

Why did the new liberals attach so much importance to the reform of social welfar...



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A variety of ideological, social, economic and political factors came together towards the end of the 19th and beginning of the 20th centuries that stimulated an unprecedented reform of social welfare provision. Policies were spearheaded by a wilful phalanx of radicals within the Liberal Party after their 1906 election victory. The Ministry's reforms included old age pensions (1908), established labour exchanges (1909), trade boards (1909), a National Insurance scheme covering sickness, invalidity and unemployment (1911) and a Miners' Minimum Wages Act (1912). In the era of early 20th century mass politics feeling grew that the party who did not champion the importance of social reform would lose out to those that did.

The largely enfranchised working class were increasingly deemed to be living in conditions that were unacceptable to them and 'New' Liberals humanitarian principles. Economically Britain was facing competition from Germany and the USA, chiefly in terms of a productivity gap that was in part caused by the country's inability to resolve problems of 'National Efficiency'. Germany had an impressive welfare system already that centred on keeping the work force and her armies healthy. Ideologically 'New' Liberalists of the late 19th century were reconsidering the meanings of Liberalism in light of the above problems while their party had concerns as to how to deal with the politicisation of the labour movement.

19th century pillars of liberalism centred on the rights of the individual. The Liberal party of Gladstone was traditionally one of select reform and championed religious, legal and political freedom. The prevailing view dictated that industrial advance and free market capitalism alone would alleviate social ills. While this seemed plausible in the 1850s or 60s it was

not credible come the 1880s. The 'New' Liberals, ideas were born out of this realisation that market forces on their own were not enough or at best they were too slow. Revisions emerged in the late 19th century out of Classical Liberalist principles that the hindrance on a person's freedom was now largely social and economic in nature. T. H. Green, an Oxford philosopher and tutor of Asquith spoke of the individual, "how can he be free if he is free to starve?" and on the issue of defining freedom, in his essays on Liberal Legislation and Freedom of Contract, '['Freedom' is not] merely freedom from constraint or compulsion.

We do not mean merely freedom to do as we like irrespective of what it is that we like..... When we speak of freedom...we mean a positive power or capacity of doing something worth doing or enjoying and that too, something that we do or enjoy in common with others'. 1 A man could not be truly free unless he was free of economic distress, even if this freedom would result in an erosion of strictly Classical Liberalist definitions of the term. Green and other 'New' Liberalists moved sharply away from the orthodox ideal that a person should take care of their own healthcare, education, children and old age. In its place choice should become collectivised. Freedom would be positive in that the state would not just remove restrictions but aid individuals by taking a proportion of their resources, or progressively redistribute the resources of the rich to that of the poor. 'New' Liberals would be reallocating it for higher ends that individuals could not hope to realise themselves for they could only waste it on lesser and subjective ends.

Oxford Philosophers, while unable to dictate social policy, did highlight how far established principles could be developed from their origins. Support for <https://assignbuster.com/why-did-the-new-liberals-attach-so-much-importance-to-the-reform-of-social-welfare-provision-essay-sample/>

the importance of the reform of social welfare provision gained pace as quantified facts backed up academics theory. The dismal reports of Charles Booth and Seebohm Rowntree highlighted the dire state of affairs in London and York. They and others concluded that poverty stemmed from old age, low wages, large families and a poor working or living environment as opposed to the personal character of the working class people.

Their ability to use legal freedoms granted by Classical Liberalism had reached a peak in advancing their economic and social freedom. Without economic aid they could go no further. Charles Masterman, a Cambridge graduate became one of the growing numbers of middle class investigators into the slum areas of Britain's cities. Here they studied the poverty and plight of poorer citizens and considered remedies for the ills quantified.

While these activities were initially not political it would be these men who found allegiance and even office in the Liberal party of 1906. Masterman was elected that year with both authority and compassion on urban problems. Thus a strong core of 'New' Liberals headed by Churchill and Lloyd George were in positions of power come 1906. The latter was an instrumental as Chancellor of the Exchequer in tackling social issues by putting the broad lines of 'New' Liberal intelligentsia into practice with great zeal.

The 1906 Ministry and the Liberal Party was however dominated by older Liberals who would at the least need persuasion that Liberalist principles remained before the 'New' Liberal's could attach importance to social welfare provision. The way reform of social welfare provision could be a policy consistent with Classical Liberalism was a compellingly simple one

argues Liberal MP J. M. Robertson, 'Laissez-faire is not done with as a <https://assignbuster.com/why-did-the-new-liberals-attach-so-much-importance-to-the-reform-of-social-welfare-provision-essay-sample/>

principle of rational limitation of state interference, but it is quite done with as pretext for leaving uncured deadly social evils which admit of curative treatment by state action.'

Churchill's proposal to achieve this and one representative of 'New' Liberals was to 'draw a line'. Above it principles of Laissez-faire would run as before but below the 'left out millions', of whom he claimed the Liberal party was the party of, should not be allowed to fall below. His speech in Glasgow in 1906 unequivocally commits 'New' Liberal theory to becoming the party's social policy, 'The ever growing complications of civilisation create for us new services which have to be undertaken by the state. I should like to see the state embark on various novel and adventurous experiments... the universal establishment of minimum standards of life and labour and their progressive elevation as the increasing energies of production permit.' While 'New' Liberals appreciated some individual's rights would be infringed they realised that the benefits to individuals, society, the economy, Britain internationally and the Liberal party's survival were potentially great and pressing.

