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One-Man Ministry

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Bread for All: The Origins of the Welfare State

by [Chris Renwick](#).

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If I were asked to name the man who did most to shape the welfare state in modern Britain, I just might give the palm to Sir Alfred Watson. He would be an unconventional choice. Short, bald, unassuming, more at home with numbers than people, Watson is well and truly forgotten. But he had strong views on how social services should develop and be funded, and first as a kind of roving adviser to the committees that set up national insurance schemes before the First World War, and then as government actuary with an office in the Treasury from 1917, he took a red pen to anything that smacked of profligacy or radicalism. In the cause of fiscal rectitude he could be creative too, teaming up with the then minister of health, Neville Chamberlain, in the 1920s to shift the state-funded old-age pensions scheme onto a contributory basis – a move that at once enhanced its financial stability and sharply restricted its redistributive potential. Watson understood perfectly that his near invisibility sustained his authority and he never sought the limelight, but as John Macnicol points out in a brief but sharp entry in the *Oxford Dictionary of National Biography*, for two decades his word was, almost literally, law: ‘In the interwar years no policy proposal could proceed to legislation without the actuary’s approval.’

Watson does not appear in *Bread for All*, Chris Renwick’s synthetic history of the British welfare state. Instead Renwick tops and tails his book with the well-known figure of Sir William Beveridge, opening with a vignette of the great social reformer going to the Commons on 16 February 1943 to listen to the debate on his plan for comprehensive social insurance, and closing on 5 July 1948, the ‘appointed day’ on which the Labour government brought something very close to his scheme into effect. This is an understandable choice, for as every schoolchild ought to know (but probably doesn’t), Beveridge transformed a patchwork of insurance and pension schemes into a comprehensive system that was to guard the whole population against all manner of risks and harms, ‘from cradle to grave’. What made him a household name, however, wasn’t just the beauty of his plan but his invincible

determination to win a place in the history books. Beveridge wanted to usher in a fairer world, but he also wanted to be remembered as the man who did the ushering.

Resentment, as well as commitment, drove him. Beveridge had had a first taste of government service thirty years earlier, when he helped Winston Churchill – then an improbable reforming New Liberal president of the Board of Trade – set up labour exchanges to rationalise a labour market marred by personalism and inefficiency. After the war, he spent 18 years running the London School of Economics, but when the Second World War came – and still more when Churchill took over as prime minister – Beveridge expected to be called back to organise manpower for wartime production. Unaware that the civil servants he had worked with found him impossible, he was offended to be passed over, and only reluctantly accepted the distinctly less enticing offer to head an inquiry into how to co-ordinate social services. But when he saw opportunities to expand his brief, he seized them eagerly; when the government demoted his committee members to ‘advisers’, leaving him to write his report alone, he saw his chance. Churchill had a war to fight, had long since lost interest in domestic questions, and never noticed that Beveridge was turning himself into a one-man Ministry for Postwar Reconstruction and Planning.

Social Insurance and Allied Services, the improbably named 300-page tome released by His Majesty’s Stationer’s Office on 1 December 1942, didn’t just propose amalgamating the patchwork of existing programmes – accident insurance, health insurance, unemployment insurance, widows’ and old-age pensions – into a single scheme, although it did do that. (In brief, Beveridge categorised the whole population in terms of individuals’ relationship to the labour market, identified the factors that might prevent them from working, and proposed a single contributory scheme that would provide adequate subsistence during any of those non-working life-stages or crises – except motherhood, about which I shall say more later.) But this new and universal scheme, as historians of social policy never tire of telling us, built on and did not break with the two key principles of its interwar precedents – first, that any systems of cash support should be contributory and not tax-funded, and, second, that labour market participation was the foundation for entitlement. Beveridge, in other words, accepted the fiscal and social framework Watson had fought for in the early 1920s.

