British History in Perspective

General Editor: Jeremy Black

PUBLISHED TITLES

- Rodney Barker *Politics, Peoples and Government*
C. J. Bartlett *British Foreign Policy in the Twentieth Century*
Jeremy Black *Robert Walpole and the Nature of Politics in Early Eighteenth-Century Britain*
D. G. Boyce *The Irish Question and British Politics, 1868–1996 (2nd edn)*
Keith M. Brown *Kingdom or Province? Scotland and the Regal Union, 1603–1715*
A. D. Carr *Medieval Wales*
Anne Curry *The Hundred Years War*
John W. Derry *British Politics in the Age of Fox, Pitt and Liverpool*
Susan Doran *England and Europe in the Sixteenth Century*
Seán Duffy *Ireland in the Middle Ages*
William Gibson *Church, State and Society, 1760–1850*
David Gladstone *The Twentieth-Century Welfare State*
Brian Golding *Conquest and Colonisation: the Normans in Britain, 1066–1100*
S. J. Gunn *Early Tudor Government, 1485–1558*
J. Gwynfor Jones *Early Modern Wales, c.1525–1640*
Richard Harding *The Evolution of the Sailing Navy, 1509–1815*
David Harkness *Ireland in the Twentieth Century: Divided Island*
Ann Hughes *The Causes of the English Civil War (2nd edn)*
Ronald Hutton *The British Republic, 1649–1660*
Kevin Jefferys *The Labour Party since 1945*
T. A. Jenkins *Disraeli and Victorian Conservatism*
T. A. Jenkins *Sir Robert Peel*
D. M. Loades *The Mid-Tudor Crisis, 1545–1565*
Diarmaid MacCulloch *The Later Reformation in England, 1547–1603*
A. P. Martinich *Thomas Hobbes*
John F. McCaffrey *Scotland in the Nineteenth Century*
W. David McIntyre *British Decolonization, 1946–1997: When, Why and How did the British Empire Fall?*
W. M. Ormrod *Political Life in Medieval England, 1300–1450*
Richie Ovendale *Anglo-American Relations in the Twentieth Century*
Ian Packer *Lloyd George*
Keith Perry *British Politics and the American Revolution*
Murray G. H. Pittock *Jacobitism*
A. J. Pollard *The Wars of the Roses*
David Powell *British Politics and the Labour Question, 1868–1990*
David Powell *The Edwardian Crisis*
Richard Rex *Henry VIII and the English Reformation*
G. R. Searle *The Liberal Party: Triumph and Disintegration, 1886–1929*
Paul Seaward *The Restoration, 1660–1668*
W. M. Spellman *John Locke*
William Stafford *John Stuart Mill*
Robert Stewart *Party and Politics, 1830–1852*
Bruce Webster *Medieval Scotland*

Titles continued overleaf

List continued from previous page

Ann Williams *Kingship and Government in Pre-Conquest England*

John W. Young *Britain and European Unity, 1945–92*

Michael B. Young *Charles I*

FORTHCOMING

Walter L. Arnstein *Queen Victoria*

Ian Arthurson *Henry VII*

Toby Barnard *The Kingdom of Ireland, 1640–1740*

Eugenio Biagini *Gladstone*

Peter Catterall *The Labour Party, 1918–1945*

Gregory Claeys *The French Revolution Debate in Britain*

Pauline Croft *James I*

Eveline Cruickshanks *The Glorious Revolution*

John Davis *British Politics, 1885–1939*

David Dean *Parliament and Politics in Elizabethan and Jacobean England, 1558–1614*

Colin Eldridge *The Victorians Overseas*

Richard English *The IRA*

Alan Heesom *The Anglo-Irish Union, 1800–1922*

I. G. C. Hutchison *Scottish Politics in the Twentieth Century*

Gareth Jones *Wales, 1700–1980: Crisis of Identity*

H. S. Jones *Political Thought in Nineteenth-Century Britain*

D. E. Kennedy *The English Revolution, 1642–1649*

Carol Levin *The Reign of Elizabeth I*

Roger Mason *Kingship and Tyranny? Scotland, 1513–1603*

Hiram Morgan *Ireland in the Early Modern Periphery, 1534–1690*

R. C. Nash *English Foreign Trade and the World Economy, 1600–1800*

Robin Prior and Trevor Wilson *Britain and the Impact of World War I*

Brian Quintrell *Government and Politics in Early Stuart England*

Stephen Roberts *Governance in England and Wales, 1603–1688*

David Scott *The British Civil Wars*

John Shaw *The Political History of Eighteenth-Century Scotland*

Alan Sykes *The Radical Right in Britain*

Ann Wiekell *The Elizabethan Counter-Revolution*

Ian Wood *Churchill*

Please note that a sister series, *Social History in Perspective*, is now available.

