

The Beveridge report and the formation of the welfare state



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This essay aims to look at the formation of the welfare state. It will begin with exploring the pre welfare state laws and the Beveridge report which was the study behind the formation of the welfare state. The essay will then go on to look into the five giant evils stated within this report and will then further go on to critically analyse different approaches in addressing these issues.

So what is meant by the term 'Welfare'? Spicker (2008) describes welfare as a range of services that are used for the purpose of protecting people in different situations. In the 1500's there was no law or welfare state, but at that time there was religion as the church was very powerful in Britain. The church was greatly powerful at that time for a number of reasons which included that it owned a lot of land, it was very rich and it also controlled the follower's beliefs. The Christians were expected to follow a set of rules which included feeding the hungry, welcoming the stranger, clothing the naked, visiting the sick and prisoners and burying the dead.

However, Harris (2004) argues that where there is need there is always welfare as all political regimes have social policies of some kind, even if these policies consist of simply leaving welfare to friends and families or local communities. He argues this is also a type of welfare. Then came the era of Elizabethan England, and there was a mass movement over time. Cody (2011) brings to attention that the power of the church was weakened as it had become far too dependent upon political and economic interests to reform itself. Half of all livings were granted by landowners, and the government had the right to appoint all bishops, a number of prebends, and hundreds of livings, so as to say the Church became, to an extensive degree, <https://assignbuster.com/the-beveridge-report-and-the-formation-of-the-welfare-state/>

the preserve of the younger sons of members of the upper classes who had little interest in religion and less interest in the growing numbers of urban poor.

Thus resulting in the charitable approach to welfare weakening too. Cody (2011) also explains that In Elizabethan England life for the poor was very harsh as the Laissez faire approach was used where in people were asked to take their own responsibility. People were offered no security and were forced to beg on the streets in order to survive. The elderly received minimal help and unemployed individuals were left to starving to death.

The result of this approach was poverty, bad health, homelessness and isolation. After the reformation and the beginning of the Church of England, many values and moral expectations disappeared and it became essential to standardize the relief of poverty by law. In order to do this a series of laws were introduced by the English Parliament which was known as the old Poor Law. Spicker (2008) states the Elizabethan Poor law was a national act for England and Wales which aimed to provide a compulsory poor rate and provision for setting the poor on work. This act got reviewed and updated in 1601 and Townsend (1788) stated it made provision for ' setting the poor on work' but generally this didn't include any type of accommodation.

The first workhouse was established in Abingdon in 1631. Harris (2004) observes the importance of the 1832 Royal Commission which reported on poverty in England. This report according to Fraser (1984) was ' a classic document in the history of English social policy'. This report was published two years later and formed the basis of the 1834 Poor Law Amendment Act

which marked the break between the old and the new poor law. Powell & Hewitt (2002) state that the key of this legislation was the classification of 3 different treatments for 3 different types of people. The group of aged or chronically ill people were accommodated in what were known as ' almshouses'.

The able-bodied poor people were set to work in ' houses of correction' and finally the vagrants meaning the people who were poor and used to wander around begging were punished in these houses of corrections. However the houses of correction were not a part of the Elizabethan system of poor relief. Golding & Middleton (1982) identified three main aims of the poor law as discipline, deterrence and classification. It is also believed that this was the most important policy development which dealt with poverty until the end of the 19th century as it was a national approach used to manage poverty at the time.

Searle (1971) identified that most periods of British history were subjected by a political phrase or slogan which summed up the hopes and fears of that specific period. At the beginning of the 20th century the corresponding expression used was ' National Efficiency'. James Cantile as cited in Harris (2004) explains the reason for the use of this term was that during this period the health of the working class population became a great cause of concern as it was believed that the average standard of public health was deteriorating as a result of urbanisation. This was proved when the Boer War broke out in 1899.

Harris (2004) states that the inspector who was recruiting soldiers for the war reported up to nearly 40% of the soldiers who were willing to serve were unable to because they were unfit, and approximately only 30% of signed up men were fit to fight this war. It was noted that if no action was taken regarding this situation then the results could be population dying out because of its inability to reproduce itself. Spicker (2008) states the Government then decided to invest in the health of the nation to ensure there would be fit and able men in the U. K. to look after the country and this led to the Liberal Government laying the foundations of existing social services.

