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*The Welfare State Before and After Beveridge*

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## General Introduction

From 1601, the UK suffered from the growth of population, which resulted in several social problems, and since that time the state didn't stop its attempts to solve these problems, under what they called the Welfare State, the concept means; the state responsibility of its citizens in all aspects of life, and it can also define as the creation of "the social safety net" of minimum standards of varying forms of welfare.

In my dissertation, I'll discuss the origins of the British welfare state, from the early 16<sup>th</sup> till the second half of the 19<sup>th</sup> century.

If there was anything that pushed me forward to learn about the British welfare state, it was my 2nd-year lesson of the welfare state under the labour party, I was excited by the role of William Beveridge in providing a successful British welfare state, and by his impact on the state's politic. So that increased my curiosity to know about the source of Beveridge ideas. During my primary research, I found that the foundation of the welfare state dated back to the 16<sup>th</sup> century, and that helped me to divide my research to three parts to study the welfare state through three periods.

It's often claimed that the origin of the welfare state dated back to the Beveridge report and the labour party. Unfortunately, this idea is completely false, during my research I can suggest that the British welfare state dates back to the Elizabeth one reign, I've already focus on that in the first chapter, in which I first discuss the meaning of the concept, by listing many definitions. And after I went deeper to the origins of the welfare state, starting with the Elizabeth poor law 1601; a set of provisions destined for the poor, vagrant and helpless people who were genuinely in need, to solve their social problems. Next, I moved to the following British reforms; the poor law report and the poor law amendment act 1834, the act was an extension of the old poor law; it contained new provisions that went in line with that time. And finally before passing to the second period of the welfare, I highlight the opposition of the previous reforms under the name of the Anti- Poor Law amendment Act.

In the early ninetieth century, up to 30% of the British population was living in or below poverty levels. They were suffering from unemployment, diseases and the lack of education. And that pushed the governments, in that period, to thought seriously about finding solutions.

The first initiative at that time was taken by the liberal party. At the beginning of its rule, the liberal government worked with the principle of “laissez-faire”, which means that the government had no responsibility for its citizen’s hard life. By the time the government found out that this program didn’t work, people couldn’t pull themselves out of poverty by their own actions alone. And the government had a role to play, so it created what called the liberal welfare reform which means: the government responsibility of its citizen’s well-being. In my research I focused on the major reforms at that period; “the 1911 national insurance Act”. This act included a system of health and Unemployment insurance, created by the Liberal government and the workers themselves. The idea was proposed by Lloyd George as a contributory system of insurance against illness and unemployment and it was one of the foundations of the welfare state before the First World War.

The period after the Second World War was also very difficult and important in the British history; people were in the greatest need, and that Coincided with the 1945 general election and the victory of the labour party (1945-1951), with an unprecedented overall majority over the other parties. The major reason of that victory was the Labour’s reform promises, which contained; covering all citizens’ income, health and education. All this had been planned before the election during the war when the labour’s leadership had acquired both experience and trust. In my dissertation, I will discuss the event and after I’ll pass to the major reasons after this victory by discussing the relationship between reforms promises and the labour’s win. After I’ll study the document which is officially entitled “Social Insurance and Allied Services” published by William Beveridge in 1942, in which he proposed a set of provisions; contained offering all citizens protection, including universal social insurance and a National Health Service; by fighting his famous five giants of Want, Idleness, Disease, Squalor and Ignorance.

In the third chapter, I will discuss the welfare state under the labour government (1945-1951), by highlighting the relationship between the Beveridge report and the labour social reforms and studying the labour policies and its application and impact on the British society. Starting by the unemployment scheme in which the government provided a lot of benefits to solve the unemployment problem, I also discuss the implementation of the housing policy and

its results. Finally, I will focus on the education under the labour government by discussing the policy and its results.

Finally, my aim behind this research is studying the different ways in the implementation of the welfare state in the UK during different periods, under different governments and empires, since Elizabeth I's reign till the period after the Second World War. And I'm interested also about what extent the reform had evolved, and the effectiveness of the welfare state on the British society.

# Chapter one

# ***Chapter I: The Advent of the Welfare State Since 1601***

## **1. The Welfare State**

### 1.2 The Origins of the Welfare State

#### 1.2.1 The Poor Relief

##### 1. 2.1.1 The 1601 Poor Law

##### 1.2.1.2 The Poor Law Report And The Poor Law Amendment Act 1834

###### 1.2.1.2.1 Reactions to The 1834 Poor Law Amendment Act

###### 1.2.1.2 .1.1 The Anti- Poor Law Amendment Act

###### 1.2.1.2.1.2 The Chartist Movement

## **2. The Liberal Social Reforms**

### 2.1 The Ballot Act (William Gladstone):

### 2.2 The 1911 National Insurance Act (David Lloyd George)

#### 2.2.1 The Health Insurance

##### 2.2.1.1 Disability for

##### 2.2.1.2 The Benefits

##### 2.2.1.3 Source Income

##### 2.2.1.4 The Financial Administration

##### 2.2.1.5 The General Administration

#### 2.2.3 Unemployment Insurance

## 1. The welfare state:

[The duties of the state are]...first...that of protecting the society from the violence and invasion of other independent societies...second...that of protecting as far as possible, every member of the society from the justice or oppression of every other members of it...third...that of erecting and maintaining those public institutions and those public works which, though they may be in the highest degree advantageous to a great society, are of such nature, that the profit could never repay the expense to any individual or small number of individuals. Adam Smith(1776 cited Barr 2004,p1 )

The welfare state is a hard concept if not impossible to define; it contains different meanings in different societies. A dictionary definition says that the "welfare state" is "well-being; help given to people in need" (Collins English Dictionary, 1995) and that means; the help given by the government to individuals who are in the greatest need, and the state responsibility for the care and the well-being of individual citizens and their protection from the different social problems they face, such as; ill-health, poverty, and the lack of education. (Barr,2004). The Encyclopaedia Britannica offers a general definition that emphasises on the roles and principles of the Welfare State: "the welfare state is a concept of government in which the state plays a key role in the protection and promotion of the economic and social well-being of its citizens. It is based on the principles of equality of opportunity, equitable distribution of wealth, and public responsibility for those unable to avail themselves of the minimal provisions for a good life. ( Editors of The Encyclopaedia Britannica,1998) The general term may cover a variety of forms of economic and social organization." There are however definitions more focused on social expenditures, economic instruments and intervention areas. For instance, [Johnson](#)(2008) presents two definitions, a narrow and a broader one: "According to a narrow definition, the welfare state comprises two types of government spending arrangements: (1) cash benefits to households (transfers, including mandatory income insurance) and (2) subsidies or direct government provision of human services (such as child care, pre-schooling, education, health care, and old-age care). By broader definitions, the

welfare state may also include price regulation (such as rent control and agricultural price support), housing policies, and regulation of the work environment, job-security legislation,

and environmental policies.” According to this two definitions, we can say that the Welfare State is a set of reforms uses by the government to provide services that benefit individuals of families to help the to face the social problems. Its main objective according to Barr 2001 a redistributive function (a *Robin Wood* function) – redistribution of income and wealth among individuals; and b) an insurance function (a *Piggy Bank* function) – provides protection to individuals against risks such as sickness, disability, unemployment, ageing, in an environment of imperfect information and uncertainty, through mechanisms of insurance and redistribution aimed at redistributing over the life-cycle. And these two functions give rise to the social protection, which is divided into three parts of public actions; the first one is the social insurance; which covered the public policies that target the vulnerable groups. The second part is the social insurance; covers public policies to mitigate risks, and the beneficiaries make compulsory contributions to the schemes. Due to their specificity, and the last part is the labour market interventions (LMI), although combining objectives a) and b), constitute another distinct group of social protection and might be defined as “government actions to help and support the unemployed and other disadvantaged groups in the transition from unemployment or inactivity to work.”. Important public actions such as active labour market programmes (ALMP) are part of LMI and according to the OECD Glossary; ALMP “includes all social expenditure (other than education) which is aimed at the improvement of the beneficiaries’ prospect of finding gainful employment or to otherwise increase their earnings capacity. This category includes spending on public employment services and administration, labour market training, special programmes for youth when in the transition from school to work, labour market programmes to provide or promote employment for unemployed and other persons (excluding young and disabled persons) and special programmes for the disabled.”

