

PART 1: Welfare Theory

Concepts and Issues

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Introduction: Welfare Theory

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Concepts and Issues

The material in this section provides some of the basic ‘building blocks’ of social policy. Before we explore the widely varying architecture of welfare states, it is necessary to examine the underlying conceptual foundations. This section provides one definition of the welfare state from the many available, outlines the basic concepts of the social division of welfare and the mixed economy of welfare. It then discusses different perspectives on welfare offered in terms of the goals of the welfare state and some means of achieving them. **Briggs (1)** provides an early and famous definition of the welfare state, which is a state in which power is deliberately used in an effort to modify the play of market forces in at least three directions: guaranteeing a minimum income, narrowing the extent of insecurity; and by offering all citizens a range of social services. Briggs points out that the first two conditions are concerned with minimum standards, and can be met by a ‘social service state’, but the third goes beyond this to be concerned with the optimum.

Mann (2) revisits the path-breaking 1955 work of Titmuss on the ‘social division of welfare’ (SDW). Titmuss pointed out that to equate the ‘welfare state’ with visible state provision was very misleading, and he identified three systems of welfare: social/public, fiscal and occupational. While many people consider that public welfare should be progressive, Titmuss showed that fiscal and occupational welfare tend to be regressive in that they broadly favour the middle class. Mann shows the continuing relevance of the SDW by illustrating the skewed nature of debates that focus only on the most visible system of welfare provision.

The ‘mixed economy of welfare’, ‘welfare pluralism’ or the ‘welfare mix’ are different terms for the variety of providers within welfare systems. **Rose (3)** examines these and argues that ‘total welfare’ in society is the sum of the household (or family), market and the state (appearing to forget about the voluntary or third sector). This is a useful reminder that welfare can be supplied from various sources, and that the welfare mix can change over time and between countries. However, the sectors are not simply additive or substitutable, in the sense that provision by different sectors has different distributional impacts. Moreover, the piece tends to neglect that it is necessary to examine finance and regulation in addition to production. For example, the state can supply

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welfare (eg local authority housing in the UK) but it can also finance welfare (eg pay rents to private landlords) or regulate standards and/or prices (eg rent control).

Goodin et al. (4) point out the reasons for welfare provision: economic efficiency, social equality, social integration and stability (see **Baldwin, 23**), autonomy, and to reduce poverty. These tend to be associated with different values and ideologies (see Theoretical Perspectives section) and different countries (see Welfare Regimes section) attach different weights or priorities to these. For example, Liberal welfare regimes (see extracts 38-42) tend to attach more weight to economic efficiency. Moreover, countries need to manage the tensions and trade-offs between the criteria. For example, many argue that there is a tension between efficiency and equality. **Deacon (5)** discusses different perspectives on welfare (see also Theoretical Perspectives section). He shows important differences between these perspectives by using questions linked to a flow chart. For example, welfare that does not seek to change the attitude and behaviour of claimants and does not blame claimants, leads to the Titmuss position of welfare without stigma, while a rather different route leads to residual welfare.

Theoretical Perspectives

The key concepts used in social policy analysis are important; but our understanding of social policy is informed more generally by the theoretical and ideological perspectives within which concepts are situated and used and from which perception and analysis flows. We all operate with ideological frameworks which structure our understanding of the world, and this includes ideologies of welfare which structure our perceptions of the aims and activities of policy. However, academics seeking to analyse welfare have developed ideological frameworks into more sophisticated theoretical perspectives, which aim to offer a rigorous explanation of policy informed by previous academic debate and empirical evidence. Theories of welfare is therefore the term used to refer to the more sophisticated ideological frameworks developed by academics and aiming to provide an overall explanation of how social policy could, and should, be understood. They are sometimes also referred to as meta-narratives, as they operate above the more focused debates on particular problems or concepts.

These different frameworks are of course contested, and in principle mutually exclusive. In effect we must choose between different perspectives in deciding how to analyse welfare; and as students of welfare we need to be able to compare and contrast their different strengths and weaknesses. **George and Wilding (6)** were some of the first authors to develop a simple introduction to the different theories of welfare which have been prominent in informing academic debate and influencing policy development, although

they refer to them as ‘ideologies of welfare’. The extract from their 1994 book summarised the six main approaches that they identified at that time, and provided a useful classification of different ways of conceiving different ideologies in Table 1.1.

The next four extracts in this section provide examples of classic statements of major theoretical perspectives identified by George and Wilding and other theory analysts, drawing on traditional UK scholarship and policy. **Gough’s (7)** 1979 book was an attempt to outline a political economy of welfare drawing on the Marxist tradition, and chapter 4 explains how Marxists see the origins of the welfare state as the adaptation of capitalist economies to the pressures of working class demands and international competition. Macmillan and Crosland were both major political figures in the UK, who wrote books to explain the theoretical perspectives which underlay their political programmes. **Macmillan (8)** was a Conservative who championed what he called a ‘middle way’ in which welfare reform could be accommodated within support for capitalist economic development. **Crosland (9)** was a Labour social democrat who argued that state welfare reform had in effect transformed capitalism, whilst retaining some of its key features. **Fitzpatrick’s (10)** article is an academic summary of some of the strengths and weaknesses of the more recent postmodernist perspective, which itself suggests a questioning of the value of meta-narratives in explaining welfare policy.

The final extract in this section is a critical review by **Klein (11)** of the value of meta-narratives in providing meaningful explanations of the development of welfare policy in practice. In particular his critique is focused on the neo-Marxist work of Gough, O’Connor and Offe and the failure of their neo-Marxist approach to explain the variety and complexity of welfare policies within modern society.