And yet, Beveridge did go beyond Watson, albeit less in his insurance scheme than in the political commitments he insisted were necessary to make it work. Comprehensive insurance would still be funded through tripartite contributions from employers, the employed and the state, but for those contributions to pile up and the insurance fund to remain solvent, the economy and the population both had to be humming along nicely. Comprehensive social insurance, in other words, required a wider commitment to economic and social planning. Specifically, Beveridge insisted, it relied on three ‘assumptions’: that the government would manage the economy so as to guarantee full employment; that it would introduce a National Health Service which would keep all members of the population fit and productive; and finally, since workers lived in families of variable size, making a single ‘subsistence’ benefit impossible, that universal children’s allowances would be introduced to remove the cost of supporting children from all discussions of adequate benefit.

There’s something really wonderful, and also very funny, about Beveridge’s hubris here. He’d been asked to figure out how to co-ordinate insurance and pension schemes. He’d done so, but only by taking much larger commitments – full employment! a national health service! – for granted. It’s rather as if, today, an official were asked to propose a national transport policy and took as an ‘assumption’ that we’d solve global warming first. And while

Beveridge's warm-hearted plan for comprehensive insurance did strike a chord, it was surely the presence of these three huge preconditions that made his report both a massive headache for the wartime coalition government and an immediate bestseller, with half a million copies sold in three months. Appearing long after the Blitz had brought total war terrifyingly home, the report articulated some purpose for an unwanted war to a weary and not very militarist population. Conservative ministers, although not eager to commit to this level of social spending, quickly learned they couldn't keep the report or its author quiet. It would have to be published – and as for Beveridge, as Churchill scrawled in the margin of one government minute, 'once it is out he can bark to his heart's content.' Bark he did, in public meetings, press conferences and articles – and the Labour Party, able to sense a vote-winner, barked with him. Although Beveridge and John Maynard Keynes campaigned tirelessly for the Liberal Party in 1945, the harder they worked, the more Labour voters they minted. With the exception of family allowances, introduced on non-party lines by Churchill's caretaker administration in the run-up to the election, all the major elements of Beveridge's plan were brought into effect by the postwar Labour government.

Renwick's *Bread for All* is more properly read as a genealogy of that critical moment than as a history of the welfare state as a whole. It is an account of the insights, innovations and incremental steps that made it possible for one particular welfare state – the amalgamation of programmes and policies envisaged by Beveridge and enacted by the Attlee government – to emerge. Structuring the book this way is teleological but also clever, allowing Renwick to piggyback on Beveridge's own understanding that building a universal welfare state is never simply a matter of enacting specific programmes to meet specific social needs; it requires a prior commitment to economic management and a tolerance for state control of significant aspects of public life. Social democratic welfare states, in other words, rest on social democratic structures and values. They require that society be seen as an organic whole, its members interdependent and solidaristic, subject to predictable processes or laws, and hence alterable (or, as Beveridge would see it, 'improvable'), through social programmes and interventions.

Renwick follows three threads in recovering that wider transformation. The first is the slow change in economic thought, roughly from Ricardo to Keynes, which made it possible to imagine economic planning oriented not towards superseding market capitalism but towards making it work better. A second thread tracks the emergence of organicist thought and subsequent practical interventions around population and public health – a thread that runs from the great 19th-century investigations into health and sanitation, through various more or less unseemly flirtations with social Darwinism and eugenics, into the uplands of urban planning and house-building in the 20th century. A third thread follows the long and winding story of changing understandings of and policies on poverty, from the New Poor Law's identification of poverty with individual laziness or degeneracy to the late 19th-century investigations that revealed it to be a near inevitable by-product of seasonal labour markets, low wages, old age or fluctuating family size. Poverty, the social investigator (and chocolate manufacturer) Seebohm Rowntree showed, was not restricted to one particular social group but was rather the common experience of many working-class households with a preponderance of very old or very young members – an insight that contributed to the New Liberal pension and insurance schemes passed before the First World War. Renwick does pause to mention other developments – educational reform, child welfare measures – but these three themes dominate the book.

