

# New right ideology in unsettling the welfare state



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Explain and assess the role of New Right ideology in the 'unsettling' and reconstruction of the welfare state during the late 1970s/early 1980s.

Following World War II, the party in power at the time; Labour, saw a need for a welfare system that would systematically 'look after' the socially poor at the time. Labour ideology at the time included, the idea of tackling poverty, promoting equality, making sure social rights were maintained and making sure that the socially poor (working class) could ensure a better life and try and lift them out of relative poverty. The idea for the welfare state was not just for the benefit of the working class. The idea was of universalism, welfare for all in times of need 'social welfare for everyone, not just the poor'. The earliest example of universal welfare would be the introduction of the National Health Service in 1947 and a National insurance taxation, a form of income for people to fall back on if one was struck with unemployment, illness retirement and other negative factors that stopped someone from working. The state uses the idea that it is required to help and support the economic markets and the family and provide help in areas in the markets and the family failed or couldn't meet needs. The state initially believed that the welfare state should not be the main source of support for the individual rather a helping hand alongside with the working wage of a full time employed male, and that wage the mothers/wives can support the family whilst the male was at work. The idea of the welfare state was seen to be a 'social insurance' to the nuclear family 'set up' and that by keeping up with continued employment and providing a contribution (National Insurance Tax) that one would have acquired a welfare record to be eligible to claim if was deemed necessary. (Cochrane & Clarke, 1993, p. 23)

These newly formed institutions of welfare were brought about by the Beveridge report of 1942 and saw that a stable Keynesian style economy (this was the idea the governments should and could intervene within its own economy. It should be able to manage employment levels and the demand for goods and products by the government setting up new taxations such as national insurance and new spending policies i. e. new benefits) would deliver full time employment for males. (Cochrane & Clarke, 1993, p. 25) His report established key principles of a welfare system, by trying to support the three main cause of relative poverty; old age, sickness and unemployment. The report put forward a plan to have social security, provided by contributions as a right with no forms of ' means testing. (Hughes & Lewis, 1998, p. 23) The report concluded that employees and employers should contribute to a national insurance so if anyone fell into these three categories through no fault of their own, they could draw from the state until the person came to better fortune and was back in full-time employment. The idea of the welfare state was that it should not be a ' way of life', meaning that welfare was kept to a minimum and that ' voluntary unemployment' would be penalised (Cochrane & Clarke, 1993, p. 25). The welfare state was not put in place to help discourage people looking at getting employment. The welfare state was built upon the assumption that there would be full employment for all (males) making sure that an individual would provide contributions and this in turn would make sure the welfare state wasn't costing. However, people who were not in full-time employment who were drawing on the welfare state may not have made enough or any contribution to the welfare state causing it to become tested. The key to political settlement that Beveridge put forward for the structure for the

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welfare state was that was there to provide financial and social welfare (universally), be able to provide a political voice including ideology of social democracy. The report also outlined the fact that there should be an acceptance that the state needed to manage and sustain the economy which included that there has to be a high level of male employment with the eventuality of bigger economic growth. The report also suggested that there should be a social normative within the nuclear white family, e. g. male works full-time providing a sustainable wage and sustaining a social wage, whilst the mother/wife stays at home as an employed housewife. The welfare state from the ideas and recommendations for Beveridge showed that “ the relationship of the state to the people ideologically represented as one of unity”. (Hughes & Lewis, 1998, p. 35).

Since 1945 to the mid 1970s the Beveridgean welfare model alongside with the Keynesian economic model created a system that helped support those most in need and for a time which worked well in strong economic growth in Britain. For many in politics at the time (social democrats) it was a necessary move to allow the government to intervene in the free market. They believed the market was run by a few powerful individuals and wanted to give back political freedom and that the market gave ‘ non deserving’ rewards and that they weren’t governed by moral principles (www. s-cool. co. uk/alevelsociology, p. 1, 2010) by redistributing income from the wealthy to the relative poor, helping the working class by providing new opportunities and trying to restrain small powerful government that only really benefited the rich.

However from the mid to late 1970s, the main ideological features that Beveridge suggested were starting to become questioned and the thought of change was being brought forward. This was partly due with the economic situation that Britain now found itself involved in; recession, in which recession undermined the ideas that underpinned Beveridge's reforms. The reforms needed a good and stable economic grounding and by which from the mid 1970s was not there anymore. With questions over the state in which welfare was being provisioned and the state of the economy at the time, was concluded a attack on the welfare state and system for the provision of welfare for many reforms and changes.

By the mid 1970s Britain was being 'choked' by recession. Britain's welfare outgoings were far greater than it incomings due to mass unemployment making individuals dependant on social welfare from the state, that by now could not afford to keep up with welfare needs. Criticisms of the welfare state led to the 'unsettling' of the welfare state. The idea that Beveridge put forward as one of the main ideas of the welfare state of being universal, for everyone, in reality, the welfare state saw that many social groups were actually being missed out by the welfare system, for example disability, the fact that a disabled person could not engage in full-time employment, racial exclusions; by the 1970s Britain was a different society with more immigration, the welfare system had not been updated to include different races, only white males where included in the old welfare model, and women and the movement of feminism. Back in 1942, Beveridge built his welfare model on the idea that white males would be in full-time work and providing contributions to the welfare state in the form of national insurance and other

contributions such as pensions. The fact that women did not contribute into the welfare state or a pension meant that women were still relying on the men to provide. With social changes such as the rise in single parent families, women could not benefit from social welfare in the way in which Beveridge conceptualised. With the election of the 'New Right Conservatives' in 1979, brought about changes in the social welfare and the welfare state (Hughes & Lewis, 1998).

they set about cutting social expenditure. They did this because they believed that to do so would regenerate private profitability, but also because they believed that reducing public reliance on state provision was a matter of principle.

The new ideology of the New Right sought to 'liberate' Britain. The idea that Britain had a huge tax burden from the old Labour ideologies from mid 1940s. M. Friedman quotes "the state should not be used to bring about any social objectives, no matter how laudably such objectives may be" (Glennerster, 1995, p71) Many New Right commentators suggested and argued that the capitalist economic system is capable and would ensure the provision of wealth and happiness for everyone, the market would make sure that there would be an 'equilibrium' between wages and prices so that wages would be able to meet the supply and demand economic model of the time. Another thought of the New Right was that governments shouldn't intervene within the free market through taxation as it would cause many restraints on private business. And most of all, the welfare state at the time was too expensive to keep up, with the example of a loan granted to the Labour government by the IMF in 1976 to keep up with welfare needs.

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The Conservatives sought to 'reconceptualise' the welfare state by changing the relationships between the state, the individual, social welfare and the markets. The new right sought to change and redefine social terminology such as a person who claimed social welfare was to be called 'a welfare citizen', compared to what the new right ideology thought, the individual should now be coined 'a welfare consumer' in relationship with the state. The new right believed that the state should change from being the provider of social welfare and in turn that the state should only enable social welfare, i. e. the state should be one of many providers of social welfare, not the only provider, leading to the idea that the markets should have a lending hand in providing a source of welfare which led to the idea that social welfare should be prioritised by the market, not the state.