Social Problems

In the eyes of many commentators social policies have been developed in order to respond to the social problems experiences within societies – and this is probably the view taken by many citizens if they were asked why welfare provision exists. This section includes extracts about some of the major social problems that have been the basis for policy development in the UK, and elsewhere. In the first extract, however, **Manning (12)** explores in more general terms the definition and recognition of social problems. He asks how social problems are defined and what factors might determine whether and when problems are recognised as social and hence worthy of policy intervention. And in the second **Bradshaw (13)** provides a classic early exploration of the concept of need as the basis for identifying social problems and driving social policy. He develops a taxonomy of different dimensions of need, revealing that some dimensions are problematic and contested.

Townsend (14) has been a leading figure in developing both theoretical understanding and empirical measurement of the problem of poverty. In the extract here he explores the extent to which the broader concept of 'deprivation' can provide us with a fuller understanding of what it means to be poor in modern society as well as a more effective basis for measuring the extent and depth of poverty through an index of multiple deprivation. This broader perspective has influenced research and policy on poverty across the world. More recently an even broader conceptualisation has been developed employing the notion of social exclusion. This draws on a wider European tradition of research and scholarship, and has been influential in providing a basis for the development of European Union policy interventions aimed at combating poverty and social exclusion. **Berghman (15)** explains the roots and scope of the concept of social exclusion and the role of the European Union in promoting policy in this field.

There are many social problems that could be identified as bases for policy intervention. We cannot cover many of these in the few extracts selected here. In addition to poverty and social exclusion, however, the problem of social care has been a major source of debate for policy makers and academics. The extract from **Finch and Groves (16)** is an early example of UK scholarship on this topic, written at the time when the increasing demand for care for vulnerable adults was leading to a review of policy to promote a community based approach to the delivery of care. As the authors point out this policy needs to be understood in the context of gendered nature of the community and family base for the provision of care, and provides a useful example of the need for policy makers to address the equal opportunities and gender dimensions of social problems in the development of policy responses to these.

Social Divisions

All societies are fractured by social divisions between different groups of people. Societies are divided by class, race, gender and other social and cultural characteristics. Social scientists study the distribution of people within these groupings as social stratification. However, social divisions are also social hierarchies, within which some groups are more powerful than others and some have more resources. The study of social stratification is also the study of social inequality therefore. What is more social divisions have an important impact on welfare policy. First social divisions can be a focus for policy intervention, for instance, to reduce inequalities or promote cohesion. Second social divisions can affect the ways in which policy operates, for instance, by restricting access to, or use of, welfare services. **Payne (17)** discusses some of these general implications of social divisions for social policy analysis and planning in the introduction to his book on the subject, from which the first

extract is taken, exploring also the extent to which social divisions are themselves dynamic and changing aspects of social order, the constitution of which will alter over time.

We cannot cover all of the division identified by Payne or included in his book here, nor indeed those which others too may argue are important for social policy analysis. The extracts selected do provide introductory discussion of some of the more important divisions which have been identified by policy analysts, however, and where there is significant evidence both of policy intervention and differential impact of policy operation.

Lister (18) discusses gender inequality, explaining how it has been a structural feature of the UK welfare state, as it has of most state welfare regimes. In particular this has constructed women as dependent upon men and has restricted the role of women as citizens and as welfare users, issues that she argues should be the centre of policy analysis and policy change. **Walker's (19)** focus is upon age differences and specifically the division experienced by older people. This is one of the early examples of analysis of the inequalities experienced by older people in the UK, now widely analysed by gerontologists in other countries too. It explains in particular how welfare policies have contributed to the construction of inequality in old age in particular through the creation of dependency for this group too. Race and ethnicity are also critical in structuring the experience of welfare in complex modern societies, and are now more widely recognised as focus. The extract from **Williams (20)** explores some of the conceptual difficulties underlying our understanding of 'race' and provides a useful summary of the historical dimensions of racial discrimination and inequality within the UK welfare state. The extract from **Mabbett (21)** addresses the problem of inequality and discrimination of disabled people. Its focus is upon policy making within the European Union and explores some of the legal and political difficulties involved in using a rights based approach to respond to this, in particular because of the difficulties inherent in developing and implementing agreed definitions of disability or disability rights.

For analysts of social stratification class remains perhaps the most influential social division, and it is certainly the one which has had most academic, and policy, attention. **Compton's (22)** book on class and stratification is an excellent exploration of the different ways in which class have been defined and measured. In the extract included here she discusses these issues in the context of recent economic and social change within advanced societies and the forces that have been reinforcing and reshaping class inequalities, and discusses in particular some of the political and policy implications of these.



The Welfare State in Historical Perspective

Asa Briggs

I

The phrase “welfare state” is of recent origin. It was first used to describe Labour Britain after 1945. From Britain the phrase made its way round the world. It was freely employed, usually but not exclusively by politicians and journalists, in relation to diverse societies at diverse stages of development. Historians also took over the phrase. Attempts were made to re-write nineteenth and twentieth century history, particularly British history, in terms of the “origins” and “development” of a “welfare state”.

Much of the political talk and the international journalism was loose and diffuse. The phrase “welfare state” was seldom defined. It was used to cover both social and economic changes. Among the social changes the demand for more comprehensive social security – “freedom from want” – was linked, often with little thought, with the demand for greater “equality of opportunity” through educational reform. The differences between the two goals, differences which had been noted by earlier writers, were not usually stressed. It was only in the aftermath of change that the social implications of “meritocracy” were disentangled from the social implications of other aspects of legislation. There was confusion also on critical issues concerning social change and economic power. The most important economic changes which found a place in British “definitions” of the “welfare state” were those which seemed to entail direct and immediate social consequences – the “abolition of poverty” and the “conquest of unemployment”.