According to Barr(2004); “the welfare state derives from many resources in addition to the state activity. Individual welfare derives not only, nor necessarily primarily, from state institutions, but from at least four sources:

The labour market is arguably the most important, first through wage income. Full employment is a major component of welfare broadly defines. Also the individual saving and the voluntary private insurance help in rising welfare under the private provision. Another

source is the voluntary welfare; including free or below-market price giving by people as voluntary charitable donation. Finally, the tax concession taking from people to contribute the state intervenes such as cash benefits and benefits in kind. (Barr: 6)

The Welfare State is an important social policy involved in the UK and in the most industrialised countries. The term is used as the state's activities based on two benefits; the cash and the kind benefits

“1-The cash benefits including the social insurance which is based on helping people whose are in need(becoming unemployed or older) without a wealth or an income test. At least it includes also; the non-contributory benefits: "universal" benefit awarded to people whose are in an exceptional emergency or in poverty or are not covered by the social insurance. It's also without an income or a contribution test.

2-the benefits in kind; contain many activities such as education, medical care and children in need of protection.” (Barr: 8)

## **The Origins of the British Welfare State:**

“In 1576 the concept of "setting the poor work" was enshrined in statute law where it was to remain for something like three and a half centuries. If the able-bodies required assistance they had to work for it. And in the 1576 Poor Relief [magistrates] were instructed to provide a stock of raw materials on which beggars could work in return for the relief they received.” Fraser (1984:32 cited Barr 2004, p16).

### **The Poor Relief:**

#### **The "1601 Poor Law":**

It's often claimed that the foundation of the welfare state dated back to the first half of 16th century, under the Queen Elizabeth's reign(Barr;p16). In the middle ages, the kingdom became much more popular than in the past, and that cause a widespread famine. People were living in an extreme poverty, because of many reasons; the war, the crop failures, the breakdown of the Feudal system, the religious changes, the desolation of the monasteries and the increasing of population, all these problems resulted in a severe economic depression at that time.

For the general good of the kingdom, the Queen Elisabeth passed the, "1601 poor laws" a set of provisions destined for the poor, vagrant and helpless people who were genuinely in need,

The poor law divided into many approaches; the major one was; the responsibility of each parish for its poor citizens, different offers were giving too many categories of pauper: the "able-bodies"; people who can work, were offered jobs " in the house of correction" and obliged to work, and those who refused to work were to be punished in the "house of correction". The second group was the "important poor"; this group includes people who can't work such as ill-health and the old people were gathered in

"almshouses", children, and mothers with babies they were accommodated in the same place, where they offered cure, food, and clothes. The last category was the dependent children; the unwanted children were offered to other families as servants until they grow up.

The UK institution worked with the poor law act for 200 years, until 1795, when government invested in a pre-industrial economy came under a great compressing from population growth, the social mobility increased unemployment as soldiers returned from the Napoleonic war, all these pressures caused a wide spread famine. Because of that, the institution was obliged to work with a new system "Speenhamland system" according to Dr Marjorie Bloy the system "was a method of giving relief to the poor, based on the price of bread and the number of children a man had. It further complicated the 1601 [Elizabethan Poor Law](#) because it allowed the able-bodied - those who were able to work - to draw on the poor rates. It was set up in the Berkshire village of Speen by local magistrates who held a meeting at the Pelican Inn on 6 May 1795. They felt that 'the present state of the poor law requires further assistance than has generally been given them'. A series of bad harvests had put wheat in short supply and consequently the price of bread had risen sharply. The situation was made worse by the [growing population](#) and because of the [French Wars](#). This meant that grain could not be imported from Europe. Things were so bad that famine was a distinct possibility and there was a fear of the ruling classes that the lower orders might be tempted to emulate the French, and revolt. There had been a spate of food riots in the spring of 1795 which increases wages" (Bloy; 1). The benefits were offered just to workers and that carried a less social stigma.

### **The poor law report and the poor law amendment act 1834:**

From the 16<sup>th</sup> to the early 18<sup>th</sup> century, the UK has been working with the "1601 poor Law", but it seemed that Act couldn't resist anymore. The UK faced a hard period coincided with the rising of Industrial Revolution and the aftermath of the Napoleon wars, the two events resulted in a great problem; population growth; more

than ten thousand soldiers became unemployed and forced in the workhouse. And this created a huge pressure to the existing of the "Poor Law". It was time to change.

In 1832, a royal commission was fixed to discuss the ability to work with the old Poor Law after all these pressures and proposed new reforms. It went with the hard situation the UK faced. The commission report was written by Edwin Chadwick and Nassau Senior, the last proposed the principle of "less eligibility" which limited the relief to a specific amount. He has also supported the public provisions for the disabled, ill and orphans people in his view "the great test which must be applied to any tendency to increase that which it is proposed to diminish." (Barr; 17)

The commission's report and recommendation received a huge support from the parliament, it seemed as a final solution to the problem of pauperism. The report contained many principles; the major one was the idea of less eligibility its programme made the workhouse worse than the past and Required that only people in the greatest need could consider to entering there. Another principle was the workhouse test, in which it mentioned that reliefs should be given only to the workhouse people by passing a merit test, it was also against the countryside people migration to the cities, searching for work.

Later after publishing the commission's report, the parliament passed the Poor Law Amendment Act of 1834 which was based on most of the report's recommendations such as:

Out-relief should cease: that means relief must be given only to the workhouse poor "Into such a house none will enter voluntarily; work, confinement, and discipline, will deter the indolent and vicious; and nothing but extreme necessity will induce any to accept the comfort which must be obtained by the surrender of their free agency, and the sacrifice of their accustomed habits and gratifications."(Swanson;39)

Separated the different classes of pauper, and parishes should be united with their poorhouses dedicated "the separation of man and wife was necessary, in order to ensure the proper regulation of workhouses"

Creating a central board is necessary to help the parliament to specify and enforce standards.

The reaction to the Law was different from a person to another, and as there were be a lot of supporters of the Act, Many people were against it, they thought that the act was wrong as it seemed to punish people who were poor through no fault of their own, for example; the sick or the old. Others found that the taxes that people had to pay to look after the poor were low, and the system was adapted to the local area. And the majority was unhappy with what they saw as interference by people from London.

Anti-Poor Law committees were set up to fight against the Poor Law Amendment Act. They organised meetings and petitions calling for the act to be repealed.

## **Reactions to the 1834 Poor Law Amendment Act**

### **The anti- poor law amendment act:**

The 1834 Poor Law Amendment Act saw that the workhouse is the only solution to the problem of poverty, which wasn't in its view a real social problem but a result of weakness, so people in dire need should work; and they were forced into the workhouses.

Even was successful in the southern England, the New Poor Law, provoked a wide spread opposition and hostility in the northern.

After passing the act, commissioners started creating passages in the rest of the country. At that time, the industrial areas of the north were still under the Old Poor Law, they found it suitable because they were not faced a lot of economic problems, there were full employment and less famine, life was good, but this standard was not stable, because of the growth of population which required building other big workhouses for everyone who claimed relief, however, most northern territories did not have workhouses.

In 1837, the government started to represent the Poor Law Amendment to the north, coinciding with several depressions for the working class in the manufacturing areas, and the rising of well-organized movements such as "chartist". Led by upper-class agitators whose were totally against the new Poor Law.

One of the famous movements at that time was the Anti-Poor Law Amendment; an organized union between the short time committees and the chartists (the first mass working class labour in the world) , “the movement combined both Radicals; such as Richard Oastler and Micheal Sadler, whose were against inhumanity, and Tories; whose were against centralization.”( Nicholas; 12) All of them were against the New Poor Law; they wanted to make the political system more democratic, by suggesting the previous tactics: making conditions in the electoral system, the basic one was; just the guardians who were against the

Poor Law Amendment will be elected. Also, they called for fighting the troops which were sending to force the implementation of the Poor Law Amendment.

To defend their views the movement leaders organized what they called the Anti-Poor Law meetings and also sent many letters to the newspapers in which they accused the PLAA, and described it as a dictatorial unchristian law. They told emotional stories of the suffering of the pauper in the workhouses, which some of them were true and the others were fabricating according to the Poor Law commissions.

