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BOOK REVIEW

Peter Hennessy, *A Duty of Care: Britain Before and After Covid*

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Patricia Thane[1]

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Ill-health forced Peter Hennessey to "shield" at home during the first Covid lockdown from March 2020. Recognizing, like most of us, that this was an unusual time, he decided, unusually for him, to keep a daily diary. He had time on his hands to reflect and compare this great disruption of everyday life with the great disruption of World War 2, and to believe that, like then, "there had to be a better Britain come out of it." (p. xvi). He concluded that both crises led to widespread feelings of "a shared duty of care, in an intense form between government and people, and also between individuals" (p. xvi). These reflections led him to spend the pandemic writing this book surveying the impact of the last great war and the subsequent British experience up to and including Covid in order to demonstrate why "a better Britain" is needed and suggest how it could come about. The book was completed in September 2021, perhaps too soon to assess the pandemic's full impact since it was far from over.

How relevant to present problems is the comparison of the war and the pandemic? World War 2 lasted for more than 5 years, longer (so far) than the pandemic and was far more disruptive, nationally and internationally. Another difference is that, although it was preceded by 20 years of high unemployment and poverty, war needs brought about unprecedented full employment, rising living standards for many on low incomes and shrinking inequalities, raising expectations for the future and leading to many proposals for post-war improvement in social and economic conditions.

The pandemic was preceded by levels of poverty unseen since the 1930s. In 2015/19 respected independent research institutions, including the Institute for Fiscal Studies (IFS), the Rowntree Foundation, and the Resolution Foundation, found between 20 and 25% of British people, about 30% of all children, living in poverty by the internationally accepted standard of incomes below 60% of the national median. Exceptional numbers were driven by poverty into homelessness and resort to food banks, which were almost unheard of in Britain before 2010, when poverty began its sharp rise. In contrast with the war experience, during the pandemic, according to the same sources, poverty and inequalities deepened. They were alleviated but by no means removed through 2020/21 by government measures including the furlough scheme for workers and the £20 per week upgrade to Universal Credit. And both of these terminated in autumn 2022 while the pandemic has continued and poverty increased further. Unlike in the war there were no signs of the government initiating research into strategies for long-term improvement of social conditions, incomes or services.

Unlike the 1930s, pre-pandemic poverty occurred amid exceptionally low levels of unemployment, the lowest since the 1970s as the government boasted and as Hennessey repeats. The difference was that the surveys showed that 60% of those in pre-pandemic poverty were in households including at least one worker but these workers were paid below the minimum (so-called living) wage, many on insecure "zero hours contracts" or in fake self-employment enabling employers, mainly "agencies", to avoid paying the minimum wage or sickness, redundancy or holiday pay or pension contributions: the worst work conditions in Britain since the early twentieth century. The "gig economy", as it was known, arose from serious erosion of state regulation of the labour market which the post-1945 Labour government introduced to ensure no return to pre-war conditions. There was no sign of the pandemic bringing about government plans for its return.

These significant differences between the war and the Covid experiences are not discussed by Hennessy. He focusses rather upon what he takes to be the post-war influence of the Beveridge report of 1942, its subsequent erosion and the need for a "new Beveridge" to extricate us from the present crisis. He gives no details of the Beveridge report other than to quote the call to attack "the five giants" Beveridge

✉ Patricia Thane
p.thane@bbk.ac.uk

[1] Birkbeck College, University of London, London, UK

perceived as obstructing the road to social reconstruction: "Want, Disease, Ignorance, Squalor and Idleness". Like many others, Hennessy presents the report as the blueprint which guided Labour's post-war social and economic policies. Important and popular though Beveridge was, this is misleading. The reality is worth discussing because its challenges Hennessy's account.

Labour's significant welfare reforms had many sources. The National Health Service grew out of numerous pre-war and wartime proposals, then was constructed by Aneurin Bevan, who was also responsible for building improved council houses. Hennessy does describe how improvements to education resulted from the wartime work of the Conservative Minister, R.A. Butler. Beveridge listed all five "Giants" as obstacles to the elimination of "Want", as he called poverty, but he was required only to make detailed proposals concerning social insurance not for the elimination of them all, nor did he attempt to do so in his report. Hennessy describes Beveridge as supporting full employment because it was essential to cover the costs of his social security proposals, but his commitment to it went deeper. From the beginning of his career in the early 1900s, he worked for the elimination of "Idleness", i.e. unemployment, on which he wrote a major book in 1909. He then advised Winston Churchill, then a Liberal Minister, on the introduction of Labour Exchanges in 1909 and the world's first Unemployment Insurance scheme in 1911. During World War 1, he advised the government on post-war unemployment policy, and in the 1930s, he administered unemployment insurance. At the beginning of World War 2, he was appointed to advise the Minister of Labour, Ernest Bevin, but characteristically, as Hennessy describes, he so infuriated Bevin by bombarding him with unwanted advice and criticism that Bevin had him transferred to chairing a government committee on coordination of social insurance policies, otherwise composed of civil servants. It was intended to be a minor committee making no major recommendations and Beveridge was deeply disappointed. He was persuaded by his close friend and soon-to-be wife, Jessie Mair, that it was an opportunity to achieve what they both aspired to, the elimination of poverty. The committee arose from widespread dissatisfaction, which Beveridge shared, with the lack of coordination and inadequacy of the various social security schemes that had emerged since 1906 and it led to his famous report of 1942.

