

**‘political consensus’
in the period 1945-79
essay**



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Consensus has generally been analysed at a number of different levels: A consensus of social harmony, or popular opinion amongst the mass electorate; A consensus between parties, one of partisan convergence and policy settlement; A consensus in Whitehall, particularly amongst the powerful, decision making few at the top of the government machine. Addison argues in favour of consensus, with most of his argument centring consensus in Whitehall. Pimlott is quick to present the opposite view, focussing on periods of social unrest and general dissatisfaction as well as a lack of absolute convergence between parties.

The inter-war years were, on the surface, ones of ideological polarisation and class conflict. Political stability is however, one of the most noteworthy features of British politics. The retention of stability can certainly, in part, be attributed to the Conservatives who, in fear of the perceived 'red menace,' playing a key role in inducting Labour to the ways of the British constitution. After witnessing the Conservatives dominate the inter-war years, in 1923, Baldwin called a general election in which his party won 258 seats, Labour 191 and the Liberals 158.

With no party gaining an outright majority, Labour, in partnership with the Liberals were in a position to form a coalition government. Despite appeals to save the country from Bolshevism, Baldwin, the classic reconciler, gave labour a chance. The trade unions and party organising and constitutionalising working class demands, relying on parliament, acting responsibly and negotiating with employers ensued a gradualism of the Labour party, with a taming of the radical pressures from below.

Labour moderation often brought about the same response from Conservatives and there was a remarkable continuation of policies amongst new governments, exemplified best perhaps by the Conservative government of 1951 which accepted Labour initiatives in public ownership, welfare and retreat from the empire. There was a large degree of consensus on Keynesian Social-Democratic ideas in Britain. It was the product of a long search for an instrument that allowed the government to intervene in the market and reduce the effects of unregulated capitalism, without destroying the market, sacrificing consumer choice or entrepreneurial initiative.

It was the philosophy of the mixed economy and of the 'middle way', repudiating dichotomies of market versus state, labour versus capital, private enterprise versus public ownership and personal freedom versus social justice. Keynes' objective was to save both the market economy and liberal polity which seems somewhat paradoxical in that his adherents rejected the classical market liberalisation of the 19th century but never severed from the utilitarian concept of man and society that is deeply embedded in our culture.

This seems incompatible with Keynesian Social Democracy, since the interventionist state has, by definition, to change behaviour by influencing choices and purposes via punishments, rewards or persuasion. Even so, full employment and some degree of welfare provision became common goals. The climate was highly conducive to the introduction of these policies on which there was such a general agreement. The spectacular failure of capitalism and government in the inter-war years to solve mass

unemployment served only to encourage the development of a middle opinion across the parties.

Lloyd George's wartime government needed to mobilise the workforce and in doing so, accepted trade unions as 'estates of the realm'. Their power (and that of business) was recognised and gradually they were pulled into the Whitehall machine and their spokesmen placed on advisory committees. Change could only be introduced with consent of each of the parties and the hence there was the development of consultation and bargaining which came to be known as 'neo-corporatism'.

It was a system that was largely effective until the 1960s, when European Community wide general economic decline put more pressure on government to tackle the powers of the interest groups. The effect of the coalition government of 1940-1945 being compelled again mobilise society for war meant that there was no softening up period and a major acceleration of policy introduction. Again, war enhanced the power of organised labour and again the trade unions were drawn into the work of the government. They came to share the coalition's assumptions of national interest, particularly with regards to the Keynesian revolution.

Also conducive to the potential for consensus on the middle way was public opinion, which was favourable of more collective legislation. Memories of mass unemployment in the inter-war years and of war and evacuation conferred to people an implicit social contract of accepting hardships and sacrifice in times of war in return for better in the future. Both parties new which direction that public opinion was leaning in. That said, it took a back

bench revolt in 1943, to make the government accept the Beveridge package.

World War II had the great effect of altering the expectations of policy makers, particularly with respect to what government is capable of in terms of what is politically and administratively possible. To some extent, the state came to be seen as vaster and more beneficent than political parties. Much convergence was generated with the establishment of the Cabinet Committee on Reconstruction in 1943. Perhaps this was due in part to the Conservatives being more concerned with the war effort, leaving Labour with a relatively more unfettered influence on domestic policy.