It covers the key topics in social, cultural and religious history.

British History in Perspective Series Standing Order

ISBN 978-0-333-66921-1 paperback

(outside North America only)

You can receive future titles in this series as they are published by placing a standing order. Please contact your bookseller or, in case of difficulty, write to us at the address below with your name and address, the title of the series and the ISBN quoted above.

Customer Services Department, Macmillan Distribution Ltd
Houndmills, Basingstoke, Hampshire RG21 6XS, England

THE TWENTIETH-CENTURY WELFARE STATE

DAVID GLADSTONE

First published in Great Britain 1999 by
MACMILLAN PRESS LTD
 Houndmills, Basingstoke, Hampshire RG21 6XS and London
 Companies and representatives throughout the world

A catalogue record for this book is available from the British Library.

ISBN 978-0-333-66921-1 ISBN 978-1-349-27525-0 (eBook)
 DOI 10.1007/978-1-349-27525-0

First published in the United States of America 1999 by
ST. MARTIN'S PRESS, INC.,
 Scholarly and Reference Division,
 175 Fifth Avenue, New York, N.Y. 10010

ISBN 978-0-312-22087-7

Library of Congress Cataloging-in-Publication Data
 Gladstone, David, 1947–
 The twentieth-century welfare state / David Gladstone.
 p. cm.

Includes bibliographical references and index.

1. Public welfare—Great Britain—History—20th century. 2. Human
 services—Great Britain—History—20th century. 3. Welfare state—
 History—20th century. I. Title.

HV245.G48 1999
 361.6'5'09410904—dc21

98-46249
 CIP

© David Gladstone 1999

All rights reserved. No reproduction, copy or transmission of this publication may be made without written permission.

No paragraph of this publication may be reproduced, copied or transmitted save with written permission or in accordance with the provisions of the Copyright, Designs and Patents Act 1988, or under the terms of any licence permitting limited copying issued by the Copyright Licensing Agency, 90 Tottenham Court Road, London W1P 9HE.

Any person who does any unauthorised act in relation to this publication may be liable to criminal prosecution and civil claims for damages.

The author has asserted his right to be identified as the author of this work in accordance with the Copyright, Designs and Patents Act 1988.

This book is printed on paper suitable for recycling and made from fully managed and sustained forest sources.

10 9 8 7 6 5 4 3 2 1
 08 07 06 05 04 03 02 01 00 99

CONTENTS

<i>Preface</i>	vii
Introduction	1
1 Antecedents	9
<i>Welfare and the Public Sector</i>	9
<i>Welfare, the Public Sector and Children</i>	11
<i>Welfare, the Public Sector and Adults of Working Age</i>	12
<i>Welfare, the Public Sector and Old Age</i>	15
<i>Explaining the Expansion</i>	16
<i>Reaction to the Expanding State</i>	19
<i>The First World War and its Impact</i>	21
<i>The Interwar Years</i>	23
<i>Conclusion</i>	31
2 Creation	32
<i>The Classic Welfare State</i>	32
<i>The Second World War and the Welfare State</i>	34
<i>Planning</i>	36
<i>The Beveridge Report, 1942</i>	38
<i>The 1945 General Election</i>	40
<i>Labour's Welfare Programme</i>	42
<i>Reacting to the Welfare State</i>	46
<i>Conclusion</i>	51
3 Consensus	52
<i>The Changing Statutory Sector</i>	56
<i>The Moving Frontier</i>	66
<i>Crisis</i>	70

4	Reappraisal	73
	<i>Thatcher and Thatcherism</i>	74
	<i>Thatcherism and the Welfare State</i>	80
	<i>The Independent Sector and the Welfare State</i>	87
5	Getting and Spending	92
	<i>Public Expenditure: Some Long-term Trends</i>	93
	<i>Raising Revenue</i>	98
	<i>He who Pays the Piper...</i>	103
	<i>Local Welfare, Central Finance</i>	104
	<i>Mutual Aid, Charity and Contract</i>	107
	<i>Tax and Spend and Public Opinion</i>	110
6	Professionals, Managers and Users	113
	<i>The Changing Labour Force</i>	114
	<i>Professionals and Consumers</i>	123
7	Gender, Class and Generation	133
	<i>Gender</i>	134
	<i>Class</i>	142
	<i>Generation</i>	147
	<i>Conclusion</i>	153
	<i>Bibliography</i>	157
	<i>Index</i>	173

