

The Welfare State

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British Civilisation Master 1

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Introduction



The welfare state is a system adopted by the British Labor government after the second world war to support the British citizens in their time of need. The Labor government succeeded in reaching a political consensus that would enable the the British to avoid the scenario of the interwar period. This social democratic system that Britain knew had an economic and social dimensions that could be described as revolutionary to a capitalist country. It is pivotal to know that the roots of the welfare state goes back to the Elizabethan Era. History proved that the idea of assistance and help was not a novelty for the British people, but may differ in terms of degree.



The Elizabethan Poor Law

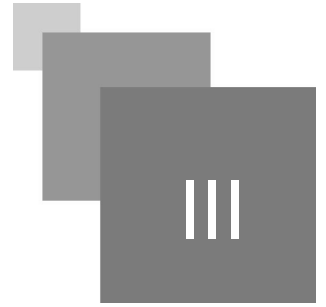


The Elizabethan poor law of 1601 (the poor relief act) was enacted by the government to help the poor and the disabled ones. The act forced people to pay a tax that helped in appeasing the suffering and the struggle of the poor. Parish registers were introduced in 1552, creating official records of those who can be considered poor. The latter were put into different categories according to Margie Bloy:

- those who would work but could not: these were the able-bodied or deserving poor. They were to be given help either through outdoor relief or by being given work in return for a wage
- those who could work but would not: these were the idle poor. They were to be whipped through the streets, publicly, until they learned the error of their ways.
- those who were too old/ill/young to work: these were the impotent or deserving poor. They were to be looked after in almshouses, hospitals, orphanages or poor houses. Orphans and children of the poor were to be given a trade apprenticeship so that they would have a trade to pursue when they grew up.(Victorian Web)

The poor law of 1601 grant the right of local justices of the peace to levy tax for the assistance and relief of the poor. The system enabled the local parish to administer the relief of the poor by providing solutions. It is important to highlight the fact that the rate of relief differs from one parish to another, creating an unbalanced relief.

The Nineteenth Century Poor Law (1834)



In 1834 a new poor law was enacted to tackle the issue of poverty. The law encouraged the poor to abandon idleness through work. The government provided workhouses; food and clothes for the poor in return of several work hours per day. Children were able to receive some schooling.

yet , those workhouses were not well appreciated by the poor and certain people who regarded them as " prisons" rather than houses. The bad conditions of the houses worsened the situation in that people fled those shelters.

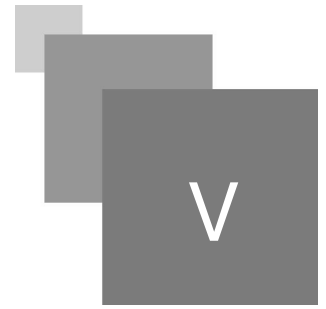
The Twentieth Century Social Reforms

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In 1906, the liberal party won the general elections, announcing the arrival of a government of reforms. The government of Herbert Asquith and later Lloyd George played an important role in the introduction of reforms that helped the British and mainly the working class. The liberal party became new liberal for it adopted new policies that were in favor of social reforms. The latter consisted of helping the old, poor people, unemployed and women and children. Education, health and food problems were the targets of the reforms and the changes that the liberal had perceived as most dangerous in distress areas. These reforms can be listed in the following table:

- The Trade Dispute Act 1906: gave the right for workers to go on strike without having to pay any compensation.
- Education Act 1906 : provided meals for children in primary schools.
- School Medical Services Inspection 1907 : offered medical help to the poor and the sick.
- Old Age Pensions Act 1908 : gave small pensions to people over the age of 70.
- The National Insurance Act 1911 : provided health insurance for workers based on their contributions.