The historical writing dwelt primarily on the contrast between the nineteenth and twentieth centuries. The “night-watchman state”, condemned by Lassalle, had become as obsolescent, it was argued, as *laissez faire* itself. Emphasis on “political rights” had given way naturally, as the nineteenth century went by, to the demand for “social rights”. The year 1848 was a landmark on the continent: Chartism was a landmark movement in Britain. Democracy had become completely meaningful only as it had taken the form of “social democracy”. “Welfare states” were fruits of “social democracy”. One strain in this historiography was a modern counterpart of the “Whig” historiography of nineteenth-century Britain with the concept of “welfare” substituted for the concept of representative government. The past was seen as leading inevitably and inexorably along a broad highway with the “welfare state” as its destination.

Already the early journalism appears dated and the history looks slanted. Increasing emphasis has recently been placed in Britain, the home of the phrase, on the contemporary social influence not of legislation but of an affluent market economy. Both critics and admirers of the welfare state have been driven to concern themselves with “affluence”. There has been talk of “myths” of the “welfare state”, including a “myth of the welfare state for the working classes” which has persuaded (against much factual evidence) both politicians and voters that most, if not all, contemporary social problems have been solved since 1945. The inhibiting effects of the “myth” have received as much attention from critics as the liberating effects of the legislation. At the same time recent writings from all sides make it abundantly clear that the ideals which inspired the achievement of a “welfare state” are now no longer universally shared. Comprehensive notions of a “welfare state” based on complete “equality of citizenship” no longer receive universal assent (or lip service). Against a background of recurring fiscal crises, “paying for services” has replaced “fair shares for all” as a current political slogan. The switch may only be temporary and it has already met with resistance, but it is a sign that what only recently seemed to be fixed is far from fixed, that the post-1945 “welfare state” was not in itself a final destination. “Beyond the welfare state” has become a slogan for socialists. On the other side a number of writers, some of them influential, have reverted to older and more limited ideas of a “social service state” where limited services are provided for a limited section of the population. That section is the least well-off section of the community. The state services liquidate themselves, it is claimed, as more and more people rise above the level of a minimum standard of living to reach “freedom” to buy for themselves the services (health, education, etc.) which they want.

While political attitudes have been changing not only in Britain but even more markedly in other parts of the world, a small number of British historians and sociologists have begun to make a more searching examination of the “background” and “benefits” of the “welfare state”. As a result of their continuing labours, the significance of each of the great “turning points” of British

“welfare state” history is already being re-assessed. The stark contrast between the nineteenth and twentieth centuries has been qualified. Landmark legislation such as the National Health Insurance Act of 1911, which hitherto had been treated generally or symbolically, has been re-interpreted in the light of newly discovered or hitherto neglected evidence. The pressures have been more carefully scrutinized, and the setbacks have been examined as well as the successes. Many of the “reforms” were designed as remedies for specific problems: they were certainly not thought of as contributions to a “trend” or a “movement”. The sources of inspiration were multiple – socialism was only one of several strands – and this very multiplicity added to later complications and confusions. The old poor law, from which social services emerged both directly and by reaction, was not so much broken up, as its critics had wished, as eroded away by depression, war, unemployment and the introduction piecemeal of remedial legislation. The social welfare legislation of the Labour government of 1945–50, the climax of fifty years of social and political history, has itself begun to be viewed historically. The pre-suppositions which underlay it can now be seen to have been the products of a particular set of circumstances, circumstances which have already changed. Among those circumstances the experience of war seems to have been as relevant as the appeal of socialism in determining the practicability and the popularity of introducing comprehensive welfare proposals.

So far, however, the re-interpretation and the rewriting have largely been insular. Relatively little attention has been paid, in consequence, to the comparative history of welfare legislation. Specialists in social administration have collected comparative data, but they have naturally enough used them more frequently for practical than for historical purposes. The “uniqueness” of Britain has been emphasized to the neglect of the study of trends and tendencies in other countries.

In certain respects British experience has been unique, as foreign writers as different as Halévy and Schumpeter, have recognized. The uniqueness can only be appreciated, however, when the experience of several countries is taken into account. The trends and tendencies which led journalists, politicians and historians to apply the label “welfare state” to Britain may be noted in all modern industrialised communities. They have influenced non-industrialised communities also. The “causes” of the “welfare state”, as of nineteenth-century *Sozialpolitik*, are to be found, therefore, in far more general phenomena than the programmes of the British Labour party or the persistent prodding of the British “liberal conscience”.

It was the International Labour Office, a mine of invaluable factual information and a source of inspiration in international social service development, which noted in 1950 at a time when the term “welfare state” was being generally applied to Britain, that a “new conception” was transforming the prewar systems of social insurance in many countries. “There is a movement everywhere”, one of its reports stated, “towards including additional classes

of the population, covering a wider range of contingencies, providing benefits more nearly adequate to needs and removing anomalies among them, loosening the tie between benefit right and contribution payment, and, in general, unifying the finance and administration of branches hitherto separate⁷¹. In other words, a “quest for universality” was transforming the pre-war “social service state” into some kind of “welfare state”.

The “new conception” reflected changing attitudes towards citizenship as well as changing views about the proper role of the state. Some of these attitudes and views had taken shape during the Second World War when talk of “four freedoms” was thought to have universal application, and the International Labour Conference at Philadelphia in 1944 dwelt on “the deep desire of men to free themselves from the fear of want”. “The meaning which can be given to ‘international society’, it was argued, will be judged in terms of human benefit and welfare”⁷². The I.L.O. report of 1950 went on to state that “the transformation of social insurance is accompanied by the absorption or coordination of social assistance, and there begins to emerge a new organization for social security, which we can describe only as a public service for the citizenry at large. This new organization now concerns society as a whole, though it is primarily directed to the welfare of the workers and their families. It tends, therefore, to become a part of national government, and social security policy accordingly becomes coordinated closely with national policy for raising the standard of welfare and, in particular, for promoting the vitality of the population”.