The committee reached broad agreement in many areas, for example NHS, regional policy, full employment, social insurance and in housing. It did not however, come to an agreement on the future nationalisation of basic industries. Despite this, many industries were nationalised between 1945 and 1951, subsequent governments largely left them unchanged, with the exception of the iron and steel industries, which were nationalised by Labour, re-privatised by the Conservatives and then renationalised again by Labour.

In 1972, Labour also expanded nationalisation to struggling firms like Rolls Royce and the Upper Clyde Shipyard, with the Conservatives protesting that lame ducks were a drain on resources. The coalition government jointly produced the 1944 employment white paper, passed the education act in 1945, made progress on the Beveridge proposals and social insurance and issued reports on the future of the Bank of England and the industries of

coal, gas and electricity. Gallup surveys produced evidence indicating some convergence between parties.

They found that there was a steady increase in the proportion of voters having a perception of the two parties as 'much of a muchness' from 20% in 1951, to 41% in 1970 and in late 1974. This figure jumped to 60% in 1977. David Robertson's analysis of major manifesto themes (1924-1960) found that parties had converged towards the centre on major economic issues by the mid-1960s, as both parties tried to maximise votes by picking up floating voters. He also reports a pattern of parties moving away from the centre when in opposition and towards the centre whilst in government.

In the early 1950s there was general consensus in foreign policy. This included Britain's role as a nuclear power, membership of NATO and decolonisation. In the 30 years since the independence of Pakistan was granted in 1947, more than 30 gained their independence. To say that the Conservatives were much less enthusiastic about decolonisation is probably something of an understatement. Until 1961 there was front bench agreement for Britain to stand aside from the EC. Despite later divisions over the Suez and Labour opposition to the EC and nuclear weapons, continuation in policy was impressive.

On domestic policies, general agreement was reached post-war on full employment budgets, higher acceptance and even conciliation of trade unions (whose bargaining power had been greatly enhanced by the goal of full employment), public ownership of basic industries, state provision of welfare through higher spending generated from increased taxation, the role

in economic management of a large public sector (keynesian ideas allowed government to regulate demand) and reduced market role. The spheres of economic and social policy were integrally related. Without full employment, there would be too high a burden on welfare.

The 1950 Conservative manifesto stated that the 'achievement of full employment' was its primary aim. Between 1948 and 1970, unemployment was never higher than 3%, compared to 10% during the inter-war years. With respect to new policies to enhance social democracy, the trend was for Labour to usually be first to take the initiative, then subsequent Conservative governments would acquiesce. This all changed of course in 1975, when full employment was removed as an aim of the government. Both parties believed in active government, as indicated by the agreement on and presence of a mixed economy and welfare state.

They saw a greater role for government as employer, taxpayer, and distributor of benefits. This role seemed to both parties a useful means by which to mobilise popular consent. In the 1960s governments moved to economic planning, with targets for economic growth after consultation with both sides of industry, and established a National Plan in 1965. From 1965, both parties were competing in terms of producing more growth and then distributing the fiscal dividends of growth. Both parties appreciated the double impact related with growth of increased social welfare and the protection of wages from inflation.

In the 20 years after 1953, government spending was increasingly devoted to the provision of welfare goods and services like pensions, health and

education. At the same time, spending on core activities like defence and law and order fell as a proportion of total government spending. Even when GDP did not grow as anticipated, government spending was rarely cut back as a proportion. By 1975, government expenditure (as then measured) was 60% of GNP. This saw some discontinuity in policy from the Heath government, who at first advocated tax increases and a cut in the rates of interest and spending. By 1973, there had been a reversal of policy.

The package of measures produced by Beveridge was designed to combat want, disease, ignorance, squalor and idleness. The package basically included flat-rate benefits in return for flat-rate contributions, a safety net of means-tested national benefits for those not insured and social security to include NHS and full employment. In a continuation of this, in 1946 family allowances were introduced along with benefits for those not insured in the event of unemployment, sickness, retirement or widowhood and in 1948 the National Assistance act was passed to cover those without complete insurance records.

All these features were largely accepted by the conservatives in the 1950s and related policies mostly endured until at least 1979, despite a traditional distrust of NHS policies. As early as 1965 however, liberated perhaps by their first experience of opposition in 30 years, the Conservatives began rethinking the principle of universality, looking more favourably on concentrating aid to those with real need.

Other aspects of Beveridge's writings were later seized on by Thatcher's cabinet ministers since they articulated the notion that the " welfare state

should not stifle incentive, opportunity or responsibility in establishing a national minimum. " An area in which a strong consensus was achieved is that of expertise. There was a general belief and optimism that much of the widely shared social policy could be achieved by government and that the relevant knowledge for successful social engineering was available.