Nevertheless, these services were intentionally provided outside the poor law to keep away from the disgrace linked with pauperism. Some of the main acts the Liberal government laid out included the 1905 Unemployed Workmen Act, 1906 Education act which included free school meals for all, 1907 School medical service, 1908 Old Age Pensions which were non-contributory and 1911 National Insurance Act which covered health and employment. These are also known as Liberal reforms. The following conservative government was headed by Winston Churchill who had served as First Lord of the Admiralty during the early years of world war one, he was then asked to lead the coalition government in 1940.

When world war two broke out Churchill promised his people nothing more than ' blood, toil, tears and sweat' and he almost single handedly restored Britain's aspiration to fight on in difficulty. World War Two had sharply uncovered the imbalances in Britain's social, economic and political structures. In result of this the minister of reconstruction Arthur Greenwood <https://assignbuster.com/the-beveridge-report-and-the-formation-of-the-welfare-state/>

appointed Sir William Beveridge to head an inquiry into Social Insurance and Allied Services in 1941. The report of this enquiry was published on December 1st 1942 and was known as the Beveridge Report which became the main blue print of the welfare state. (Brown, JC 1990).

In the post war elections Labour government got elected. This came as quite a shock to Churchill as he was quite convinced he would get chosen because of his popularity during the war. Despite Churchill's popularity, by 1945 the people no longer wanted a war leader and Labour pledges were based on Beveridge's report promising a welfare safety net for all the people. In his report Beveridge set out a plan to put an end to what he identified as the ' five giants' - Want (poverty), Disease, Ignorance, Squalor and Idleness (unemployment). His main idea was a state-run system of compulsory insurance.

Every worker, by contributing to a scheme of national insurance deducted through the monthly wages, would be aiding to build up a fund that would pay weekly benefits to the sick, unemployed or who suffered industrial injury. The scheme would also include pension payments at the age of retirement. (Beveridge, J 1954). Jacobs (1992) explains that the idea behind this was to support the worker and his family. Benefits were to be set at a level that enabled a man, and his family to survive so they would be no reason for anyone to be in poverty.

Powell and Hewitt (2002) say that Beveridge promised nothing less than freedom from want from the cradle to grave by suggesting that all workers pay contribution in a social insurance scheme and the receive certain

benefits in times of need. Harris (2004) points out that many of Beveridge's ideas affected the development of British social policy for approximately a whole generation after 1945. Jacobs (1992) suggests that the Beveridge report was a plan for a better system of social security. A great part of the Beveridge report was not about the actual goals but the administration that would be required.

Harris (2004) illustrates that although Beveridge argued that the insurance scheme should provide the minimum required for means of survival but at the same time he also argued that the state shouldn't provide any more than this minimum amount. Benefit in return for contributions, rather than free allowances from the State, is what the people of Britain desire' (Beveridge, 1942, Para. 21) This landslide victory was very much about creating a new deal for the men back from War, giving them a sense that their country had been worth fighting for and would support and care for them in peacetime by offering them and their families the opportunity for jobs, homes, education, health and a standard of living of which they could be proud. The labour government was led by Clement Attlee, and during his years of serving as a Prime Minister many activities took place. Despite the Second World War leaving Britain a country in poverty there were many major pieces of legislation which were brought into action during the time of Labour Government which aimed to bring the dreams of Beveridge into reality such as the 1945 Family Allowances Act; this act provided a flat rate payment to be funded directly from taxation (National Archives, 1981). Also the 1946 National Insurance Act this created the structure of the Welfare State. The Act provided for necessary contributions for unemployment, sickness,

maternity and widows' benefits and old age pensions from employers and employees, with the government funding the balance.

Working people were paying in approximately 5% of their income. James Griffiths (1945) who was appointed as the Minister of National Insurance stated that this was 'the best and cheapest insurance policy offered to the British people, of any people anywhere.' One of the major acts was the 1946 Health Service Act which was implemented by 1948. This service was aimed to provide 'cradle to the grave' care for British citizens as recommended in the Beveridge report to defeat Disease, one of the 5 giant evils that he had identified. The 1948 National Assistance Act was aimed to provide assistance of the needy people by local authorities making further provisions for the welfare of disabled, aged, sick and other needy people.