This international report touches on matters which had already been discussed at length in British contexts. During the Second World War, the historian of British social policy writes, “it was increasingly regarded as a proper function or even obligation of government to ward off distress and strain not only among the poor but among all classes of society. And because the area of responsibility had so perceptibly widened, it was no longer thought sufficient to provide through various branches of social assistance a standard of service hitherto considered appropriate for those in receipt of poor assistance”⁷³. The disassociation of “welfare” from poor law stigmas inevitably meant a raising of standards. Concern for the “citizenry at large” meant taking account of democratic demands not simply seeking to satisfy assessed needs.

There were many instances in Britain of changing notions of what was “appropriate”. One of the most striking was a revolution in school meals policy. School meals had developed during the nineteenth century as a charitable service for “necessitous children” (private charity outside the scope of the poor law). The private charities providing them were at pains to make sure that they were not catering for the children of “undeserving and worthless parents”⁷⁴. The Education (Provision of Meals) Act of 1906, which brought the state directly into this area of social welfare policy, was a highly controversial measure. It drove A. V. Dicey, the noted British lawyer and writer, to complain that it was altogether wrong that fathers of children fed by the state should

retain the right of voting for members of parliament. “Why a man who first neglects his duty as a father and then defrauds the state should retain his full political rights”, he went on tendentiously, “is a question easier to ask than to answer”⁵. Dicey, like a number of his conservative contemporaries, was concerned that social service legislation would follow a “slippery slope” in which each generation would fall more sharply than its predecessor. The statesmen who had passed the Education Act of 1870, creating the first public-provided schools, would probably have been quite unwilling to have passed the 1891 Act relieving parents of the necessity for paying for any part of their children’s elementary education. The people who passed the 1891 Act would in their turn have balked at the School Meals Act of 1906. Dicey was right in implying that the men of 1906 would certainly have stopped far short of the “school meals revolution” of the Second World War. A Board of Education circular of 1941 completely abandoned old precepts that cheap school meals should be provided only to children who were both “necessitous” and “undernourished”. Already during the ‘previous year the number of school meals provided had doubled. By 1945 1,650,000 dinners were taken on every school day in England and Wales, about fourteen per cent being free and the rest costing the parents a nominal sum. This figure compared with 130,000 in 1940 and 143,000 in the depressed conditions of the mid-1930s. In round figures one child in three was fed at school in 1945 in place of one child in thirty in 1940.

The distribution of milk, fruit juice and “welfare foods” was regulated on social grounds throughout the Second World War. The same principles were carried from nutritional policy to social security policy. “In a matter so fundamental”, a government White Paper of 1944 stated, “it is right for all citizens to stand in together, without exclusion based on differences of status, function or wealth”⁷. The argument was not simply that administrative problems would be simplified if structures were “comprehensive” or “universal” but that through “universal schemes” “concrete expression” would be given to the “solidarity and unity of the nation, which in war has been its bulwark against aggression and in peace will be its guarantee of success in the fight against individual want and mischance”.

This White Paper, like the equally significant White Paper of 1944 (Cd. 6527) accepting the need for social action to prevent unemployment, was the product of a coalition government, pledged to national unity. The strains and stresses of total war forced politicians to consider the “community” as a whole: the hopes of “re-construction” (the term was used with particular fervour during the First World War) were held out to inspire the public in years of trial. There was thus a close association between warfare and welfare. Moreover, the knowledge that large sums of money, raised through taxation at a level without precedent, were being used to wage war led without difficulty to the conclusion that smaller sums of money could produce a “welfare state” in times of peace. All parties were interested in this line of argument. The Conservative partner in

the war-time coalition, the predominant political partner, published as late as 1949 a pamphlet, *The Right Road for Britain*, which stated unequivocally that “the social services are no longer even in theory a form of poor relief. They are a cooperative system of mutual aid and self-help provided by the whole nation and designed to give to all the basic minimum of security, of housing, of opportunity, of employment and of living standards below which our duty to one another forbids us to permit any one to fall”.

By 1949, when this pamphlet was published, the legislation introduced by the Labour government of 1945 to 1950, particularly the health service legislation, was freely talked of as “welfare state” legislation. Much of it went beyond the ideas of “comprehensiveness” or “cooperation” as such and reflected socialist philosophies of “equality”. Attempts had been made to raise the standards of service to meet the claims of “equal citizenship”. “Homes, health, education and social security, these are your birthright”, exclaimed Aneurin Bevan. Sociologists as well as socialists explained the new policies in terms of the fabric of citizenship. Hitherto, they suggested, social service policy had been thought of as a remedial policy to deal with the basement of society, not with its upper floors. Now the purpose was extended. “It has begun to re-model the whole building, T. H. Marshall wrote in 1949, and it might even end by converting a skyscraper into a bungalow” or at least into a “bungalow surmounted by an architecturally insignificant turret”⁸.

The changes in mood since 1949 have already been noted: they can be explained in narrowly fiscal or broadly socio-political terms and they constitute the background of current controversies. The object of this paper is to go back beyond the current controversies, beyond the relatively recent experience of total war, to the historical matrix within which the idea of a “welfare state” has taken form. Before going back in time, however, it is necessary to attempt a more precise definition of the term “welfare state” than has been common in recent discussions. And the definition itself will suggest certain interesting and relevant lines of historical enquiry.