The welfare state emerges in this account as the culmination of a series of individual, sometimes problematic and sometimes heroic, engagements and commitments. We meet Edwin Chadwick struggling with drains and contagion, Francis Galton puzzling over ‘defect’ and degeneracy, Octavia Hill setting up model housing and disciplining her unruly tenants, Charles Booth sending his army of volunteers out to categorise and analyse London’s working class. Some of the sons and daughters of those evangelical shipping magnates and manufacturers who racked up fortunes during Britain’s free-trading heyday, it seems, felt guilty, not complacent, about their privilege; bedevilled by a ‘consciousness of sin’, as Beatrice Webb put it, they turned to ‘social science’ to understand and then tackle the misery they saw around them. In the process, they created the field of social policy, but they also remade liberalism. A school of thought born to open up a society riddled with rank and patronage to merit and markets ended up documenting the inability of individualised freedom alone to deliver prosperity and justice.

At a moment when the public reputation of ‘experts’ is lower than that of, say, vivisectionists, it’s nice to read a book that insists so strenuously that social scientists, armed with knowledge and numbers and driven by ambition and empathy, teamed up with politicians (another unloved group) to improve the world decisively and lastingly. True, this account rather downplays the role of collectivities, especially trade unions, which probably did more to shape Britain’s distinctive labour relations, and certainly did more to sustain working-class incomes, than any state programme. More troubling to me, however, is the way Renwick’s teleological narrative approach limits the analytical power of the book. We are told a story of how this welfare state came about, but because there is neither a comparative framework nor any real analysis of the way social structures (not just people) shape both visions and outcomes, the distinctiveness of Britain’s choices never really emerges. The book does provide a good and readable account of the making of the Beveridgean welfare state. But without a sharper analytical focus, and especially some attention to Beveridge’s ideas about how to provide income security without disordering family life, the book not only ignores the welfare state’s disciplinary function but also rather overlooks how poorly it served disadvantaged groups – notably mothers – when the social relations Beveridge thought so stable came apart.

‘The welfare state’ was neither a British invention nor a British product. All advanced industrial societies became welfare states in the 20th century, even the anti-collectivist United States. All states came to collectivise risk to some extent; all tackled public health and poverty; all expanded the scope of public finance. But the particular risks states chose to address, and the programmes they developed to attack them, varied; and those programmes weren’t necessarily ‘progressive’. France was slow to develop comprehensive unemployment insurance but was a pioneer in addressing the costs of children’s dependence; Nazi Germany showered benefits on families, but only when they promoted the regime’s racial imperatives. Welfare policies meet social needs but they also construct social norms and inflict social punishments: they can foster as well as ameliorate distinctions or inequalities. Welfare states provide entitlements: but to whom, and in what form, and under what conditions? When it comes to welfare states, the devil is always in the detail.

What, then, was distinctive about the Beveridgean welfare state? The character of the NHS stands out. Most Western welfare states introduced national health insurance, funded through contributions; Britain established a universal system of healthcare provision funded directly from taxation. But this scheme was the work not of Beveridge but of the Attlee government’s firebrand Welsh health minister, Nye Bevan, following the lead of another Welsh radical,

Lloyd George. Like the tiny but beloved old-age pensions Lloyd George introduced in 1908, the NHS was genuinely egalitarian and not contributory; like pensions, too, the NHS proved more costly than expected, not because it was wasteful or generous – per capita health costs in the UK tend to be lower for equivalent outcomes than those of comparable countries with insurance schemes – but because it exposed almost unimaginable levels of deprivation. For the NHS covered everyone, not just the employed. So, again like those initial pensions (which disproportionately benefited women, simply because they lived longer and were poorer), the NHS proved a godsend to women hitherto identified as ‘dependents’, who were covered only for maternity care under their husbands’ insurance. For the first time, the chronic anaemia, poor eyesight, prolapsed uteruses and other wretched conditions working-class women simply lived with for decades could be treated. There is good reason for the NHS to retain the loyalty of progressives and populists alike.