Individuals and society would benefit in that the range of public goods such as Defence would be broadened to include welfare services such as education and health. Historically the market delivered these yet by placing them in the public sector under the finance of the budget the users would enjoy non-rivalness and non-excludability. The Liberal sociologist and journalist L. T. Hobhouse detailed a theoretical welfare state that did not limit state intervention for poverty relief to a minority but extended it to all, 'Liberty without equality is a name of noble sound and squalid result.'

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Collective action for shared advantage was the prevailing theme of 'New' Liberal theorists. This action would be taken by the state to maintain a set of, as Churchill deemed, 'minimum standards' and operate or regulate certain economic functions for the benefit of all.

Funds would have to be raised; the magnitude of which demanded a departure from Classical Liberalism. The 'People's Budget' of 1909 showed just such a departure. Policy had reached the point where social justice was a higher cause than laissez-faire as the minimum standards would be subsidised by those of greater wealth and property. The legitimisation of progressive taxes allowed the Liberals the freedom to attach as much importance to social welfare provision as the electorate would tolerate. The removal of the systems of control on government spending, i. e. inegalitarian taxation, itself helps explain the how the Liberals attached so much importance to social welfare reform.

'New' Liberalism's drive for social welfare reform was heralded by its advocates as economically beneficial to the individual, business and the nation. Initially unpopular with the business sector due to its conservatism and additional tax burdens benefits in theory were clear. Greater productivity and greater wealth of the masses could lead to increases in both supply and demand of businesses. The principle was popular; a healthier contented working class would work harder, strike less and live longer. Key to the argument of the benefits to individuals and Britain as whole was the issue of 'National Efficiency', first raised at the turn of the century by a range of institutions including the Fabian Socialists like Sidney and Beatrice Webb, Conservatives like Milner, Chamberlain and Balfour and the military.

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Statistics showed 36% of men applying for service in the Boer War from Manchester being rejected on the grounds of ill health.

The military angled for social reform, not on a humanitarian basis but a Bismarckian one. A healthy population was both efficient and politically stable as was perceived to be the state of Germany for its welfare state supported its increasing militarism. Britain's vast empire needed policing and she could ill afford to repeat the diabolical of the Boer War which put exceptional pressure on the need to raise the health of soldiers. Less militarily inclined 'National Efficiency' advocates concern centred closely on Britain's relative industrial decline and thus shrinking world economic power. Stagnant living standards and decadence spurred talk of reform of education, particularly in technical fields such as the Chemical & Electrical industries, of which Germany had emerged a clear leader. Worker productivity had been overtaken by the USA and Germany, both of who had seen unprecedented industrial growth.

The impetus for social reform by the 'New' Liberals could be seen not in terms humanitarianism and instead as an attempt to engage with the growing forces of both the working and middle class. The former made up the bulk of the electorate and was gaining influence not least through the rising literacy rates but a variety of groups representing them. The Unions, the ILP (Independent Labour Party), the LRC (Labour Representation Committee), the Fabian society, Marxist thinkers, and socialists were some of the more prominent groups that began to see political ascendancy towards the turn of the 20th century. Some liberals demanded a hard line with such groups as Councillor Kemp did in April 1907, 'Let them have no more talk <https://assignbuster.com/why-did-the-new-liberals-attach-so-much-importance-to-the-reform-of-social-welfare-provision-essay-sample/>

about “ two wings of a Progressive party” ... if we do not fight off the socialists we will be wiped out’.

However the working classes were broadly united with the Liberals against the Right during the period but to secure Liberalism’s political future as the ‘ people’s party’ greater compassion was needed towards the working man’s social and economic plight. 4 Victorian middle class Liberals could not hope to indefinitely accommodate a working class electorate without social policy reform and a fusion of elements of socialism. These steps were regarded as necessary to immobilise the chance of an independent party of the working class emerging. This was a concern high on the agenda of many middle class voters and liberals. Thus in the same policy of social reform the Liberals could ‘ harness to their cause large sections of the middle class who would be frightened into reaction by a party based solely on labour.’<sup>5</sup> The working class would be deterred from operating programmes outside the Liberal party exclusively for its own ends. This deterrent would simultaneously quell middle class fears about them doing so. Regardless of the ideology’s re-alignment towards supporting a welfare state an independent political need had emerged.

Classical Liberalism, ‘ New’ Liberalism nor humanitarian principles entirely explain why the Liberals of 1906 - 1914 attached so much importance to the reform of social welfare provision. Redistribution of welfare was a drum the Labour Party and its associates were beating with considerable force by the early 20th century. Social welfare reform became a necessity to pre-empt working class political growth that would eventually challenge the Liberal Party if left unchecked. At the same time it was also a necessity to tackle <https://assignbuster.com/why-did-the-new-liberals-attach-so-much-importance-to-the-reform-of-social-welfare-provision-essay-sample/>



neglected social, economic and military issues of a nation that could only be done so through a programme of social welfare reform. The ascendancy of necessity and humanitarian compassion for social welfare provision over its numerous costs resulted in the 'New' Liberals attaching a great deal of importance to its reform.

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