reasons for those low levels.

Beveridge recommended that his scheme be introduced gradually over twenty years, to enable it to become fully funded by contributions. Labour's full implementation of it in 1946, however, intended to keep its promises to voters, increased the short-term cost. In general, although welfare funding rose substantially after 1945, Labour held it back whenever possible in favor of funding for economic reconstruction and the (successful) implementation of full employment. Labour from its foundation had argued that the best means to raise living standards was full employment at decent pay, a commitment that Beveridge shared. Labour had also hoped to be in office longer than six years and to improve the social-insurance system when the economy revived. Unfortunately, the opportunity never arose. In 1951, when the party left office, it left a welfare state more incomplete than it had hoped.

Boyer maintains that state welfare is the necessary path to a more equal society. The histories of the nineteenth century and

8 Harris, *William Beveridge: A Biography* (New York, 1997).

of the recent past suggest that, contrary to the belief of neoliberal economists, “faith in economic growth and trickle-down as a solution to poverty and insecurity is misplaced. . . . [R]ecent growth has been accompanied by rising inequality” (309). In his words, “Insecurity lives on and is growing in 21st century America. . . . We await the twenty-first-century incarnation of Booth and Rowntree to reveal how many of those no longer receiving welfare as a result of recent reforms [in Britain] remain in poverty” (308).

In fact, Charles Booth and Seebohm Rowntree, poverty researchers at the turn of the twentieth century, have been reincarnated as respected, independent, research organizations—the Joseph Rowntree Foundation, the Institute for Fiscal Studies, and the Resolution Foundation. All of them have published recent surveys showing that at least 20 percent of British households are in poverty, as currently measured internationally. At the time of each survey, 60 percent of impoverished households included an adult in full-time work. Homelessness is growing, as is an unprecedented use of food banks by starving people, unheard of in Britain since World War II. The researchers state that low pay and insecure employment are the main causes of twenty-first-century poverty, alongside cuts to welfare and rising rents. The depressingly similar Booth and Rowntree revelations had led to the emergence and growth of the welfare state, which reached its peak benefits and income equality in the 1970s. Since Margaret Thatcher’s neoliberal government of the 1980s, and again under Conservative controlled governments since 2010, state welfare has shriveled, and poverty has returned to the levels of the early twentieth century.

Boyer makes useful contributions to the picture of how the British welfare state emerged. His version of Britain’s “winding road,” however, falls short of the descriptions and analyses that many British publications have already provided within the past thirty years.