But the same can’t be said for a second distinctive feature of the Beveridgean welfare state: its linkage of entitlements not simply to labour force participation but to a particular model of family life. Beveridge categorised people not only by their actual relationship to the labour market but also, a priori, by sex and marital status. Renwick says surprisingly little about this critical aspect. He does note that Beveridge had concluded before the First World War that ‘the ideal unit is the household of man, wife and children maintained by the earnings of the first alone,’ but doesn’t say enough about how profoundly that assumption structured his plan. For Beveridge construed ‘married women’ or ‘housewives’ (the terms are conflated in the report) as a distinct insurance class, and proposed that they be entitled to a cash benefit on marriage to help them furnish their home, and home helps to take over their domestic work during illness, but also that they be allowed to (as, frankly, they were expected to) opt out of contributions to – and of course benefits from – the insurance system should they also take up or continue in paid work. Most, he was certain, would not – and since such women would normally be supported through men’s wages, men’s welfare entitlements must include support for a putative wife as well. Indeed, it was ‘in the national interest’ that married women not be wage-earners, for, as Beveridge rather chillingly put it, ‘housewives as mothers have vital work to do in ensuring the adequate continuance of the British race and of British ideals in the world.’

To an extent, Beveridge’s policy choices reflected social realities. By 1900, the formal British labour market was overwhelmingly structured by sex and marital status. Virtually all men worked or sought to work, and younger women commonly worked as well. But only 10 per cent of married women were registered as ‘occupied’ in the 1901 census (by the 1931 census the figure was still under 15 per cent), and while those figures hid a large amount of casual and desperate earning (charring, hawking, taking in lodgers), they reveal just how normative the male-breadwinner ideal had become. Little paid work was open to married women; even professions that relied on women (like teaching or the civil service) sporadically operated a marriage bar. Most women and children were thus supported through men’s wages – and insurance programmes intended to safeguard those wages came to reflect that reality as well. By the 1920s, unemployment and health insurance schemes included allowances for dependent wives and children, and once Chamberlain and Watson shifted old-age pensions onto a contributory basis, working men would insure their wives against old age and widowhood as well.

If the welfare state assumes a male-breadwinner family model, married women wage-earners become ‘anomalous’, and their equal access to wages and benefits impossible. (Watson, when planning contributory widows’ pensions, simply assumed that women who had left the

labour force to care for children were ‘unemployable’ for the rest of their lives.) We remember that the second Labour government divided and fell in 1931 because much of the cabinet honourably refused to impose a 10 per cent cut in unemployment benefit; less well remembered is the nasty belt-tightening measure that the government did pass in its death throes. The Anomalies Act required that married women drawing unemployment benefit prove not only that they had met the normal qualification for benefit but also that employment was ‘normal’ for married women in their district. With the labour market in free fall, many could not do so. In this fashion, three-quarters of all married women drawing benefit – more than 200,000 women – disappeared from the unemployment statistics and from the category of ‘worker’, although some surely reappeared, more decorously, in the columns numbering ‘dependents’ for which maintenance was claimed by unemployed men. Welfare states reflect social patterns but they also reify them, nowhere more than in the assumptions they make about gender relations and family life.

Beveridge’s insurance scheme didn’t just reflect social norms; it assumed those norms were proper and lasting. Quite possibly a majority of women and men at the time agreed with him, and, sexually conservative as this construction was, at least it acknowledged that what most married women were doing – housework, raising kids – was socially valuable work. What Beveridge could not know is how quickly the social and cultural foundations for this he-for-state-only-and-she-for-state-in-him logic would come apart. There was a postwar marriage and baby boom, but then divorce rates rose, the birthrate fell, differentiation of work by sex came into question, and the number of married women in the labour force inched steadily higher; today, women’s labour force participation rates rival those of men. Welfare reform followed: women’s benefits were wrenched onto an individualist track; labour force participation became – now for women as well as men – the foundation for entitlement. Should we be surprised that this individualising turn didn’t serve women – or, more precisely, mothers – that well either? More likely than men to leave work to care for children or the old, women today still find their patchy work histories and lower pay translated into lower pensions and poverty. For a hundred years, policy-makers have argued about how to reconcile an individualised economic order with the adamant realities of the labour required for social reproduction. What we can say for certain is that Beveridge’s peculiar solution – bluntly, accept married women’s near exclusion from paid work, and turn support for a ‘wife’ into a male entitlement – no longer has the level of popular support it had when he proposed it.