All this emotional tales and speeches effected on the new system, northern people became totally against the PLAA, because they found it unsuitable to their conditions, unlike the old one. And they didn't build any workhouses till 1852.

### **Chartist movement:**

In 1832 a reform act was passed, in which the middle classes were given the right to vote. Unfortunately, that didn't include the working class who became confused and that pushed them to demand their rights under the name of people charter.

Chartism was a national working class movement due largely to the Victorian age in Britain; it took place between 1838 and 1857 and was the first mass working class labour in the world. The chartist movement was known by the three great petitions presented to the parliament in 1839-1842-1848 signed by million of people, whose were influenced by the industrialisation and other countries political citizenship, they wanted to make the political system more democratic. The main goal of chartist movement was the rights and the equality of all social classes of society they mentioned that in their petitions as "the six changes in the British electoral system" including: the right to vote for all men over 21 years- The secret ballot (the protection to electors in the vote) – respect the choice of citizens and forbidden the changing of the results- putting the national interest at the top of priorities – the payment of members of parliament- the annual parliament elections

Unfortunately the house of common rejected all the three petitions and suggested that chartist is an intended revolution. In March 1848 chartist leaders organized a peaceful mass meeting

in London, and the authorities considered it as a threat to the country so they brought 8,000 thousands soldiers to defend London. And that last event marked the end of Chartism. (Roberts: 2011)

## **2. The Liberal Social Reforms:**

### **The Ballot Act (William Gladstone):**

The liberal party was one of the major British political parties; it dated back to the 18th and the early 19th century, as the successor to the historic [Whig](#). The party raised in 1832 After [Britain's](#) First (electoral) Reform Act of 1832. , under the name of Whigs; who were joined in the [House of Commons](#) by increasing numbers of middle-class members and by a smaller number of Radicals. The party at that time was led by Lord Melbourne and Earl Grey, the two leaders were confused about the

party's name, and preferred calling themselves liberals, the term used officially after William Gladstone became prime minister.

Another act took place in the British history in 1867; included giving the right to vote to the working class, the Act seemed fair apparently, but unfortunately it didn't change anything in the old system, the vote remained open, and the elections was controlled by influential employees, who were punished people who didn't support their candidate. 5 years later William Gladstone proposed the Ballot act; which included the establishment of a national system of education, voting by [secret ballot](#), the legalization of trade unions, the enfranchisement of the working class in rural areas, reconstruction of the army (involving the abolition of the purchase of commissions), and reform of the [judicial system](#). In the process, Gladstone attached a broad range of popular support to the party. At the first time act was rejected by the conservative-dominated House of Lord, but after they accepted it on many conditions, Gladstone accepted their terms and the act turned to an official law in 1884. Two years after he won the general election and became a prime minister, this was the first step of the liberal reforms in the British society.

## **The 1911 National Insurance Act (David Lloyd George):**

In 1906, the liberal party won the general election, with, 400 MPs. It was a great victory the UK even seen, a victory for the Protestants and the Nonconformist British.

The period between 1906 and 1914 led the foundation of the welfare state under the liberal government, it was a full period of the major reforms, such as medical services, school meals and insurance against ill-health and unemployment all these provisions was passed under the National Insurance Act.

The National Insurance Act was one of the major legislative achievements of the liberal government; it took place on the British institutions before the First World War. The Act was founded by David Lloyd George; a liberal chancellor of the exchequer, who was influenced by the German national insurance against sickness 1884 example. So he decided to apply it in Britain, as he said in one of its speeches

"putting ourselves in the field on a level with Germany; we should not emulate them only in armaments".(Simkin;1997)

The National Insurance Act was one of the major legislative achievement of the liberal government, it took place on the British institutions before the World War 1.It was founded by David Lloyd George; a liberal chancellor of the exchequer,During his speech on the [People's Budget](#), the Chancellor of the Exchequer, [David Lloyd George](#), pointed out that [Germany](#) had a compulsory national insurance against sickness since 1884. He argued that he intended to introduce a similar system in Britain. With a reference to the arms race between Britain and Germany he commented: "We should not emulate them only in armaments."[David Lloyd George](#) (1909, cited by [John Simkin](#) 1997). George was influenced by the German national insurance against sickness 1884 example. So he decided to apply it in Britain, as he said in one of its speeches "putting ourselves in the field on a level with Germany; we should not emulate them only in armaments"

The National Insurance Act introduced two contributory systems of insurance: Health and Unemployment, each one administrated by an association for example; approves societies (friendly societies) was responsible for the Health Insurance, and the unemployment

Insurance was the responsibility of the state, the Act included also the worker taxation, under the idea of "contribution for each insured person come from the insured person.

At the first time, when George passed The National Insurance Act, most of people were against it, including the friendly societies and some trade union, they found it unusable, because they already had their own systems, but they immediately changed their minds when they met Lloyd George and listened to his speech, and after most of them played a major role in the administration of the system.

The real objective of the national insurance was promoting industrial proprieties and income growth. In addition to, extending the benefits of the working class and orienting more effective labour market.

The system was administrated by "approved societies" which included the friendly societies and some trade unions under the name of Industrial Insurance Companies.

### **The Health Insurance:**

According to the British government, illness was the major reason of poverty, as the government official had said that "30 percent of pauperism was due to sickness".

To face this great problem the system of Health Insurance was introduced in the 1911 National Insurance Act, it was one of the Act basics, lasted from 1912 till the 1948, combining what is now; social security benefits with basic care. The scheme contained many provisions such as; the fewer prices for treatment and the off work for workers to recover; it had a wide impact in the labour market by giving benefits to labour over 16 years and covering all workers with annual earnings below a specified annual amount.

“The official Handbook of Approved Societies (1915) sums up the groups eligible for insurance as follows:

1. Persons in employment by way of manual labour, regardless of earnings.

2. Persons in any employment at a rate of remuneration not exceeding in value

£160 [now £250].'

3. One who has been an insured person for two years or upward.

4. One who has been an employed contributor and being of the age of 60 or upward, who shows to the satisfaction of the insurance commissioners [not the Ministry of Health] that he or she has ceased to be insurable as an employed contributor.”(Henry:4)

### **1-Disability Provided for:**

The benefits included people who were incapable of working, because of mental or bodily illness, they were receiving medical relief. According to the Law; there are two types of disability: the temporary disability and the invalidity.

It also included the denial diseases and maternity provision, for working women after childbirth, also insured man's wife has the right to these benefits.( Henry:1923)

### **2-The benefits:**

The " insurance committees" and "the approved societies" both were the benefits administrators. The first one contained: 1-the medical benefits 2-sanatorium benefits 3-sickness benefits 4- disablement benefits 5- maternity benefits 6- additional benefits

**1-Medical benefits:** a provision included the best interest of the patient, in addition to medical and surgical appliances, for the member of society at the beginning of the disability, and also for the voluntary contributors whom their income were less than 250 pounds.

**2-Sanatorium benefits:** this benefit contained the cure sanatorium or another institution, or at home for the insured or uninsured patient who suffered from tuberculosis or such other diseases.

**3- Sickness benefit:** a periodical income for incapable insured people who can't work because of mental or bodily disablement. The period of payment started from the fourth day until the 26 weeks, if the disability took longer time it became a disablement benefit

**4- Disablement benefits:** a periodical income for the patient who had already profit the sickness benefit. The payment started from the 104 weeks from disablement

**5- Maternity benefits:** an income of 40 shilling for insured men's wives and the double for the insured wives coming from the society, without taking into consideration the medical benefits, uninsured mothers also had the right to the benefits after the childbirth.

**6- Additional benefits:** it included the increment to the ordinary benefits when the government shows the present of surplus. These benefits didn't apply till the arrival of peace. (Henry: 1923)

### **3- Sources of Income:**

The insurance system had three income sources, the contributions of the insured and employee, and the national treasury contributions, which contained: 5p for the man and the employee and 4p for the woman another group goes under the system sources was named "law-wage earners" gave special provision.(Henry:1923)

### **4- The financial Administration:**

The Financial administration based on a plan of level premiums, which means people for all ages are concerned by the contributions regardless of the degree of disablement or sickness, the combination between the two makes the plan involved.