The Post World War 2 Welfare State

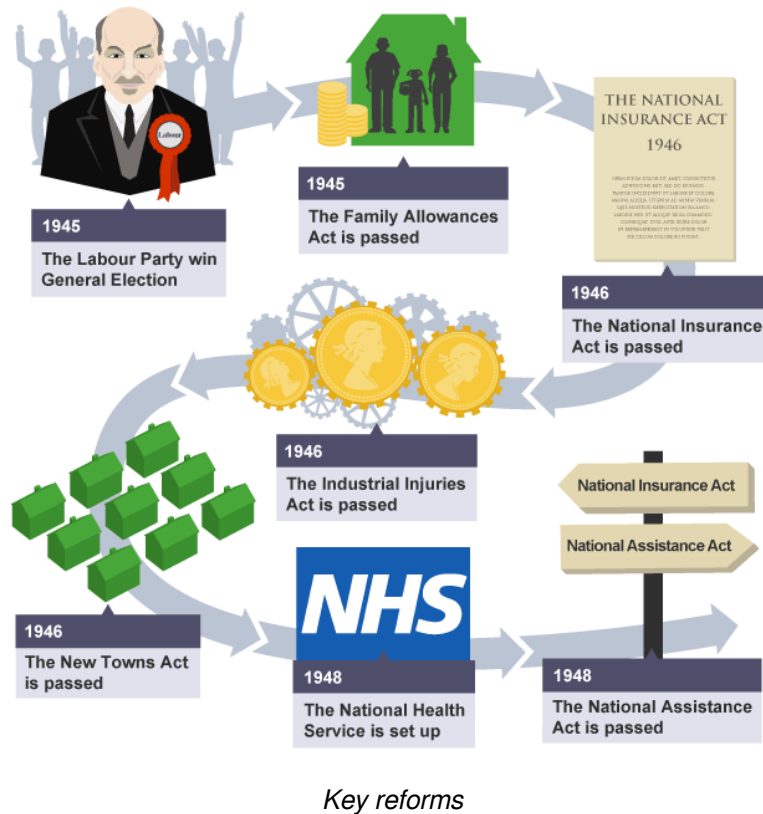


'from the cradle to the grave'

The labor party won the election of 1945, after adopting the Beveridge report in its campaign . It ceased the popularity of the report along with certain ideas that promote social relief and assistance to officially embrace the welfare state. The party in power adopted the Keynesian theory to heal the economy and reach full employment. For that, the government passed various acts based on the points introduced in the report such as:

- The national insurance act 1946 established a compulsory and comprehensive insurance scheme covering unemployment and sickness
- The Family allowances act 1945-1946 granted a weekly allowance to the mother for each child after the first one.
- The industrial injuries act 1946 provided pensions for the wounded and the harmed at work.
- The national health act 1948 provided a free medical treatment in hospitals and from a general practitioner. Under this act the hospitals were nationalized and the dental and the optical treatment were included.
- The national assistance act 1948 provided lump sums or weekly payments for the people who had fallen below the poverty line.
- The new towns act 1946 planned for twelve new towns in order to diminish overcrowding.

It is important to know that the welfare state was not created overnight. It was a process that needed gradual development and suitable social and economic conditions, as in the case of the post world war two. The social reforms were welcomed by the people, knowing that the conservative capitalists were against the ideology of social relief. This conservative opposition to the social reforms leads to the examination of the ideological affiliation of the British welfare state (Socialism vs Capitalism). Churchill explains that "Socialism is a philosophy of failure, the creed of ignorance, and the gospel of envy, its inherent virtue is the equal sharing of misery." The services that the British Welfare offered without any charges were basically funded and financed through taxation and insurance contributions.



Fundamental

The welfare state during the labor government had three fundamental aims : reconstruction, consumerism and exportation.

The Labor government based its policy on :

- The Beveridge report
- The Keynesian theory
- Nationalization
- Taxation (imposed on a certain faction the well to do class)

To revive the economy, the labor government lowered interest rates, reduced taxes ,enabled credit through banks , built council houses and licensed new industries.

Definition

Socialism is a political and economic system based on the collective ownership of the means of production. In such system, individuals rely on the state to receive equal distribution of goods and services. Socialism differs from one country to another depending on the degree of the government intervention in the economy. It promotes cooperation over competition .

Note

Despite the fact that communism is an umbrella term for socialism, there is a difference in terms of level. It is undeniable that both words advocate collective ownership, planing and cooperation. But

communism believes in one absolute class which is the working class and the equal distribution of wealth. Such ideology is often criticized for its lack of motivation and competition. On the other hand, socialism grants the power of distribution to the government that authorizes citizens to own based on their contributions.



Complement: Online Support (must be read)

<https://www.theguardian.com/politics/2001/mar/14/past.education>

Nationalization

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The Labor government depended on an extensive scheme of nationalization. The following were taken into public ownership:

- The bank of England 1945
- Coal industry and civil aviation 1946
- Public transport and electricity 1947
- Gas 1948
- Iron and steel 1949

By nationalizing those sectors and industries, the labor government believed in the establishment and the creation of a more equal and just society. Nationalization aimed at controlling unemployment through providing equal chances for the British and preventing job losses in unprofitable industries. This program of nationalization can be ideologically regarded as socialist.