After all, the government had achieved full employment, so why should more improvements in other areas not be possible? In education, highlighted was the massive waste of potential that could be harnessed by further education. This deficiency brought about the expansion of higher education and the shift to comprehensive secondary schools. By the 1970's there was a general commitment to equality on a range issues like race and gender and the Equal Opportunities Commission was established as well as the Royal Commission on the Distribution of Income and wealth.

There was certainly a vogue for managerialism, particularly in the 1960s, where incomes policy and economic planning meant that if resources were to flow to where they were needed (ie for export production and industrial investment), they had to be pushed there by direct intervention. There seemed to be little faith for the price mechanism in this role. This shift to economic planning ensured a greater role for experts and bureaucrats. Since economic growth was seen to provide a much more painless transition to a more equitable society and was desirable for far more basic economic reasons.

As such there was definitely a consensus to depoliticise this area, were a free-ranging application of supposedly appropriate skill would be the most

effective way to achieve prosperity. This shared aim greatly encouraged calls for continuity between varying governments to be accepted. Conciliation of the trade unions was an area that did not see the same consistency of policy. The collapse of the 1926 general strike left the unions too weak to use industrial action. They did however still regard labour as their party and acted as a hammer for the left in party conferences, particularly in the 1930s and 50s.

Labour leaders had to show fitness to govern and had to be seen to stand up to the unions. Similarly, the trade unions had to be less extreme in order to work effectively with whoever the government of the day is if it is to bargain for its members. The consensus represented by the ideals of Keynes and Beveridge was then, a somewhat selective one. All those involved understood and stated the inflationary danger of collective free bargaining without wage restraint alongside full employment. Trade unions largely tended to rule out incomes restraint for 20 years post war.

By 1979, the new Conservative government's inflation busting strategy explicitly excluded a policy for wages and rested solely on the money supply. Consensus on trade unions was somewhat uneasy since both Labour and Conservative governments felt pressure to intervene and impose limitations on the bargaining rights of the unions. Labour governments tried a voluntary policy, while succeeding Conservative governments relied on exhortation, warnings and occasionally making an example to the workforce by restraining some public sector groups.

In 1966, Harold Wilson urged that there be no place for restrictive practices. His government then established the a National Board for Prices and Incomes to which could be deferred to on all proposals for wage increases. It had the power to impose a 3 month freeze. But this was soon followed by a phase of statutory controls until 1968. In 1968, there were new proposals to limit union's bargaining rights, aiming to limit unofficial strikes.

The new conservative government produced its own legislation in 1972 with the Industrial relations act and also moved to a statutory incomes policy. In conclusion, the vast majority of consensus existed at the elite and level. It did not always reflect popular opinion, as expressed by mass society at various times during the period in question, particularly in the 1960s and the high turnover of governments in the 70s, the economic hardships of which my even have led distaste for altruism for those not as well off who could afford to be altruistic.

Surveys showed no great zeal for many core consensus policies, such as public ownership, welfare benefits to the undeserving, the abolition of capital punishment, some of the practices of the trade unions, decolonisation and the membership of the EC and issues of immigration, particularly of all British subjects (some 700 million). This highlights the importance of Powell's speech playing on mass fears of immigration in 1968.

It was a breakaway from the high-minded circle of consensus in order to attack elite attitudes. Incomes control approaches a have been attempted at various times but usually collapsed after 2 or 3 years. Perhaps signs of the potential weakness at the foundation of consensus. The evolution of

scientific thought and expertise to the Keynesian model, having discovered a potential middle way, weakened the appeal and relevance of the left and right ideological divide.

It did exist however and it is important to note that continuation of policy was to a great extent caused by the pragmatic approach of various governments and not by an equal minded approach to the achievement of prosperity. However, consensus was in a sense achieved in that while there was not an absolute agreement on most issues, a middle ground was often found that was acceptable to both parties, or at least more acceptable to both than an alternative.

Still, there was a definite consensus present particularly amongst the academics and experts and also, to slightly a lesser degree, among the relevant influential policy makers, some 100 politicians and 300 officials. This was exemplified by the consensus of faith in the ideals expressed in the Keynesian revolution following the perceived failure of the capitalist system and the consensus which followed the intellectual revolution in 1979 due to the spectacular failure of the Wilson and Callaghan government.