From 4p to 5p dedicated from the employee's salary each week put in the National Insurance fund from where the benefits paid. Also, the National Government involved in the fund by two-ninth for men and women.<sup>1</sup>

The system provided the self-sustaining just for people who get involved in the insurance at the age of 16 years, in contrast, this feature was not available for the latter entered.

The 1918 Law provided that part of the sum should be applied to the accumulation of two special funds:

“ - The central fund; was designed to face any shortfall coming from an abnormal rate of sickness.

- The contingencies: was made to face the actuarial valuation.

There was also a women's equalisation fund.”(Henry : 37)

## **5- General Administration:**

### **Ministry of Health:**

The ministry of health played a great role in the rising of the Insurance system by the good administration and the supervision of the system.

### **National Health Insurance Joint Committee:**

The administration included; a union of four boards; England, Scotland, Wales, Ireland under the name of Insurance Commissioners, it consists the ministry of health as a leader, a Scottish secretary, and Ireland chief secretary, and another person appointed by the minister to represent the Welsh system.

The target of the committee was to take the responsibility of the matters common to the four bodies, its work related to the actuarial features of the insurance such as; counting the rates contribution and the serving value etc...

**Insurance commissioners:** or called now the department of the ministry of health; one of the national health administrations, it consists three parts: England, Wales and Scotland and Ireland in one part.

The administration members were the employees of the approved societies and the medical profession of whom at least two must be women. They were appointed by the ministry according to merit degrees. Their objective was taking responsibility for overseeing the administration of the approved society, And to issue regulation authorised by insurance, under the control and the advice of the ministry,

**Approved society:** another administration of the Health System contained a group of societies such as; the friendly societies, the trade union, commercial insurance companies, sick clubs, establishment funds and other voluntary societies, most of these societies had a

great experience in providing assistance because of that, the system gave them the administration of benefits payment, and the members records keeping, in addition to the supervision of beneficiaries. Also, the insured people could create a society and become one of Health Insurance Administrations if the insurance commissioners accepted them.

Insurance committees are the responsible body of the sanatorium and the medical benefits. It contained between 40 and 80 members (the insured people's representatives and doctors) appointed by the ministry

The committee's major role is to supply the insured people with daily qualified medical, by posting their names every day in a list called "panel" in the post office. (Henry: 1923)

## **Unemployment Insurance:**

In the past, there was a large deal of discussion with the problem of unemployment in the world. Even in the UK. The government didn't stop its attempts to solve this problem, since the "1601 Poor Law". Till the 1911 Social Insurance Act, this act represented a great leap in the reform's history, especially in the Unemployment domain.

The Unemployment Insurance, is the second part of the Social Insurance Act, it was passed to solve the problem of unemployment, by providing benefits in certain periods, it's funded by the workers, and employers' taxation, the system worked as the Health Insurance; workers paid 2.5 per week, employers paid 2d per week and 3d per for the state. Many cyclical trades were involved in the system such as mechanical engineering, foundries, and vehicle and building trades. And by 1913, 2.3 million people were insured by the system

Everything was passing well after the Unemployment act came into operation. From 1911 to 1918, business conditions and selling went well. Even with the rising of prices, nothing changed. After the 1918 large waves of people became unemployed

because of the war industries, and they came into the unemployment system. And that forced the government to extend the act, by covering many other people, without caring about the future reflection on the fund.

This Great Containment affected negatively on the Unemployment Insurance Act fund, and because of that, the system administration decided to make another change in the Act to

solve the problem of the fund deficiency., by adding many conditions to the scheme system. Including; reducing the benefits, increasing the contributions, reducing the number of safeguards and limited the period of unemployment benefits to fifteen weeks.

Because it had a political root, the system faced a big pressure from many unions; workers and their representatives complained that they were not supported by the insurance system, and described it as a useless scheme, also textile workers threatened the system, by refusing to be under its administration, on the basis that they didn't need it. To calm them down, the government found that it should make some modification to the system; first, it extended the period of the benefit payment, suspended the one five ration, and deleted the waiting period. Then the 1920 act was passed, which was convincing for certain industries to contract out under the act conditions and the ministry of the labour agreement. Therefore the establish insurance by industry dropped down because they wanted to make their own insurance.

The major reason for the system's problems was the miss-understanding of the unemployment, people should feel that they are under a fair system, which is due to them and that confidence should be earned.

As all the British acts, the unemployment system based on basic conditions; one of them was that unemployment insurance suspended the worker who leaves his job without reason, and those who lost his job because of trade dispute, these unemployed people, have the right to claim for insurance, in the unemployment exchange and wait for the insurance officer's decision, if he accepted it, the claimer will receive the unemployment benefit, and if not he can transform the claim to justice, then to the umpire and wait for the final decision.

The period between 1920 and 1921, was very hard for the government, and for the Unemployment Insurance Administration. A large group of workers was expulsiing from work so they claimed for their right violently by strikes most of them were involved in trade disputes, what pushed the administration to appoint a commission of Inquiry to look after them and try to find solutions.

Although all the problems the act faced, it was successful and had been administrated fairly and competently.

# Chapter two

Chapter Two

# **The Labour Party and the Foundation of Beveridge Report**

## **1. The Labour Party**

## **2. The General Election 1945**

2.1 Why did the labour win the election?

## **3. The Beveridge report and the labour party**

3.1 The Beveridge report

1.2 The principles of the report

# 1. The Labour Party:

The labour party is one of the oldest and largest parties in the UK, created in 1900 by representative from; the Trade Union Congress (TUC), the Independent Labour Party (ILP), the Social Democratic Federation (SDF) and the Fabian Society.

The labour's major target was to represent the interest of the Trade Union in parliament, and to advance the interest of the wider working class, the party didn't gain the support of all the trade union only after the "Taff Vail" Judgment of 1911; "(1900–01), in Great Britain, the successful trial of a suit brought by the Taff Vale Railway Company against the Amalgamated Society of Railway Servants (ASRS) in which the courts held that a [union](#) could be sued for [damages](#) caused by the actions of its officials in industrial disputes. Opposition to the decision did much to spur the growth of the [nascent](#) British [Labour Party](#)." ( [The Editors of Encyclopedia Britannica](#)), and this made the financially liable for losses incurred by incurred by businesses due to industrial action, did the majority of unions decide that some form of parliamentary representation was necessary (Fielding, 1995).

In 1924 under the leadership of Ramsay MC Donald, the party formed its minority government. This administration was only to survive for a few months, but in 1929 Labour was again able to form a minority government which lasted until 1931. In an attempt to cope with the crisis of the Depression, however, MacDonald defected from Labour in 1931 to lead the Conservative dominated National Coalition government. And in 145 Clemnet Attlee led the party to a great victory in the general election, with a huge parliamentary majority This success was significant not only for the fact that it was the first time a Labour government was able to command a majority in the House of Commons but also because of the radical economic and social reforms the government introduced. Atlee's government created the modern welfare state, including the National Health Service (NHS), drastically reduced levels of poverty and introduced an extended program of nationalisation. It also established

the so-called 'collectivist consensus' to which both Labour and Conservative governments adhered until the Thatcherite reforms of the eighties.

## 2. The General Election 1945:

The period after the World War Two, was very different from the past in the UK, a widespread feeling of collectivism and consensus involved amongst the British society, because of the war against Germany, they fought together as one man, and helped each other to get this great victory. This was the point that the Labour party played on it; the sense of unity, they reorganised that if they wanted a New Britain, they should build it together, hand in hand.

1945 was a very important year for the world, and for the UK. Many events took place in a short time, the major one was the ending of the World War Two, after a great combat between Great Britain and Germany, and the second one was the parliamentary election in Britain, and the winning of the Labour party, which was a knockdown for Winston Churchill, the most popular prime minister in the UK and in the world at that time, Churchill was brought into the government in 1940, he was the man of that period, as he wrote "I felt... that all my past life had been but a preparation for this hour and for this trial"<sup>1</sup> Churchill was a successful man on both sides; in combat and in politics. He led the country to a great victory against Germany in the Second World War, in addition to his impact on the people's brains, with his inspiring speeches; he earned their trust with his strong personality and courageous positions.