As well as regulating homes for the disabled and old aged people. The 1948 Children Act was also passed during the period of Labour government. The 1948 Housing Act was introduced to deal with the issue of Squalor as identified in the Beveridge report. Despite public support, the welfare state was not praised by all. There were many people who were against the whole idea of the welfare state such as the rich and powerful people and the BMA (British Medical Association). The main opposition to the provision of welfare was from the New Right approach.

The New Right were particularly critical of the welfare state because they believed it violates people's freedom, discourages individuals, as well as discouraging self-reliance and voluntary organisations. They disagree with taxation and claim it to be forced labour (Spicker, 2008). The New Right

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suggest that Beveridge's theory would lead to a culture of dependency within society, which is also described as a 'nanny state'. Another main argument of the New Right approach was that involvement of the state to provide welfare services simply drove up the cost of economy, as the high levels of taxation which were required for welfare services would have reduced profits, crippled investments and would drive investments overseas. The New Right believed that Britain was in an economic crisis and had economically under-performed compared to its counterparts since the Second World War.

And the reason behind this was the growth in public and social welfare expenditure (George & Wilding, 1994). Baldock (2007) brings to attention another argument presented by the New Right government, that the free welfare services encouraged feckless people to depend on them and didn't provide any incentives for individuals or families to look after themselves through savings and insurance. The solution to this according to the New Right was reduction in public and social expenditure. In short, the New Right tries to maintain as little (or no) state intervention within society as possible to reduce the welfare dependency culture that had so blindingly obviously been draining British resources. However a great disadvantage of this view of the welfare state is that if the poor and needy did not get any assistance then the income inequality between the rich and poor would be even greater. (Spicker, 2008).

The New Right also claim that the welfare state is responsible for giving a rise to many undesirable social effects, for example granting rights to several of welfare services has encouraged them to neglect their

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responsibilities towards meeting their own needs and the needs of their dependents. Marsland (1996) criticises the welfare state by saying "Rights based welfare provides continuing, explicit, almost irresistible encouragement to clients to demand more and more by way of fulfilment of the state's irresponsible promises, while giving nothing in return" Marsland, 1996 pg. 177). The left wing socialist parties that subscribe to Marxist ideology were supportive of the welfare state; they believed that the failings of capitalism made state involvement within the society necessary. The reason for giving importance to state intervention was because capitalism was perceived as an economic structure in which the working class were oppressed by the capitalist class.

(Alcock, P 2008). Bevir (2005) says that H. M. Hyndman who was a supporter of the socialists view mentioned in his pamphlet issued in 1881 that a time would soon come when everyone would realise that the influence of the state is very much needed to prevent trouble and guide the way to a happier future. From the view of the left wing parties it is important for governments to intervene in the market, compensating victims, redistributing income, providing opportunity for the deprived and restraining the rich and powerful.

The outcome of this is believed to be social justice and rewarding talent rather than power and privilege. As well as this it helps the society in becoming more competent to avoid wasting the talents of its citizens, and as society becomes more incorporated social conflict is avoided. This way all people can support a great fair system. In mid-1990's the Labour government came into power again, by then many things in the society had changed and so came the emergence of New Labour. Alcock (2008) states <https://assignbuster.com/the-beveridge-report-and-the-formation-of-the-welfare-state/>

that the slogan 'what counts is what works' aims to capture New Labour politics and policy.

The 'Third Way' is the term often used to refer to New Labour's ideology. This was a policy between the views of Old Labour and Conservative, finding a successful in between. Though having said that, this view claims to be committed to basic Labourist values, but with a change in the means of applying them. The main aim of this ideology is a hyphenated society and that every individual has a role and responsibilities.

The main belief behind this view is inclusion, welfare should be positive for people but at the same time encourage them to work and participate in society. In conclusion it can be seen that the welfare state continues to develop despite many changes in ideology. Whilst the left and right approaches are binary opposites in their ideology and approach to inequality both agree that this is a social issue that needs to be addressed. The third way attempts to take the best of both left and right views to create a in between theory, which proves to be more successful theoretically.