PREFACE

Welfare states and their future are issues of political concern in many countries. In Britain, for example, the Labour government elected in May 1997 has accorded a high place to welfare reforms in its first year in office. In part, at least, this widespread political reassessment is a recognition of the fact that the context within which welfare policies presently operate is enormously different from the assumptive worlds shared – to greater or lesser degree – by their creators fifty years ago. Then, full employment for men, family stability and national autonomy were defining characteristics of an era in which ‘the modern welfare state became an intrinsic part of capitalism’s post-war “golden age”’ (Esping-Andersen, 1996, p. 1). Now, that world has been transformed. Globalization, the structure of families, patterns of employment, an ageing population, growing inequalities, as well as the political concern with rising costs, are all part of the changed world of late-twentieth-century welfare. It has been suggested of the British experience that ‘these transformations have created new risks which cannot be addressed by Beveridge’s “cradle to grave” welfare state, founded on a lifecourse of full-time male employment when interruptions would be predictable and temporary, “dependent” wife and children and a relatively short retirement’ (Oppenheim, 1997a, p. 2). It is such an analysis which ostensibly forms the background to the Blair government’s comprehensive review of the welfare state and its commitment to an ‘active, modern service’ and a new welfare contract between citizen and state.

This book, however, is concerned more with Britain’s welfare past than its future. Yet there is a strong element of continuity that pervades the twentieth-century discourse on welfare and which underpins some of the current proposals for change: the relationship between work and welfare, the balance of responsibilities between state and citizen, a welfare state based on shared risks and universal entitlements, or one which

targets support more selectively to those who need it most. These are not only the continuities inherited from Britain's welfare past. They are also the reality of today's political 'hard choices'.

The growth and changing nature of government activity is a central theme in studies of Britain's twentieth-century welfare experience. The factors that have shaped it, the legislation that has embodied it and some assessment of its performance are, therefore, inevitably part of the narrative of this book. But historical perspectives on Britain's welfare past have increasingly shifted away from a linear progression leading towards the goal of solidaristic, comprehensive state welfare. Rather, they have highlighted the existence of a mixed economy of welfare with a shifting balance between different welfare agencies, in different sectors and at different historical periods. That 'moving frontier' (Finlayson, 1990) provides a perspective on the changing dynamic of the total welfare system. But it also highlights the complex interrelationship of continuity and change within the individual sectors of British welfare in the twentieth century. It is a perspective which structures much of what follows.

I have incurred many debts in writing this book, not least to the wide variety of scholars who have made the study of welfare such a burgeoning and stimulating area of academic inquiry. This book aims to provide a narrative and assessment which draws on the results of such recent research. In the process of blending it into a larger picture, I hope I have maintained at least some of the stimulation of the original. In addition to the research on which it draws, much of what is included here has benefited by presentation to a variety of audiences in this country and elsewhere. Their comment, criticism and discussion has helped to clarify my thinking and to broaden my perspective.

It was Jeremy Black's suggestion that I undertook this study and, though I may have at times regretted the decision as the project grew wider, I am grateful to him and the editorial staff at Macmillan for their patience and forbearance. In its final preparation for the publishers, I am immensely grateful to Carrie Anderson for all her careful, skilful and efficient work. Only my family, however, really know how much has been involved in balancing such a review against a constant stream of other (invariably academic) commitments and demands. It is to them – to Noreen and Alexandra especially – that the book is dedicated.

This book has been completed in the year of the fiftieth anniversary of the postwar creation of the National Health Service and the 'cradle to the grave' system of income maintenance foreshadowed in the 1942

Beveridge Report. Their implementation on 5 July 1948 was hailed in the political 'spin' of the period as 'a day which makes history'. Though the judgement of time may be more ambivalent about what was achieved, that defining moment still exerts its influence on options for the future and the debate about the balance of welfare responsibilities between state and citizen. But it was only part – though an important part – of the longer and more complex story of Britain's twentieth-century welfare past. It is an exploration of that past that we now begin.

University of Bristol

DAVID GLADSTONE