It has been a long time since the last general election in the UK, and the post-war period was the suitable time to organise the election. Just after the battle, the British parties started calling for it, and under this pressure, Churchill was obliged to program a meeting to discuss the idea, for him it wasn't a good idea, but he used it to pressure the Labour party's leaders and put them in a hard decision, either engaging in a general election, or continuation in the coalition until the end of the Japanese war. This decision was as a light of victory for the Labour party. And was also a big chance for them to introduce their propositions and solutions for the social reforms.

On May 20th, a The National Executive Committee meeting was held, to discuss the issue of the general election, and ended with the decision of organising a general election on July 5th, 1945. Churchill was dissatisfied with this decision; he wanted to postpone it till after the Japanese war, to gain time to deal with his plan of Britain's recovery.

Although Churchill was very popular and wanted from his people, they didn't choose him, their major want was a new world, a new government which concerned with their social demands, and found solutions to their problems. They knew that Churchill's government could not achieve that. British people were influenced by the labour party's programs and promises of a new welfare state.

Labours believed that the country was looking for something more substance, and they prepared for the participation in the general election since 1936, as an independent party, led by Clement Attlee.

July 05th, 1945 was the promised day, the general election was held, with a further three weeks to allow the servicemen who were coming back from overseas to vote. And on July 26th, after 10 o'clock in the morning, the results were announced. It was a big shock for the world, especially for Churchill, the labour party won the election with an overwhelming majority, 393 seats, followed by 213 seats for the conservatives, 10 for liberals and 11 for the other parties.

This landslide victory of labour party represented the desire of the British people to change, they wanted a rising standard of living, security from poverty, diseases, and unemployment, they dreamed about a good education and saving homes, they called for an establish country with no more wars, it was the time of the social reforms under the labour government.

Churchill's enormous popularity with public was never in doubt in war, but this didn't mean that he will lead his party to win the election. Although British people venerated Churchill and appreciate his achievements in the war, they lose confidence in the Tory party, and that resulted in their big lost in the 1945 general election. "The major reason behind their defeat was the broken promises of the Tory dominated government after the First World War" (Taylor ;723), and also their national

interesting in the pre-war period has also been identified as a causal factor in their defeat (Donnelly:26).

Few members of the middle class described the next period as a painful period, specially the conservative supporters. They expected much trouble under the labour's rule because of the difference of view. And this included in Churchill's reaction when the results was declared 'I

do not feel down at all. I'm not certain the Conservative Party could have dealt with the Labour troubles that are coming' ([Cameron](#), 1)

David Childs describe the reaction of the middle class opponents in his book, when he said:

I have never known the people, with whom I am in touch, more amazed at the result of the election. Those who are well off are trembling with fear, some even are afraid of a capital levy.[...] Three people came on here afterwards and told me about it. They said that no one there seemed to realise what was going to happen.” (Childs:7).

In addition, some members of the Establishment felt disappointment at the results. Montagu Norman, Governor of the Bank of England during 1920-1944, commented in a letter, in 1946, that if Churchill had been Prime Minister, “I daresay we should have had more disturbances and ill-feeling within this country and possibly elsewhere in Europe”.(Childs;12). When Churchill heard the results he had remarked that he do not feel down at all, he was not certain that Conservative Party could have dealt with the Labour troubles that are coming.

According to Paul Adelman; Harold Macmillan, who lost his seat at Stockton as Conservative candidate, commented on the election in the third volume of his Memoirs, published in 1969:

'As soon as electioneering began in earnest I knew what the result would be ... I had little hoped of success ... The election in my view was lost before it started. Vast crowds turned out in flocks to see and applaud him [Churchill]. They wanted to thank him for what he had done for them. But this did not mean that they wanted to entrust him and his Tory colleagues with the conduct of their lives in the years that were to follow ... Nor had they forgotten or been allowed to forget the years before the war.. It was not Churchill who lost the 1945 election, it was the ghost of Neville Chamberlain.'(Adelman:2001)

In contrast the labour's victory was seen as a great event for the party's supporters, who believed that they will achieve all what they lose in the war. The labour party was seen to be a

sign of hope for the working class, who were waiting for the application of the party's promises of reform

## **Why did The Labour win The Election?**

The general election of July 1945 was an important turning point in the history of the UK. Although the victory of the labour party was a shock to Churchill government and its supporters, it was expected from people.

Winston Churchill was under the shock of the results of the 1945 general election. The labour's victory was unexpected from Churchill's government and its supporters and from the labour's leaders themselves. They didn't believe that the party would win that overwhelming majority, which they had never won before. Almost all people were waiting for the conservative victory.

“.. It's hard to imagine anyone who could have played the role of national leader with greater success than Churchill” (Edison). After the Second World War, Winston Churchill became the most popular prime minister in the UK, because of his triumphs against Germany; the war man was well prepared to govern the country again. He always won the majority in the opinion polls, and it seemed that he would lead his conservative party to a great victory in the next general election; unfortunately, he let them to the greatest loss they ever were seen. Churchill was the first responsible for this defeat, the war man failed to be the politic man. His strengths have become his weakness. His sacrifices for the country in the Second World War made him redundant in people view, Churchill's major interest war the war, and when it came to an end, he found himself without any program to lead the nation. Churchill single-mindedness was also one of his weakness points. Although it is the right choice in the emergency period, it made him preoccupied about his party's interests. As one conservative backbench wrote in October 1944 “never was a party so leadless as the conservative party is today...” (Edison; 1)

When Churchill was busy in the war, the labour party's leaders were busy preparing and programming their plan of the social reforms, which led them to win the general election. The first reason of this victory, dating back to 1942. Three years before, the labour party presented its popular report, wrote by Sir William Beveridge, in which he called for a new country based on the social reforms. It was the perfect time for such initiative. British people were completely tired of the war and of social problems, especially in that period, under the conservative government; there were neither social reforms nor government help. So when Beveridge announced his report, it looked like a lifeline for the British society. (Edison; 1)

In addition to the Beveridge report, the labour's manifesto "Let Us Face the Future" declared by Clement Attlee the leader of the labour party and the new prime minister after Churchill in, was a reason for the labour's victory, in which they called for peace, and when they said peace doesn't mean just the end of the war like the Tory party thought, it means social and economic reforms which followed the period after war.

The labours knew how difficult the next task was, but they believed that it's not impossible, that's why they offered a suitable plan, which is in line with the country's conditions and the need of people.

The first interest of all parties from the past was the full unemployment, they were all called for "jobs for all", but this was difficult to achieve in that war period, so these remain just promises. The labour party was well aware how difficult was the situation as Attlee declared in the party's manifesto; "the labour party makes no baseless promises. The future will not be easy, but this time the peace must be won". The first part of the plan was to achieve the full unemployment, by the compulsory use of land resources, with a large rise of production, controlling prices, rising wages, in addition to providing insurance and social services, they also insisted on investment in factories, schools and hospitals.

The second part of the plan was to put the Industry in the service of the nation; the labours proposed to apply a national test service to each industry, to know if it served the country or not. And they also proposed a public ownership for fuel, power industries, national raw materials gas, electricity, inland transport, iron and steel.

The third part was housing program; labours saw that every citizen has the right to adequate housing, in addition to the good education for all people to improve the cultural level of individuals.

The health of the nation and citizens was the fourth part of the manifesto plan, in which they suggested providing the free best health services, such as the advanced health centres, and the good conditions for doctors and patients.

The last and essential part of the plan was the social insurance, providing social insurance is the most important feature of the labour party, even it was difficult to achieve, it was not impossible for labours.

Finally, the labour's manifesto played a great role in influencing people, and it was the major reason of the labour's general election victory.

## **2.The Beveridge report and the labour party:**

### **The Beveridge report:**

The period of the Second World War was the most difficult obstacle in the history of the UK. Fighting against the Nazi Germany seemed very hard if not impossible for the conservative government, they were all aware that without people help they will do nothing. The government first, combined members from the three major parties in that time; the conservative, the labour and the liberal parties, and called them the wartime coalition. This grouped played an important role in the spared of the sense of unity among the British citizens; they called for working together in the war and making sacrifices to defeat the Germans. In return, the government the government has promised the people to provide reforms and assistance in all areas, to help them and solve their social problems.