1. The quest for efficiency was the central preoccupation of the state for that most of the nationalized industries were public services. yet it is important to highlight the fact that the profitable private industry was left untouched rejecting any socialist ideological affiliation in the enactment of policies.
2. The government's administration of the nationalized industries did not favor and involve any workers' participation in the management decisions. Each industry was governed by a public corporation dominated by people mainly of a capitalist conviction.
3. The previous private owners were paid compensations that rejected any socialist attempt of wealth distribution. It made the rich richer. (Pearce 202-03)

When observing the labor policy, one notices that Britain adopted a hybrid or a mixed economy at that time (1945-1951). Nationalization took the country closer to socialism, but it was without conviction. Some historians and critics considered the labor primer-ship a "state capitalism" rather than a true socialism.

Warning

Despite the popularity of welfare state among the British, doctors, business owners and the middle class felt threatened by the rate of government interference.

- The middle class was afraid of paying more taxes to pay for the welfare services.
- Great Practitioners feared the loss their professional freedom
- Business owner despised the wave of nationalization of industries that the labor government

lunched.



The Post War Educational System

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The Education Act of 1944

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The Tripartite System

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1. The Education Act of 1944

The Butler Education Act 1944 provided free secondary education for all pupils and introduced new classification of secondary school. The act substituted all the previous laws creating a ministry of education and dropping out the board of education. This act helped in creating a sense of equality among pupils and their families enforcing the feeling of a socialist nation. In 1947, the school leaving age was raised to 15. In addition, an Emergency Training Scheme produced an extra 25000 teachers during the lifetime of the government.

The act also was able to make provision for:

- an end to all age schools and a building program to create separate primary schools and secondary schools in every local authority.
- the abolition of fees in every secondary school.
- a statutory school leaving age of 16.
- those going to university would be able to receive scholarships to support them
- religious instructions would be compulsory unless the parents held principled objections, and there would be a daily act of worship.

Complement

Various reforms had been adopted by the British government to provide the necessary educational assistance for pupils. In 1945, Disabled pupils and School Health Regulations created extensive increase in special schooling.

We can not deny the fact that churches were fundamental agents in educating British pupils along with assistance of local authorities. yet, to introduce any reforms that are related to education the state needed to negotiate with the church. The post war era education quested equality of chances and a sense of unity among the British . For that. Butler was appointed as leader of the board of education along with the nonconformist labor deputy Chuter Ede to reach an agreement.

In the end, the price that was paid for getting the churches to accept the plan of the postwar education was the acceptance of measures as religious instruction and worship in state schools and provide financial assistance to churches so they would continue to teach their version of Christianity.

2. The Tripartite System

Being the a prime minister, Winston Churchill refused to deal with educational reforms saying that it was time for war. The latter encouraged the need for educational reforms. people were evacuated to the countryside along with their children paving the way for an educational reform. A green paper was presented to the parliament requesting a free educational system along with the establishment of three types or streams of secondary schools:

- Grammar Schools designed on elite public schools that would enable students to go on with their university studies. Students who are accepted in the Grammar Schools should have high scores in the eleven plus test.
- Technical Schools would take students at the age of 13 with technical abilities and probably headed for apprenticeships.
- Secondary Modern Schools less intellectual in that pupils are taught the basics or what they need in their future professional carriers.

Richard Butler, a conservative member of parliament was appointed a president of the board of education. He welcomed the green paper with slight modifications. A local authority was appointed to ensure the equality of opportunity in education .

The introduction of the technical schools was a failure for only 5 percent of the pupils opted for it, 20 percent opted for Grammar schools and the 75 percent that is left opted for Secondary Modern schools. The choice of the last faction was inevitable due to the debatable unfairness of the test that pupils had to take at the age of 11. The competitive eleven plus test was intended to provide equal opportunities for all children from all backgrounds.

The three stream mechanism proved the failure of the British educational system in reaching a fair and equal chance. The eleven plus test is considered, by certain critics , to be unfair in the categorization of pupils for it favors the middle class children over than the working class or the poor. In other words, the test had been tied in terms of content to a certain class at the expense of the other. Such situation led to a social class based educational system in that middle class children attended Grammar Schools and the working class children were destined receive their education in the Modern Secondary Schools. It is important to know that the educational system was inflexible because students of Modern Secondary school who wished to carry on their studies (GCE A Level and later on university) were most of the time rejected by Grammar schools. This system doomed the pupils who were enrolled in Modern Secondary Schools. Michael Paraskos voices his opinion about his experience as a pupil in Modern secondary school stating that""You knew you were a failure from day one. Because they told you! So they weren't pleasant places to be if you were into art, or books, or anything like that'(Cyprus-mail). Students who fail in their eleven plus test are often oriented to the modern secondary schools in which they are granted the chance of obtaining only a Certificate of Secondary Education (CSE).