The report proposed a system of benefits, including for retirement, unemployment, sickness and widowhood, for the entire population, to be funded by contributions from workers, employers and the state, providing incomes adequate for full subsistence, covering all needs for food, housing, clothing, transport and other essentials without further supplement. Beveridge aimed to remove the stigma and inefficiencies attached to benefits restricted to those on lowest incomes, as all previous state provision had been, and recommended funding through universal national insurance contributions in order to confer on contributors a *right* to benefits which could no longer be disparaged as handouts from the taxpayer. By including the whole working population, he sought to stimulate social cohesion and feelings of mutual responsibility and care. His report was, as Hennessy describes, very popular and Labour's commitment to it contributed to their decisive election victory in 1945.

But it did not shape Labour's policies as profoundly as Hennessy suggests. For this reason, it is worth examining more closely the relationship between the Beveridge Report and the emerging "Welfare State" (a term he much disliked). Hennessy points out that Labour quickly abandoned Beveridge's (and Keynes') recommendation that payment of benefits should be delayed for 20 years to enable contributions to accumulate to cover the considerable costs. Labour wanted to reward its voters and in 1946 introduced full benefits for existing, lower-paid, contributors to national insurance. But, due to the costs and miscalculation of post-war living costs, the benefits were below the subsistence level Beveridge had originally proposed. Very soon over a million pensioners with no other income had to supplement the pension with means-tested National Assistance (NA) in order to subsist. NA was the replacement of the ancient Poor Law which Beveridge had recommended as a strictly residual resource for those unable to join national insurance. Labour's measure opened the way for future Conservative governments to extend means-testing and erode Beveridgean universalism. Beveridge always passionately opposed means-testing because it stigmatized deserving people, was costly through having to assess incomes and needs, and inefficient because many eligible people recoiled from the stigma or were unaware of their rights and failed to apply—a common feature of all known means-tested systems.

Beveridge was deeply disappointed by Labour's response to his proposals and because the government did not consult him as he hoped, as Jose Harris points out in her excellent biography of Beveridge which, strangely, Hennessy does not reference.[1] Following this missed opportunity, British state pensions have never provided enough to live on without a means-tested supplement (now Pension Credit) and are currently among the lowest in the high-income world. Beveridge's report did influence real improvements, but full implementation would have achieved still more.

Labour did successfully achieve Beveridge's other ambition: full employment, but even this cannot be attributed solely to Beveridge. Since its foundation in 1900, Labour had believed that full employment at decent pay was the best means to maximize "welfare", with benefits for those unable to work due to age, disability, sickness or other difficulties. Its

[1] Jose Harris, *William Beveridge: A Biography.* (Oxford 1977, 2nd edition 1997).

determination to prioritize full employment and economic recovery while paying the costs of war and maintaining defence spending (including funding an independent nuclear bomb) was a major reason for Labour's failure to fulfil all its welfare ambitions, but the achievement of full employment for the first time in peacetime and substantial economic growth was a lasting success. Labour initiated an impressive transformation of social and economic conditions after 1945 which lasted to the 1970s, as Hennessy describes. It aimed to further expand the Welfare State when the economy fully recovered, but it narrowly lost the election of 1951 to the Conservatives and the opportunity was lost. The election result suggested that, however united Britain might have been by the war, it was now deeply divided, mainly by class. On an exceptionally high turn-out—of 82.5%—Labour won more votes than the Conservatives (13.9m to 13.7m) but 26 fewer seats because they piled up votes in working class constituencies.