To fulfill its promise, the government asked William Beveridge; a member of the liberal party to write a report in which he proposed social reforms to solve the people's problems. In December 1942, the labour economist published his report under the name of "Social Insurance and Allied Services"

When the report first introduced, the conservatives became confused about the basic idea of the report "The University"; they claimed that providing benefits consumed a lot of resources,

without any avail to the country. In contrast, the labours agreed to the principle of the university and social services, which became later the labour's government principles, even the report became the blueprint for the modern British welfare state.

The Beveridge report achieved a good reputation in Britain and the whole world. Its first aim was the right "from the cradle to the grave", which means offering all people protection throughout their lives, by attacking what he called the five giants; "wants" or poverty according to his plan, the reforms will take people out of poverty by providing work and food. And the second giant "disease", to solve this problem Beveridge proposed the development of free health services. The third one;" ignorance" to fight it, he proposed the development of educational services, such as the school leaving age to 15 and the free secondary schools for all children. And to attack "squalor" he proposed building houses quickly to accommodate all those in need. The last one is "idleness" a long program was proposed by Beveridge to solve the problem of unemployment and the basic proposal was the public ownership of the industries.(Spicer,2014)

### **The Principles of The Report:**

The reason behind the Beveridge report fame was its strong principles. The first principle is that any proposal for the future should use to the experience gathered in the past, Beveridge saw that it was time to use the old experiences, time for revolutions not for patching. The second principle is achieving social security by co-operation between the individual and the state. This means the government responsibility for citizen's social security. And its role played in encouraging individual's voluntary actions. "The state should not stifle incentive, opportunity, and responsibility; in establishing a national minimum, it should leave room and encouragement for voluntary action by each individual to provide more than that minimum for himself and his family".(Kegan, Paul; 116). The third principle is that the organisation of the social insurance should be treated as one part of the comprehensive policy of social progress, and used to provide income security, and that will use as a weapon against the five giant.

Because of its success and fame among the British society, the labour party has used the Beveridge report as a reference for its programs and it was the main reason for the party's victory in the general election.

# Chapter three

**Chapter Three:**

# **The Labour Policies and the Foundation of the Welfare State**

**1. Beveridge Report and the Social Insurance Scheme**

**2. The Implementation of the National Health Service**

**3. Unemployment:**

**4. The Housing Policy**

4.1 The Implementation of The policy

4.2 The Impact of the Policy

**5. Education under the Labour Government**

## **1. The Beveridge Report and the Social Insurance Scheme:**

The system of Social Insurance is the main feature in the Social Security plan introduced in Beveridge report, which supported to be implemented at war's end. The system included special benefits arising from birth, marriage and death "every citizen of working age will contribute in this appropriate class according to the security needs"(Pope, Drate, Hoyle; 120). And because it preserves the contributory principles, the scheme was classified as a system of insurance, financed by general taxation and based on the concept of universality which was the older tradition of National Insurance. One of its plans; the family allowances, it includes giving benefits to the mother, in respect of second and late children in all income groups. Providing priority to the mother was a sign of feminist influence on legislations.

To provide the Social Security system, the labour government passed several acts during its presidency. The first Bill was introduced in 1946;" The National Insurance Bill" contained the unemployment and the old age and for the first time in the British history the system covered a large population to protect them from sickness, unemployment, maternity, guardianship, retirement and death. In addition to yearly benefits was given to employers and employees from the National Insurance Fund.

President Attlee asked in a classical speech on February, 07, 1946.

"Can we afford it? Supposing the answer is 'No', what does that mean? It really means that the sum total of the goods produced and the services rendered by the people of this country is not sufficient to provide for all our people at all times, in sickness, in health, in youth and in old age, the very modest standard of life that is represented by the sums of money set out in the Second Schedule to this Bill. I cannot believe that our national productivity is so slow, that our willingness to work is so

feeble or that we can submit to the world that the masses of our people must be condemned to penury."

The Act provided a weekly payment for the employee during 180 days, and for those who lost their jobs 13 weeks after benefiting this offer will transfer to another benefit. The employee also received sickness benefit three days after the absence from work because of illness. The benefit covers the whole period of absence, no matter how long.

A single payment allocated to the mother on the birth of her first baby under the maternity grade, and benefits for thirteen weeks for the working mother.

The cost of the funeral was covered by the death grant, which allowed the widow under retirement age and her children up to the age of sixteen benefits. And the widow who reached forty while her children were still at school also should receive allowances.

The retirement grant provided pensions to men at sixty-five and women at sixty, and these benefits didn't rise automatically with the rise in the cost of living.

There was being a large difficulty of providing benefits later, because of the mass of the population. in contract with Beveridge plan which had been intended that "benefits should be sufficient for the maintenance of basic minimum substance standard" , in fact the benefits were falling behind the cost of living, and that summoned invention from national assistance to help in supplementing the other benefits largely under the administration of justice by taking full account of individuals circumstances. And between 1948 and 1962, 2 million people under the national insurance.

The union between the National Assistance and the insurance system provide a welfare state in Britain, with a limitation protection. This was difficult to achieve after the war, because of the large debts. There was a great need of cash, which could be raised only through the National Insurance Contributions and the general taxation.

## **2. The Implementation of the National Health Service:**

The Beveridge report was called for the establishment of a comprehensive, universally available, publicly system of health care in order to improve the living standard of people. This means providing treatment, health centres, and doctors and so on. From this idea, the labour government passed the National Health Act in 1946. The Act had a large influence on

the British people, it provided a solution to several health services problems, such as the administrative disorder, and seemed like the end of the war promises and the economic difficulties. The system was provided for the free access to special medicine and general practitioner services. The labour government described the medicine as an honourable profession because of that it awarded it special attention.

As I mentioned in Chapter one the National Health Insurance had a large effect on the medical care in the UK. Nearly one-third of the nation was covered by the system after the First World War and benefited several advantages such as medical care for working class and their wives. The worker could receive health attention for all diseases except tuberculosis, and the same thing for his wife if she was insured, and for the period of pregnancy the wife received municipal maternity service, which contained child health service for babies and child up to children who go to school.

The service was suitable for the British society at that time, but it became changeable after, because of the growth of population and the rising of different currents of thought even in the service itself, unfortunately, these changes affected its progress and made it very slowly. It was also influenced by the event that has passed in Britain society, political changes, the depression and the Second World War affected the medical profession's ability

It seemed difficult to the government find a solution to the service problem, but according to Steve Ilife "This concern with professional supremacy was not an idiosyncrasy of Britain, but its solution was peculiarly British. In pre-war Germany the medical profession had come to an agreement with the Nazi government to exclude trade union influence from the German social insurance program, and in the Soviet Union the State had constructed a centralized medical service on the ruins of pre-Bolshevik professional organisations. There were be no choice but to find a solution In cooperation with the Labour party which Kept its autonomy, in addition, to providing many benefits.

In 1946 the National Health Service act passed into law, but it comes into practice in July 1948. Under the labour government it was based on the principle of universality and consisted free and open medicals to everyone, and that created several problems within the system in the past such as; the irregular distribution of doctors over the country. That had necessitated state invention during the war, like the payment of doctors 'fees who later received about one-third of them from the state. The task was hard for the labour government; they were able to solve the old problems for the success of the scheme.

For the good of the system, Attlee put Aneurin Bevan at the head of the Health Ministry. Bevan worked on the national hospital service, to spear the facilities over the country. To achieve this point he divided the UK into twenty regional hospital groups, each group contained a medicine school. Bevan worked also on the distribution of doctors over these groups, with the freedom to work inside the service with the party or entirely. He also called for giving the patient the freedom to choose their doctors and the way how they received their medical treatment. He also proposed a basic salary and capitation fees according to the National Health patients and the possibility of private practice.

The distribution of hospitals was explained by Arthur Marwick: "To administer the new hospital organisation, there were, in England and Wales, fourteen regional hospital boards, each centred on the medical faculty of a university, and appointed by the Minister of Health. Management committees for the 388 hospitals within the system were to be appointed by the regional boards, but the thirty-six teaching hospitals were given a special autonomy in that their boards of governors were to be appointed directly by the Minister. In Scotland, five regional hospital boards were established, four based on universities, and the fifth based on Inverness, and eighty-four hospital boards of management."(Marwick, 35).