Esteemed certificate as the General Certificate of Education O level and A level were restricted only to students of Grammar Schools. It is conspicuous that students of Modern Secondary schools are marginalized if not ignored in this tripartite system that was supposed to guarantee equal opportunities for a better future.

A further layer of inequality is manifested in the financial funding of the three types of secondary schools. Grammar Schools were highly funded at the expense of modern secondary schools that lacked assistance and update.

3.

Assignment

Write an essay in which you discuss the defects of the British educational system after the Second World War. (no more than 1300 words)

deadline April 15

send it via email (word document)

The National Health Service 1948

VIII

The Roots of National Health Service

15

The New National Health Service

15

1. The Roots of National Health Service

The idea of creating a National Health Service dates back to the pre-Bevan and Beveridge time. It can be traced back to the criticism of the poor law (1900's) that incites the introduction of reforms in the health care sector. In 1911, *The Dawn of the Health Age* was published by Dr. Benjamin Moore in which he coined the expression of National Health Service. Thirty years later the idea surfaced again in the Beveridge report. yet , it is important to know that many possible models public health service were under discussion in the prewar period. Multiple initiations demonstrated the gradual development or change in the health sector. In the 1920s and 1930s, local authorities and their medical officer of health took control of the poor law hospitals for the long term sick. they expanded maternity and health visiting services and inspected the health of the young children under school age (Glennister 47). Despite the fact that there were numerous attempts to upgrade the medical sector and insurance contributions, most of the workers were not able to secure or cover the expense of a medical treatment to their families. At the beginning of the Second World War the Ministry of Health started planning for a more unified health service for the postwar Britain.



Complement

It is important to know that there were two types of hospitals competing against each other in Britain: local authority hospitals and voluntary hospitals. The latter were old established centers of health provisions that received charitable donations. Patients, by the end of nineteenth century, were obliged to pay fees to receive the necessary health care in the voluntary hospitals.

In 1941, the ministry of health opted for an inventory in which 85 percent of surveyed backed up the idea of a state controlled medical system. To put in different words, the British wanted a health mechanism that would cover the whole population regardless the social classification .

2. The New National Health Service

Based on the great dissatisfaction with the system of health care, various proposals were discussed to reach one final plan that would secure the right of health care for every British citizen. In 1943, an outline of a possible legislation was presented to be discussed. The outline stated that

- services would be free as far as the cost would be paid for out National Insurance with the support of the Exchequer.
- The voluntary hospitals remained independent but with an uncertain financial support.
- The system should be based on local organization and medical interest representation.

Doctors refused to be run by local authorities because it would harm their private fee income and restrict their professional freedom. The BMA rejected the outline due to the local authority control of hospitals and services. The BMA wanted those services to be independently administered by autonomous bodies, mainly doctors.

A White Paper entitled National Health Service was published in 1944 embodying the above mentioned measure that were suggested in the outline of 1943. The paper suggested that the per-war insurance system would remain to secure the GPs fees. The last point that paper referred to is that local authority hospitals must be congregated and managed by Joint Boards of local councils.

When the labor party won the election in 1945, Aneurin Bevan was appointed as a health minister. He criticized the failure of the white paper in reaching a comprehensive hospital services. Bevan believed that a national service required a national administration due to the inequality of health care in local hospitals all over Britain. Bevan's plan was based on three main points:

- The services were for every British citizens.
- Healthcare was free.
- Care would be based on need rather than the ability to afford.

The national health service was created in 1948, through the national service act of 1946, when Bevan visited the hospital of Manchester to announce it officially. The decision received a huge public support although it was still despised by the BMA (British Medical Association) that felt threatened by public hospitals free of charge. In the beginning , 91 percent of the hospitals were controlled and managed by the state (nationalization). Bevan's plan was not restricted in providing free health care for the poor but to have a system that would offer the best health care ever (quality and quantity). General practitioners or doctors were allowed to work in hospitals and maintain their independent services for private clients; IT was an arrangement that secured stability and a partial satisfaction among doctors. Bevan used media in order to promote the efficiency of the quality of services that local hospitals were providing . It is important to know that Bevan, who was a strong believer in social equity and government capacity to ensure best services in fundamental sectors, wanted abolish private medicine practice through giving a better quality in free hospitals.

Note

The National Health Service was financed from taxation and national insurance to secure the cost of the free health care that the British benefited from. The cost was huge in that the treasury faced

difficulty in balancing the budget.



Complement: Online Support (must be read)

you have to consult these websites:

<https://www.nationalarchives.gov.uk/cabinetpapers/alevelstudies/origins-nhs.htm>

<https://www.nationalarchives.gov.uk/cabinetpapers/alevelstudies/management-1950.htm>

<https://www.nationalarchives.gov.uk/cabinetpapers/alevelstudies/politics-health.htm>

3.