Describing what followed, Hennessy adopts the somewhat dated stereotype of "consensus" between the parties. It is true that they were less divided than they later became but it is hard to define as "consensus", or the other conventional term for the period employed by Hennessy "settlement", a situation in which the party which levied the highest taxes of the century (hence alienating many middle-class voters) was succeeded by one which sharply cut taxes and social spending. It did not severely cut back Labour's welfare policies but did very little to improve them. As Hennessy points out, the new government encouraged means-testing where possible, starting a persistent Conservative post-war trend. They did not raise the inadequate pensions but provided tax incentives for the development of occupational pensions, which mainly benefitted better-off men. They established a committee chaired by a Cambridge economist, Claude Guillebaud, to investigate National Health Service finances, hoping it would recommend privatization. But in 1956 it praised the NHS as the most cost-effective system in the world and recommended building the hospitals Labour had been unable to afford. The Conservatives reluctantly acquiesced. They built many more council houses than Labour since this was popular with voters. Labour had built fewer than it hoped, not only, as Hennessy suggests, due to "lack of material and labour" (p. 10), but because Aneurin Bevan was determined to build to a higher standard of space and comfort than before, which was costly. Conservative housing was cheaper, of lower standard and in the later 1950s increasingly high rise, which was unpopular and stored up problems for the future.

When Harold Wilson narrowly defeated the Conservatives in 1964 after what Labour called their "thirteen wasted years", the clearest evidence of lack of consensus between the parties was the shock discovery that Labour had inherited a massive balance-of-payments deficit—£352m, by far the greatest since the war, owing much to tax cuts. Hennessy does not mention this. It stalled but did not wholly destroy Wilson's ambition to complete the Welfare State and improve economic competitiveness. Hennessy underestimates Wilson's efforts to revive the flagging economy by stimulating innovation in manufacturing through the Ministry of Technology, with particular success in the areas of electronics, computing and machine tools, while improving weak management by establishing the first Business Schools. Social policy improvements included building more high-quality council houses and subsidizing renovation rather than demolition of old houses, introducing comprehensive schools and establishing the Open University, and initiating improvements to the pension system. But Labour's time in office until 1970 was too short and both social and economic reforms were undermined by Heath's far from consensual Conservative government which followed.

Hennessy reiterates the conventionally gloomy image of the 1970s, though he rightly notes that inequality between rich and poor reached its lowest point of the century but not that welfare benefits and services reached their peak under the 1974–79 Labour governments. Though unemployment rose somewhat, mainly due to the international rise in oil prices, unemployed workers were adequately supported and generally living standards rose. Hennessy has not caught up with research demonstrating that the 1976 IMF loan was unnecessary and due to a Treasury miscalculation, only partially taken up and fully repaid while Labour was in office.[2]

The 1980s under Thatcher was far more dismal for many people than the 1970s, as unemployment and inequality quickly shot up to levels unseen since the 1930s and manufacturing declined while finance boomed. According to the Institute for Fiscal Studies (IFS), child poverty rose from 13% in 1979 to 28% in 1990, while the average incomes of directors of Morgan Grenfell investment bank rose from £45,000 in 1979 to £225,000 in 1986 and they were not alone. Hennessy does not adequately convey the extent of the increased inequality or of the cuts and privatization of public services under Thatcher, severely undermining Labour's post-war achievements and what remained of Beveridge's universalism. He does recognize that the sale of council housing without replacement has led to persistent homelessness ever since, but fails to mention the termination of rent controls, in existence since 1915, another cause of the housing crisis.

Similarly superficial surveys of the Major and New Labour governments follow. Blair and Brown receive due credit for improving health and education funding, for Sure Start, introducing the minimum wage, reducing unemployment and increasing economic growth, until overtaken by the international financial crisis in 2008. Hennessy rightly points out their reluctance to tax the rich: low incomes rose but the inequality gap remained substantial. Also, their preference for

[2] Richard Roberts, *When Britain Went Bust. The 1976 IMF Crisis.* (London: OMFIF, 2016).

maintaining and extending mean-tested benefits over restoring universalism. But they were more successful in reducing child poverty than he suggests: according to the IFS by one-third rather than one quarter between 1999 and 2010.

The financial crisis put an end to New Labour despite Brown's successful attempts to alleviate it. The "austerity" policies of the Conservative-led coalition, continued by Conservative governments that followed, completed Thatcher's destruction of the post-1945 reforms, including through the introduction of Universal Credit, the "bedroom tax" and severe reductions to legal aid, all summarized adequately by Hennessy. In consequence, as he points out, in 2020 the "5 Giants" were very much alive, as indicated above, though he provides little detail of pre-Covid poverty. He rightly describes the attempts of the Scottish and Welsh governments, following devolution in 1999, to retain a more caring system so far as their limited powers allowed, raising the possibility of the break-up of the UK, soon reinforced by divisions over Brexit.

Then came Covid. Hennessy rightly questions Johnson's handling of the pandemic but curiously fails to mention the billions of public revenue wasted on funding incompetent private businesses with links to Ministers to fail to run an effective test and trace system, provide adequate protective equipment or to help children catch up with work missed due to school closures, among other failures. The striking contrast with the efficiency of mass vaccination carried out by the publicly owned NHS with the help of volunteers deserves consideration. Like other prominent figures, Hennessy is surprised and impressed by the general compliance with lockdowns and other rules and by the extent of voluntary community support, though British people have no history of widespread resistance to official rules, and there is widespread underestimation of how deeply voluntary action is ingrained in British culture. Hennessy rightly points out that the pandemic increased public awareness of serious social problems, in particular the inadequacy of social care for older and disabled people and the resulting stress upon them and their families, and increasing poverty, homelessness and use of food banks.