II

A “welfare state” is a state in which organized power is deliberately used (through politics and administration) in an effort to modify the play of market forces in at least three directions – first, by guaranteeing individuals and families a minimum income irrespective of the market value of their work or their property; second, by narrowing the extent of insecurity by enabling individuals and families to meet certain “social contingencies” (for example, sickness, old age and unemployment) which lead otherwise to individual and family crises; and third, by ensuring that all citizens without distinction of status or class are offered the best standards available in relation to a certain agreed range of social services.

The first and second of these objects may be accomplished, in part at least, by what used to be called a “social service state”, a state in which communal resources are employed to abate poverty and to assist those in distress. The third objective, however, goes beyond the aims of a “social service state”. It brings in the idea of the “optimum” rather than the older idea of the “minimum”. It is concerned not merely with abatement of class differences or the needs of scheduled groups but with equality of treatment and the aspirations of citizens as voters with equal shares of electoral power.

Merely to define the phrase “welfare state” in this way points to a number of historical considerations, which are the theme of this article. First, the conception of “market forces” sets the problems of the “welfare state” (and of “welfare”) within the context of the age of modern political economy. In societies without market economies, the problem of “welfare” raises quite different issues. Within the context of the age of modern political economy an attempt has been made, and is still being made, to create and maintain a self-regulating system of markets, including markets in the fictitious commodities, land, money and labour. The multiple motives lying behind the attempt to control these markets require careful and penetrating analysis.

Second, the conception of “social contingencies” is strongly influenced by the experience of industrialism. Sickness, old age and death entail hardships in any kind of society. Ancient systems of law and morality include precepts designed to diminish these hardships, precepts based, for example, on the obligations of sons to support their parents or on the claims of charity, *obsequium religionis*. Unemployment, however, at least in the form in which it is thought of as a social contingency, is a product of industrial societies, and it is unemployment more than any other social contingency which has determined the shape and timing of modern “welfare” legislation. Before the advent of mass unemployment, “unemployability”, the inability of individuals to secure their livelihood by work, was a key subject in the protracted debates on poor law policy. The existence of “chronic unemployment”, structural or cyclical, has been a powerful spur from the nineteenth century onwards leading organized labour groups to pass from concentration on sectional interests to the consideration of “social rights” of workers as a class; to philanthropic businessmen wishing to improve the “efficiency” and strengthen the “social justice” of the business system; and to politicians and governments anxious to avoid what seemed to be dangerous political consequences of unemployment. The memories of chronic unemployment in the inter-war years and the discovery of what it was believed were new techniques of controlling it reinforced “welfare state” policies in many countries after the Second World War.

Third, the idea of using organized power (through politics and administration) to determine the pattern of welfare services requires careful historical dating. Why not rely for “welfare” on the family, the church, “charity”, “self help”, “mutual aid” (gild, trade union, friendly society) or “fringe benefits” (business itself)? Whole philosophies of “welfare” have been founded on each

of these ideas or institutions: often the philosophies and the interests sustaining them have been inimical to the suggestion that the state itself should intervene. The possibility of using governmental power has been related in each country to the balance of economic and social forces; estimates of the proper functions and, true or false, of the available resources of the state; effective techniques of influence and control, resting on knowledge (including expert knowledge); and, not least, the prevalence (or absence) of the conviction that societies can be shaped by conscious policies designed to eliminate “abuses” which in earlier generations had been accepted as “inevitable” features of the human condition.

Not only does the weighting of each of these factors vary from period to period, but it also varies from place to place. It was Bentham, scarcely distinguished for his historical sense, who in distinguishing between *agenda* (tasks of government) and *sponte acta* (unplanned decisions of individuals) wrote that “in England abundance of useful things are done by individuals which in other countries are done either by government or not at all... [while] in Russia, under Peter the Great, the list of *sponte acta* being a blank, that of *agenda* was proportionately abundant”⁹. This contrast was noted by many other writers later in the nineteenth century, just as an opposite contrast between Britain and the United States was often noted after 1945.

If the question of what constitutes “welfare” involves detailed examination of the nature and approach to “social contingencies”, the question of why the state rather than some other agency becomes the main instrument of “welfare” involves very detailed examination of a whole range of historical circumstances. The answer to the question is complicated, moreover, by differences of attitude in different countries, to the idea of “the state” itself. Given these differences, a translation of basic terms into different languages raises difficulties which politicians and journalists may well have obscured. For example, is the term *Wohlfahrtsstaat* the right translation of “welfare state”? British and German approaches to “the state” have been so different that they have absorbed the intellectual energy of generations of political scientists. In the nineteenth century there were somewhat similar difficulties (although on a smaller scale) surrounding the translation of the British term “self help”. A French translator of Samuel Smiles’s book of that title (1859) said that the term “self help” was “à peu près intraduisible”.

Fourth, the “range of agreed social services” set out in the provisional definition of “welfare state” is a shifting range. Policies, despite the finalism of much of the post-1945 criticism, are never fixed for all time. What at various times was considered to be a proper range shifts, as Dicey showed, and consequently must be examined historically. So too must changing areas of agreement and conflict. Public health was once a highly controversial issue in European societies: it still is in some other societies. The “sanitary idea” was rightly regarded by the pioneers of public health as an idea which had large and far-reaching chains of consequences. It marked an assault on “fate” which

would be bound to lead to other assaults. Public health, in the administrative sphere of drains, sewers and basic “environmental” services, has been taken outside the politics of conflict in Britain and other places, but personal health services remain controversial. There is controversy, very bitter indeed in the United States, not only about the range of services and who shall enjoy them but about the means of providing them. The choice of means influences all “welfare state” history. “Welfare states” can and do employ a remarkable variety of instruments, such as social insurance, direct provision in cash or in kind, subsidy, partnership with other agencies, including private business agencies, and action through local authorities. In health policy alone, although medical knowledge is the same in all countries of the West and the same illnesses are likely to be treated in much the same kind of way, there is a remarkable diversity of procedures and institutions even in countries which make extensive public provision for personal health services.