For the first time in the history of the UK, people were able to receive free modern medical treatment, in addition to the better dental and ophthalmic care ever. Thanks to the National Health Service British people felt less discomfort and received the best quality of medical care. The system covered also other professions like physiotherapy, chemical psychology and radiology, and provided them with new technology, to help in making new

investigations. Dental and eye treatment were also a part of the scheme but they were luxuries for middle and upper classes.

The conservative party claimed that the system cost too much to the state and they were afraid about the fast rising of the scheme. In 1949 the system costs the state 52 million pounds and the double in the previous year. But in return, the sector has witnessed a significant development for example; in the first year, blindness from cataracts was reduced by a quarter.

The aim of the labour government was the good for the citizens; helping those who had suffering during depression and during the war, unfortunately the National Health Service marked a large weakness, and like the other nationalized industries it was just minimally by the British people, it was impossible for people to influence the system, even the trade unions were rarely involved. The system didn't succeed because it was built as an institution that did things for people and not for them.

### **3. Unemployment:**

When I say full employment the first idea came to your mind is zero unemployment. For the most economists, the phrase means 0% unemployment. But according to the twentieth economist Beveridge; is mean 3%, the full employment ratio changed depending on the country, time, period and the various economists' political biases.

Beveridge attacked the government policy for being careful in his book; "full employment in free society", he claimed that people were ready to help the government to develop the Beveridge plan, and there had been a real intention to coast their recommendation. Also, there were be many economists such as Kayens and Bevin agreed with the plan and suggested that the full unemployment if attained it could be lead to serious inflation.

The year 1948, knew an important growth of British exportation, with an increased product, in addition to the government limitations for domestic demands, unfortunately, these

achievement created doubts of devaluation increased and aside from taxation there was be a limited domestic demand by wage reduction.

In March 1948, the Trade Union Congress accepted the conditional wage restraint, as a reaction to the government assurances on profits and prices. And according to Arthur Deakin the general worker union; the large wages are nor linked with the large output, could this lead the unemployment and he suggested that employee must work on moderating industry for prosperity .(fyrth/2009)

Industry recognised the clear effect of wage restraint which was further conciliated by the government's reliance on direct controls and more on indirect economic management as well as consultations with employers and trade unionists. The government also continued to approach economic problems. It achieved less than it hoped in reducing Aneurin Bevan's housing program. The nationalised industries also suffered when the chance of a national energy policy was neglected. There was no systematic examination of Britain's needs.

The conclusion was that the side of the industry was not prepared to abandon the old ways of doing things to achieve full employment. Even the government's limited plans for post-war intervention aroused their opposition and they were far more opposed to the far-reaching controls advocated by Beveridge. 'the maintenance of employment and the prevention of mass unemployment was the third Assumption in the Beveridge Report. A low level of unemployment would certainly reduce the finance of social security scheme, but there had been no organised plans for a full employment policy.'"(Smith;93)

#### **4.The Housing Policy:**

After the First World War there were be an increasing housing demand in the UK, at the end of the war 20 percent of London and other big cities' houses has been destroyed or seriously damaged. More than three million families became homeless, especially those who were living in the centres of defiance; they were obliged to move on to condemned and damaged houses which many of them dating from the early year of the industrial revolution. And that resulted in diseases, mortality and class differences. "There was also a deeply ingrained loathing of private landlords and habitual warfare between them and tenants that

sometimes broke out in organised militancy as in the tenant's movements of the 1930s”(Revetz;147).

Because the rents were frozen in 1939, landlords were not able to keep their prosperities in good conditions, although they received reforms to raise them, It was not enough, and that resulted in old broken houses without any possibility for rents levels changing. Te last became impossible to achieve after the shortage of older houses during the 1930s.consequently, the tenure lost its advantage of freedom of movement for poor people.

Ravety explained the reflection of post-war on housing “there was a common vision for a future, portrayed in the media and endlessly discussed among servicemen and women, among housewives, even between those sheltering in air-raid shelters. In this vision, the homes of the future probably played the dominant part. Mass Observation’s Enquiry into People’s Homes was based on in-depth surveys of eleven different places as well as other material drawn from different parts of England and Wales. The Town and Country Planning Association and Daily Mail Ideal Home Exhibition were both able to report on attitude surveys among civilians and the armed forces, while the 1946 Housing Digest, put together for the Electrical Association for Women, compiled comments from no less than thirty-four professional, commercial, press, political, scientific, religious and women’s organizations, as well as twenty-three government reports, all between 1941-45. It was, therefore, legitimate for the Dudley Report, which in 1944 set new official guidelines for post-war public housing, to be confident about the expectations and standards that would need to be met.”(Ravetz; 147).

When Beveridge announced his report in 1942, it had a great influence on the British society; his description of the “five giant” expressed the social people faced in an impressive way. Destroyed and old badly planned houses were represented as “squalor”. Beveridge in his report promised to fix these problems, as the labour party did; it promised to use the modern recourses including modern building technology in addition to a new ministry of housing, and this was one of the labour’sreason to win the 1945 general election.

After the election, the labour government did not entirely realise its promises. There was not new housing ministry. Housing plan was included in Bevan’s portfolio. The Minister of health claimed that five minutes a week on housing won’t reflect a real concern about the issue. But he thought there is no doubt that the task setting up the National Health Service was precedent or that responsibility to admitted both the National Health Service and housing together was an immense burden to be borne by only one man.

#### **4.1 The implementation of the policy:**

During the implementation of the policy, there were been too many difficulties, the new minister Bevan worked with his vision of; “the coming council estates was of mixed class society, living together”. His first principle was that housing should not be just a commodity being bought and sold for profit.

In 1949 Bevan introduced his housing Act, in which he eliminated the condition that; council housing should be exclusively for members of the working class. The step seemed important but the implementation was far from intended. The act provided that the final decision of housing entitlement belonged to the authorities and that left the necessity of discriminating between those who applied for home and those who did not.

Bevan also worked with the war period program which included that working class family could get suitable houses by living in declared slump and after they could be re-housed, but this idea didn't always work, because there were be many good houses for rent. he also changed the old plan of housing contraction from the private sector to public one, in addition to giving needed license to any private building with providing materials.

Bevan's major aim was to realise the labour's election promises, during his job, he faced so many problems; such as the post-war's economy problems, the lack of building materials and the skilled labour.

The labour 1949 housing act was very important; it included a relief of building of new stock, by local authorities, in addition to several innovation grants for older prosperity, powers to build hotels and self-furniture for the new dwellings financed by the public works loan board. By these achievements, the labour government gained the people and other parties trust.

The basic dimension of the policy was Bevan's idealism regarding housing standards; he used the garden city tradition of cottage style houses, which was adopted for council estates by Tudor Walters Report in 1918, which was mentioned before in Dudley report 1944. Dudley report's major aim was new dwelling and estates standards, achieved by increasing the floor areas of houses and providing houses of more than five people, with downstairs cloakrooms and utility rooms. Dudley main principles sayings were that' while we shall be judged for a year or two by the number of houses we build... we shall be judged in ten years. Time by the type of houses we build' in the new towns and with their special recourses it was

possible for public housing to reach higher standards. He also recommended in his report by completed neighbourhood caring for special diversity with flats and marionette as well as houses.

#### **4.2 The Impact of the Policy:**

The president Attlee and the members of the cabinet claimed that the housing program was slow progress made. And its results were not something in which labour felt proud of it. Attlee reacted to this loss by introducing cabinet committee to continue the job.

In 1948, the maximum of housing production came in when 227000 houses were completed, and in the next year, the number has decreased radically. And that made the labour party avoid deepen the issue of housing in the next general election of 1950. In contrast, the conservative party focused on the subject, called for housing “the first of the social services”, and promised for 300000 houses a year.

The slow rate of the building resulted in a huge movement of squatters in the summer of 1946. Spontaneous invasion spread largely in the country, homeless people started occupying camps, hotels, schools and the vacant block of luxury flats. There was no force reaction from the security; in contrast, the government provided them with water, gas, food, electricity and other necessities.

This behaviour dissatisfied Bevan and made him strongly demanded to cut off gas and electricity supplies, and accusing the responsible of these damages. Eventually, five council leaders were brought to trial for criminal conspiracy, and many of the rioters were re-housed in tenants while a few camps converted to permanent council estates.