He concludes with the hope that the experience will lead to "a new consensus" and an agreed programme of reform, a "new Beveridge". He suggests "five tasks" necessary for "a more equal, socially just nation funded by levels of productivity that can only come from sustained scientific and technological prowess, with a set of effective democratic and governing institutions" (p. 131). The five "tasks" (not "giants" though they are quite giant) are, firstly, much improved social care. Hennessy rightly describes how its inadequacies, in particular that it has always been charged for and means-tested unlike health care though many frail people need both, have been repeatedly criticized by official committees and others over many decades, and repeatedly neglected by successive governments including that currently in power. However, he does not discuss how already poor conditions in the care system were worsened by cuts to local funding and "outsourcing" to profit-making private companies under Thatcher and since 2010.

The other "tasks" are provision of adequate social housing, followed by technical education, preparing the economy and society for Artificial Intelligence, and combatting climate change. Again, Hennessy overlooks the urgent need to regulate the exploitative work conditions that are a major cause of recent and current poverty. Nor does he mention the inadequate funding and moves to privatize the NHS. He adds the need for constitutional reform, including greater devolution to local government and reform of the Lords (which he knows well) into a more representative institution. Also, the need to reform the justice system following cuts to legal aid and funding of the courts, creating vast backlogs, worsened by Covid restrictions.

Hennessy rightly sees in Michael Marmot's recent reports on health and inequality and the IFS' ongoing review of inequalities suggestions of possible paths forward. The succession of studies of inequalities in Britain led by Marmot—described by Hennessy as "today's equivalent of William Beveridge" (p. 165)—culminating most recently in *Build Back Fairer: the Covid-19 Marmot Review* (2020) are indeed impressively comprehensive in their analyses and recommendations. *Build Back Fairer* discusses inequalities before and during Covid in health, life expectancy, employment and pay, education, housing, poverty, childcare, the impact of "austerity" cuts to public funding, and ethnic inequalities—another topic surprisingly overlooked by Hennessy though its significance has been much discussed during the pandemic. Marmot's recommendations indeed suggest a comprehensive programme of recovery, but they are not nearly so well-known or well-publicized as those of Beveridge, and there is no sign of the government taking heed.

It is easier to list necessary reforms than to suggest how they are to come about. Hennessy points out that the possible break-up of the UK would delay change, not least by taking up years of parliamentary time and edging out other issues. Setting this aside, he finds it hard to imagine a Conservative government promoting real change, especially when he believes that they have lost public trust due to mishandling the pandemic. Nor is he optimistic of seeing any time soon a progressive centre-left government like that from 1945, since neither Labour nor Liberal Democrats seem realistically likely to co-operate or to win an election independently, not least due to their loss of seats to nationalists in Scotland. And change, as Labour realized in 1945, will require a buoyant economy which is also lacking, worsened by the costs of Covid and other more recent external developments.

Hennessy is moderately optimistic that the nation's shared Covid experience could be what R.H. Tawney termed "a

source of social energy", increasing awareness of the need for the state to care for its people, breathing life into reform debates that have existed for some time. Prominent among these is introduction of a Universal Basic Income (UBI), as trialled in Finland and elsewhere. Or of Universal Basic Services (UBS), including housing, transport, childcare, social care, healthcare education, legal services, access to digital information and communications and a basic income. Both are designed to bring about social equality, social justice and, as Hennessy puts it, "serenity". The problem remains of finding a government willing and able to introduce such costly measures, though we might reasonably ask why a government that can afford very expensive failed private services could not afford public services that bring real public benefits.

Hennessy concludes that out of Covid "good things can come…if we act determinedly enough. I think we will" while maintaining community spirit: "We need a decade of real, shared accomplishment that can only come with a high level of consensus" (p. 168). Yes indeed, but he fails to convince that it is realistically in prospect. Since the book was written optimism has been further undermined by the impact of the war in Ukraine and the surge in energy prices, further deepening poverty. It is impossible not to share Hennessy's hope that recent disasters will lead to better times, and his uncertainty about how or in what form this can be achieved. But he does not provide a comprehensive or accurate account of our experiences since 1945 offering lessons for the present.

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Reviewer: Patricia Thane, FBA, is Visiting Professor in History, Birkbeck College, University of London and the author of several books including *Divided Kingdom: A History of Britain 1900 to the present* (2018).