Fifth, there are important historical considerations to take into account in tracing the relationship between the three different directions of public intervention in the free (or partially free) market. The demand for “minimum standards” can be related to a particular set of cumulative pressures. Long before the Webbs urged the need in 1909 for government action to secure “an enforced minimum of civilised life”, the case for particular minima had been powerfully advocated. Yet the idea of basing social policy as a whole on a public commitment to “minimum” standards did not become practical politics in Britain until the so-called “Beveridge revolution” of the Second World War. The third direction of “welfare” policy, and the distinctive direction of the “welfare state”, can be understood only in terms of older logic and more recent history. The idea of separating “welfare” policy from “subsistence” standards (the old minima, however measured) and relating it to “acceptable” standards (“usual work income”) provides an indication of the extent to which “primary poverty” has been reduced in “affluent societies”. It may be related, however, to older ideas of equality, some of which would lead direct not to state intervention in the market but to the elimination of the market altogether, at least as a force influencing human relationships. A consideration of the contemporary debate is more rewarding if it is grounded in history.

III

Each of these five historical considerations deserves fuller treatment. The texture is often complex. There have been markedly different chronologies of development and different answers have been given in different countries to the same set of leading questions.

By the end of the nineteenth and the beginning of the twentieth century there had been a general reaction against attempts to maintain self-regulating systems of markets. This reaction has been variously described as “the decline

of liberalism”, “the advent of collectivism” and “the rise of socialism”. Fabian writers, who are particularly illuminating on these themes, used all three labels, and after painting a grim picture of a period of capitalist anarchy in the early nineteenth century went on to show how.

in the teeth of the current Political Economy, and in spite of all the efforts of the millowning Liberals, England was compelled to put forth her hand to succour and protect her weaker members [...] Slice after slice has gradually been cut from the profits of capital, and thereby from its selling value, by strictly beneficial restrictions on the user’s liberty to do what he likes with it [...] On every side he is being registered, inspected, controlled, and eventually superseded by the community [...] All this has been done by “practical men”, ignorant, that is to say, of any scientific sociology, believing Socialism to be the most foolish of dreams [...] Such is the irresistible sweep of social tendencies, that in their every act they worked to bring about the very Socialism they despised¹⁰.

In outlining this development of “our unconscious Socialism” Sidney Webb directed attention to the efforts both of “individuals” and of “municipalities” before he turned explicitly to the state. The “masses” were kept in the background, vague and undifferentiated. So too were the trade unions, the importance of which he discovered only a few years later. The main emphasis was placed on the power of the ballot box as it was by revisionists on the continent. It might have been foreseen, Webb remarked, (and it had indeed been foreseen by men like Bagehot) that “individualism could not survive their (the working classes) advent to political power”. “Unconscious” or later “conscious” socialism was the necessary corollary of political democracy. The result would necessarily be the emergence of a more active state.

The analysis was historically significant but limited in depth. Another of the Fabian essayists, Hubert Bland, pointed out by implication three of Webb’s superficialities. First, state control did not imply socialism, conscious or unconscious. “It is not so much to the thing the State does as to the end for which it does it that we must look before we decide whether it is a Socialist State or not”. Sixpenny telegrams organised by a state-run Post Office had nothing to do with socialism or “welfare” in the “welfare state” sense. Second, and in writing in this way Bland was exceptionally percipient about the shape of the future, “it is quite certain that the social programme of our party will become a great fact long before the purely political proposals of the Liberals have received the royal assent”. Third, and here Bland was a better historian than Webb, there had been a far less sharp break than Webb had suggested between the “period of anarchy” of the early nineteenth century and “the present”. There was certainly no one single landmark, like Mill’s *Political Economy* (1848), which provided a frontier post between an age of individualism on one side and an age of socialism on the other. “There never has been as long as society lasts”, Bland went so far as to argue, “and never can be a

parti sérieux of logical *laissez faire*. Even in the thick of the industrial revolution the difference between the two great parties was mainly one of tendency – of attitude of mind”¹¹. The simplicities of market political economy could never be consistently applied in practical politics. The attempt to plan *laissez faire* was doomed from the start. If you had to refer to an economist, you would have to fall back upon Adam Smith, a pragmatist, rather than upon more systematic classical theoreticians. When the classical theoreticians were drawn into active politics, their theories immediately became hedged round by an intricate tangle of qualifications.

Bland was more subtle in his approach than Webb (and incidentally more direct in his demand for a new and “definitely Socialist party”). It is clear from more recent academic writings first that there never was a completely “negative state” even in early nineteenth-century Britain, and second that even classical theoreticians were by no means unanimous about the merits of complete *laissez faire*. “The principle of *laissez faire* may be safely trusted to in some things”, wrote J. R. McCulloch (1789–1864), but in many more it is wholly inapplicable; and to appeal to it on all occasions savours more of the policy of a parrot than that of a statesman or philosopher”¹². Nassau Senior (1790–1864), the architect of the new poor law of 1834, a substitute for a social policy, yet an innovation from which many new social policies in health and education derived, maintained that

it is the duty of a government to do whatever is conducive to the welfare of the governed. The only limit to this duty is power [...] it appears to me that the most fatal of errors would be the general admission of the proposition that a government has no right to interfere for any purpose except for that of affording protection, for such an admission would be preventing our profiting from experience, and even from acquiring it¹³.