Assignment

Explain the main features of the National Health Service Act 1946 (no more than 1000 words)

Deadline April 22

The British Welfare State : a Success or a Failure ?

IX

It is undeniable that Atlee's government is regarded as highly reformist and revolutionary in its policies but one may ask the impact of those reforms on the economy of the country. Was the Keynesian theory useful for uplifting the British economy and reaching full employment? Did Atlee succeed in building a solid infrastructure through which Britain could maintain its status as one of the strongest economic countries?

Atlee's government succeeded in promoting the culture of exportation among industrialists for exports reached 77 per cent in 1945-50 . The British manufactured exports attained 25 per cent leading to a rise of 4 per cent when considering the prewar percentage .Nevertheless in the 1950s Britain knew an unstable economy that can be described as go-stop motion. The start of the Korean war unearthed the deeply buried issues that the immediate policy of post war had slowly engendered. Britain was obliged to allocate more resources to military spending in order to defend its legacy and reputation as a leading power in the world, knowing that Britain was not directly threatened. Britain interfered in the Korean war to fight the ideological threat of communism but most importantly to strengthen the Anglo-american relations because the United States is a world power. The Korean war is one best evidence through which the insufficiency of the British budget can be uncloaked. The inability of the British government to finance the military sector obliged them to deviate from one of the pillars of their welfare state which is free healthcare. The government asked Bevan to charge dental and optic treatments in order to have revenues from health service., a situation that led Bevan to be furious and later on resign. In other words, there was a balance deficit in that the government's spending exceeded its revenues. It is clear that the welfare state drained the British treasury in order to finance its services without having any revenues that would create balance.

A drop in the rate of the British exports harmed the economy along with the change in the terms of trade. The government was obliged to devalue the pound in 1949 by 30 per cent to help its exports for it was bound to The Bretton Woods Agreement of 1944. British government was forced to cut imports, a decision that caused severe rationing, because it was in need of money knowing that Britain was already indebted to the United States. One may refer to the 30 million dollars that Britain got from the lend lease scheme, the latter was dropped immediately after the V-J day (Victory over Japan day). The British military budget rose by 40 per cent during the war. In order to finance the war, Britain borrowed money from the United States. Dalton and Keynes went to the US and Canada to ask for a

loan of six billion dollars. The US did not trust fully the British labor government because of its socialist like policy. Britain succeeded in getting 3.7 billion from the US and 1.9 billion from Canada, to be paid with an interest rate of 2 per cent for 50 years. The deal served the short term interest of Britain, but meanwhile drowned her in debts of which the currency was strong (gold like). Britain benefited from the Marshall plan by getting the largest share in Europe 2.7 billion. The intentions of the American Marshall plan were to help Europe rebuild its economy after the Second World War and guarantee the capitalist ideological affiliation of western Europe.

Besides the falling off of exports, Britain suffered from a serious problem which was the outmoded machinery that industrialists still used, while other countries as Japan and France opted for a modernized equipment that would guarantee productivity. In 1952-56 Britain's output grew by 15 per cent while France augmented by 20 per cent and West Germany by 38 per cent. (Pearce 225) percentages proved that Britain was competing against strong rivals. Such situation harmed the income of the government and created a sort of imbalance in the budget due to the policy government of financial assistance or funding in general.

Definition: Terms of Trade

According to Pearce, Terms of Trade "means a comparison between the cost of a given volume of imports and of a given volume of exports. In the 1930s manufactured goods, which Britain exported, fetched high prices on the world market, whereas raw materials, which Britain imported, tended to be relatively cheap: and therefore the terms of trade were in Britain favor. But the opposite was the case in the 1950s: raw materials cost high prices, and manufactured goods fetched low ones."(224)

Bretton Woods Agreement 1944

The Bretton Woods Agreement set a new global monetary system. It substituted the Gold Standard with the US Dollar and ensured a fixed exchange rate between the dollar and the other currencies. To put it differently, each country would define the value of its currency in Dollar and the United States would tie the value of the Dollar to gold. The IMF The agreement made of the British Pound the US Dollar reserve currencies. However the fragile British post war economy of 1945 failed in maintaining the status of the pound for it was just a question of time. The pound was not a popular currency due to the struggle of the British economy that could not assist the commonwealth block . The latter converted their pounds to dollars, an action that weakened the British economy.

Complement:online support

<https://www.youtube.com/watch?v=YqQfecCR0TU>



Assignment

Explain the reasons that led to the devaluation of the pound in 1949 in no more than 800 words.

Deadline April 29

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