Bevin's main target was to make the renting universal, by taking the older houses from landlords and accepting the limited amount of ownership. To realise this vision there must be large houses producing. And because of the difficulty of achieving this

point, the council housing was obliged to work in conditions of shortage and consequently invidious discrimination between different categories of housing need.

The labour's housing policy was interested in the quality of housing and forgot about the quantity which was the major problem at that time, and that resulting dissatisfaction of few social members who found that their stock housing was decreasing, and that explained their unsuitable decisions and management style. Indeed the task was hard to even for the labour government or for anyone to achieve in this period.

## **5. Education under the Labour Government:**

The major target of the labour party was to create a civilised society, full equality and democracy. To achieve this target, the labour leaders knew that the starting point should be the education, and when they create an educated society, they can face all the social problems wisely. The labour party first referred to the education policy in its manifesto «Let Us Face the Future», in 1945 general election. The policy contained the proposal that school learning age should be raised to sixteen as soon as possible. The point was realised after the labour victory. The new government passed the 1946 act which provided free grammar schools education for all children, with no matter if they were working-class or middle-class, both of them achieved the same educational level. The step cost the government a lot because it needed a large fund to achieve in the time when the government was limited by big economic problems, and that resulted in an opposition from those who feared about the radical change. In contrast, the labour government was no longer concerned about the development of new ideas and policies.

In 1944, the government passed its educational Act, which seemed successful at the first year. The Act main feature was to replace both the elementary and secondary schools by three progressive stages; primary, secondary and further education under the responsibility of local education authorities, primary and secondary education was to be provided in separate schools. The Act contained also nursery schools for children less than five years, authorities also were obliged to provide free milk and meals and medical treatment in schools.

Creation of a new partnership between central and local government is another feature of the act. To secure the effectiveness of the policy, the minister of education has increased powers of local education authorities, which were responsible for looking to the government for guidance and had to obtain its approval in order to implement their recommendations.

One of the labour government's surprises after the 1945 victory was the new minister of education Allen Wilkinson; the Harbet Morrison's parliamentary secretary during the wartime

coalition government. President Attlee chooses her instead of Chulter Ede the secretary to Board of education during the war, because of her interest in reform. Allen pointed the Cambridge man Dr H Adman as her parliamentary secretary and she was interested in developing a standing committee to discuss the policy matter, unfortunately, she didn't get this point, and this failure made her lost touch with key figures in the party.

Allen's primary task was providing regional authorities by building materials, but this was partially successful, because of the rising of economic problems, so the main Beneficiaries of this reform were people living in suburbs and housing estates, and it was hard to achieve for others who used the old school buildings. The successful side in this system was the teacher training program because of the experience achieved in the period of the war.

The dominating approach of the policy was that there should be three types of secondary school in addition to grammar school tradition. But the labour teacher has supported another idea, they called for multilateral schools the multilateral idea had supported the view of innate differences in children; which means three different schools under one roof, and from this idea, the "comprehensive school" was emerged.

The leading advocates of the comprehensive idea were the National Association of Labour Teachers (NALT) which had the support of the MPs, W. G. Cove, Leah Manning and Margaret Herbison and educationalists such as G.C.T.(Benn,1980) Giles, ex-President of the National Union of Teachers (NUT) who in the New Scholl Tie called for a new secondary system based on a core curriculum to the age of thirteen with differentiation on specialization but not ability. NALT developed these ideas in 1946, defining the target of the comprehensive school as a liberal education, based three types of interest:" cultural for the enrichment of the personal leisure, vocational in preparation for the successful gaining of a livelihood and civic to prepare for responsible participation in the duties of citizenship."(Harold; 12).

There were be no attention from the government to agree to them and declare a clear policy because it supported the local authorities which should not support the development of the comprehensive schools and this point created a lack of consensus within the party, there were three contradictory themes within the Party. The defenders of the tripartite system who aimed to defend the working class opportunities were the dominant group of MPS including, Ellen Wilkinson,Herbert Morrison and Creech-Jones. The other group included Chuter Ede who reflected the middle way that supported multilateral schools while accepting the basic

tripartite principle and the last group of Labour teachers and Socialists, from inside and outside the party, called for comprehensive schools.

The labour government was against both the compressive school and the multilateralism, and declares its only support for the tripartite system of grammar, technical and secondary schools, this tripartite system was known as the Nation's schools, this point was attacked by educationalist and at 1946 labour party conference, an influential advocate of compressive schools and key figure in NALT.W.G government MP succeed to win a support for demanding the withdrawal of "the nation's schools".

There was being a large thought that the tripartite system was an incorrect social philosophy. And that disappointed Allen Wilkinson, according to her the system was created to achieve opportunities for working class children, and she has fought hard for educational reform till she died on February, 6th, 1947.

The 1944 Act seemed that it was based on the principle of equality of opportunity, but this point was not achieved, because of the failure of the government in dealing

with grants of grammar and public school. Tomlinson told the party sub-committee in 1948 'I do not think the time has come when the 'nationalization' of these schools would be worth the very considerable opposition which any such proposals would create'. From this point, we can suggest that the labour Government losses in removing inequality resulted in a failed educational program.

**General conclusion**

## **General conclusion**

Since the 16th century, the British rulers were interested in the citizen's issues. Queen Elizabeth during her reign, she was responsible for her subject's well-being, and to cover their issues and solve their problems, she passed an Act under the name of "The 1601 Elizabeth Poor Law". The Act was intended to help settled poor who found themselves out of work because of illness or during a hard winter or trade depression. The law covered a large population and remained under implementation two hundred years later; in 1834 the Act has involved, to include a large group of people with better reforms under the name of "the poor law amendment act". Both the old and the new Acts has supporters and opponent and that resulted the raising of many movements, the famous one at that time was the "Anti-Poor Law Amendment Act", a group of movements included opponents of the Law. Despite this

opposition, the Old and the New Laws represented the origin of the Welfare State in the British society because of its interest in solving the problem of poverty, unemployment and disease.

Another face of the welfare state emerged in the early years of 19th century, under the liberal government. In 1911 David Lloyd George passed his famous Act “the National Insurance Act 1911”, which provided new social reforms to solve the people’s problems, the Act was divided into two parts; the system of health insurance, and unemployment system, the first one was provided for workers, included free care and treatment, and the second one was titled for the unemployed people, it was based on giving benefits to them. The Act was one of the foundations of the modern Welfare State.

In 1945 after the declaration of the labour party’s victory in the general election, the labour’s leaders Headed by Clement Attlee started keeping their promises, to provide the welfare state mentioned in Beveridge report; the first reason of their win, by providing a set of social policies included housing, education, unemployment and health. Although there were been Weaknesses in that implementation of these policies, provided and deserved the title of the Modern Welfare State.

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## **Dedication**

**I would like to dedicate this modest work to those who gave me their spirits and devoted their life to make me reach this position my dear parents.**

**A very special gratitude to my wonderful husband, who was very patient to help me to have my degree.**

**To my little nephew Ayhem**

**To my dear sisters, Nariman, Samira, Imen and to my lovely brother Abd el nor.**

**To my second family, my husband's family abati and oumi and my little brother abd el samad**

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## **Abstract**

The dissertation below aims at analysing the rise of the British Social Reforms under the name of “The Welfare State”, since the 16th century under Elizabeth one’s reign till the labour’s government period (1945-51). The research is divided into three chapters. The First Chapter analyses the implementation of the Welfare state from the 16th to the early 19th century, starting by discussing the concept” Welfare State” by giving several definitions, and the origins of the Welfare State by studying the old and the new poor law and their opponents. After analysis the rising of the Welfare State under the liberal party, by discussing “The 1911 National Insurance Act” and its two parts; the Health and the Unemployment insurance. The Second Chapter discusses the shift of the labour party after the 1945 General Election and the reasons behind the labour’s victory, and the relationship between the labour government and the modern Welfare State by analysing the Beveridge Report. The Third Chapter aims at explaining the link between the Beveridge Report and the labour’s social reforms, it includes the Social insurance and the implementation of the unemployment, health and housing policies and its impact on the British society.