Senior stressed, of course, that the power limit to the duty of the state was set not only by the coercive power of the law but by the effective power of the “laws of political economy”. A knowledge of the laws of political economy was necessary to legislators, and the new poor law of 1834 with its abandonment of outdoor relief to the poor and its stress on making conditions for indoor relief in workhouses “less eligible” than the worst employment outside was an attempt to rule the poor by the laws of political economy. Later critical writers were to dismiss these economic laws as “gigantic stuffed policemen”¹⁴, and even at the time there were passionate enemies of “political economy” who went far towards envisaging a “welfare state” where politics would have primacy over economics.

In early industrial Britain one of the most influential of the group of anti-political economists was Richard Oastler (1789–1861), a religious man of Tory convictions and a violent critic of the poor law of 1834, who led a working-class agitation during the 1830’s for legal limitation of the hours of work of women and children in textile factories. He was known in consequence as

“the Factory King”. To him “political economy” was “at total variance with every precept of our Holy Religion, every principle of our Constitution, and every security to Rank and Prosperity”. The ideal state was what he called the “social state”. This state would seek “to secure the prosperity and happiness of every class of society” but it would be particularly concerned with “the protection of the poor and needy, because they require the shelter of the constitution and the laws more than other classes”. The “social state” was the true state of history: it was the political economists who were the revolutionaries. Because, however, the actual state in the early nineteenth century was deviating further and further from the ideal (and historic) state, the defence of social rights would have to take the form, if need be, of rebellion.

If governments are established in this land for the sole purpose of hoarding up large masses of gold and stamping down individual wretchedness, if *that* is the sole interest and sole object of our government, I declare myself a traitor to it, if I die tomorrow for using the word¹⁵.

Oastler’s movement, grounded in toryism, thus merged into Chartism. The idea of the “historic rights of the poor”, threatened by 1834, provided a link between “traditionalism” and modern working-class politics. Chartism was a movement with several distinct sources of inspiration: it nevertheless asserted clearly and unequivocally the case for the extension of the suffrage to the working classes in the name not only of political but of social rights.

What Marx called “feudal socialism” was one source, therefore, of the revolt against the market economy, “the laws of political economy” and “the night-watchman state”. Indeed the *Deutsche Allgemeine Zeitung*, called Oastler a “democratic Tory”, a title adopted by his most recent biographer¹⁶. It is easy to see how close certain aspects of his thought were to that of John Ruskin (1819–1900), a social prophet of great influence, who went on (with Marx himself) to shape the thought of William Morris (1834–1896) and later of J. A. Hobson. Ruskin criticised orthodox political economy at greater length than Oastler while seeking to evolve a system of political economy of his own with his own definitions of “wealth”, “illth” and “value” and with a practical concern for the provision of a “living wage”. “The first duty of the state”, he urged, “is to see that every child born therein shall be well housed, clothed, fed and educated until it attains years of discretion”. He added the rider that to do this “the government must have an authority over the people of which we now do not so much as dream”¹⁷.

Through Ruskin and others, Oastler points forwards as well as backwards. His immediate support, however, came from working men, organised in factory committees (he has his place, therefore, in the history of working-class organisation as well as of social thought) and from a motley group of clergymen, philanthropists, small squires and Tory members of parliament. Leading the latter for many years was Lord Ashley, later the seventh Earl of

Shaftesbury, the main parliamentary spokesman for legislative interference with the working hours of women and children. It was Ashley's efforts which led to the passing of a number of factory acts, notably the Ten Hours Act of 1847, which marked a definite breach with *laissez faire*. He was also associated with reforms in mining, housing and health. Like Oastler, Ashley would have argued that the breach with *laissez faire* was less significant than the "capitalist" breach with the past. The "welfare state" was the true historic state. The Fabians took up this point also. *Laissez faire* was an aberration, "an acute outbreak of individualism, unchecked by the old restraints"¹⁸. There had not only been a medieval order – unlike Carlyle, Ruskin and Morris, they did not dwell on this – but a "mercantilist" order, buttressed by custom and law. It had disappeared under the weight of the pressure for profit during the industrial revolution. According to the Fabians, it was the task of socialists to create a new order appropriate to democracy. The increasing state intervention during the previous forty years seemed to point (although as Bland showed, not always indubitably) towards this destination.

Bland was right to imply that there were intricacies and complications. Ashley, for example, can only be properly understood if his work is related to that of Senior as well as of Oastler. The extension of the powers of the state had a Benthamite as well as a philanthropic or tory inspiration. One of Senior's colleagues in the drafting of the new poor law of 1834 was Edwin Chadwick, Bentham's disciple and "attached friend". Chadwick went on to concern himself with public health and was the author of the important official publication, *The Sanitary Condition of the Labouring Classes* (1842), which had a profound effect on the evolution; of British social legislation. When at last in 1848 a General Board of Health was founded under the first national public health act (there had previously been a certain amount of local initiative and legislation), both Chadwick and Ashley were made members. Behind Ashley was the old dream of a traditional "social state", grounded in "responsibility" and strengthened by "charity": Chadwick, selecting from a number of possible Benthamite philosophies that which laid greatest emphasis on the active intervention of the state to suppress "sinister interests" in the name of "the greatest happiness of the greatest number", was a believer in a renovated "administrative state". Such a state would rest on uniformity of procedures and the kind of "centralisation" which Oastler abhorred. "I care more for the good of the service", Chadwick once said in a revealing phrase, "than for putting it in what is called Harmony with the House of Commons"¹⁹.

Ashley and Chadwick worked together closely before, to their mutual regret, the General Board of Health was destroyed by a coalition of enemies in 1854. Yet their sources of inspiration remained quite different. Ashley, tory though he was, looked to the people: he liked crowds. Chadwick looked to the expert. There were, of course, far fewer acknowledged "experts" in the late 1840's and 1850's than there were a hundred years later when the twentieth-century "welfare state" was being fashioned. It is interesting to note also that

Chadwick, like Senior, feared the extension of the suffrage to the working classes. Senior had warned against the advocacy of “the political economy of the poor”, their belief in the power of human institutions to subvert “the laws of political economy” in the name of “social rights” and “equality”²⁰: Chadwick feared something worse, that the “quest for popularity” would lead rich men to subvert the poor at election times by offering lavish promises²¹.

These fears, shared by many people of property, were as important, and in some ways more incisive, than other men’s hopes in determining the tempo and the pattern of state intervention during the first three quarters of the nineteenth century. For Chadwick and the practical Benthamites, however, the fears were not completely inhibiting. They were constructive men who evolved useful new administrative devices, notably the device of inspection, without which social legislation would have been administratively ineffective. Although the coercive powers of factory, mining and school inspectors were severely limited and most of the early inspectors came from the upper middle classes, the inspectors exerted considerable influence, through their presence as well as through their reports, not only on the way in which existing legislation was administered but on the preparation of new legislative initiatives²². In the long run, moreover, Benthamitism itself could be given a democratic tinge. As Professor McGregor has written, “the greatest happiness of the greatest number is an invitation to a continuous review of economic policy; and the greatest number is always the working classes”²³.

The complex detail of nineteenth-century British Approaches to State action makes all attempts to divide the century neatly and tidily into “phases” or “epochs” seem grossly over-simplified. The most ambitious of such attempts was A. V. Dicey’s large and stimulating *Law and Public Opinion in England in the Nineteenth Century* (1905). Originally a collection of lectures delivered in Harvard in 1898, Dicey’s book had polemical as well as historical significance, particularly when it was re-issued in 1914 with a new preface attacking “the trend towards collectivism” which had been especially pronounced since the return of the Liberals to power before the general election of 1906. Dicey placed at 1865 or “roundabouts” the beginning of “collectivism”, which he defined as “faith in the benefit to be derived by the mass of the people from the action or intervention of the State”. Thereby he ignored the interventionist element in Benthamism, formalized statements both about philanthropy and *laissez faire*, and confused his own hostility towards “collectivism” with an objective investigation of facts and policies. A recent critic of his work has replaced his tidy phases with a more complex picture of pressures and counter-pressures.

Looking back across the nineteenth century in Great Britain, it is possible to tabulate the parallel developments of *laissez faire* and state intervention almost year by year. What must be kept in mind in spite of our tendency to polarize opposites is that both were exercises of political power, that is,

instrumentalities of several kinds of interest. These interests strove to be the state, to use the state for economic and social ends²⁴.

Against this background, the extension of the suffrage, which to Webb was decisive, was relevant primarily in that it provided the working classes with an instrument whereby they too *might* attempt to control the state. What Senior, Chadwick (and Bagehot) most feared, Webb, Bland and the Fabians most hoped. Bland noted “the sort of unconscious or semi-conscious recognition of the fact that the word ‘state’ has taken to itself new and diverse connotations – that the state idea has changed its content”. He argued that working people had themselves changed from fearing it as an enemy to regarding it as a “potential saviour”²⁵. This comment was exaggerated, as we shall see, as a statement of fact but it was a pointer to the politics of the future. In Britain, as in many continental countries, independent labour parties emerged in the late nineteenth century and put forward demands for “the socialisation of politics”. The demands included many of the measures which subsequently have been regarded as central to the “welfare state”. Just as eighteenth-century civil rights (freedom of meeting, for example, or of the press) were employed to ensure political rights (the right to vote and its corollaries), so political rights were to be employed to secure social rights. Bevan’s claim after 1945 – “Homes, health, education, and social security; these are your birthright” – would have seemed neither strange nor extravagant to the socialists of 1895. The long intervening period was a period of intermittently intense struggle to secure objects which had already been defined before the beginning of the twentieth century.

Reliance on the state (rather than on trade-union or other kinds of voluntary action) to secure these objects was for a time controversial, as we shall see, yet, as the Fabians pointed out (the Marxists with their concern for the forms of economic power did not agree), the state against whose interference “the popular party” waged “such bitter war” in the first decades of the nineteenth century [...] was “an altogether different thing” from the state whose assistance “the new democracy” was continually invoking and whose power it was bent on increasing. Bland recognized also that if labour parties put forward “welfare” objectives in their electoral programmes, other parties working within a democracy would be forced themselves to put forward policies which would attempt to meet some at least of the labour demands. Tories had advanced social policies earlier in the nineteenth century in the name of “traditionalism” or sometimes of “paternalism”: Liberals, some of whom were developing a positive theory of “welfare” of their own, would similarly be forced to advance “welfare” policies, if only in the name of political realism.

“The Liberals” he held (and he had a clear anti-Liberal bias) were “traditionally squeezable folk” and “like all absorbent bodies” they would be “forced to make concessions and to offer compromises [...] Such concessions

and compromises will grow in number and importance with each successive appeal to the electorate, until at last the game is won”²⁶.

This characteristically Fabian conclusion, which attached strategic significance to the working of the parliamentary system, was not shared by those socialists on the continent and in Britain who were sceptical about parliament and drew a sharp distinction between “palliatives” and “fundamental economic and social transformations”. Four years before Bland wrote his essay, Joseph Lane in *The Commonwealth* put the alternative point of view when he warned his socialist readers that although it was possible that “the governing classes” might offer a “normal working day of eight hours”, free meals for children and cumulative taxation on large incomes, “their doing so would certainly put off the revolution which we aim at”²⁷. The argument has been echoed ever since. In practice, however, non-Fabian socialists, like H. M. Hyndman, who believed not that the “game would be won” but that there would be a “final clash”, were prepared to advocate “palliatives”, including, for example, free meals for children. Hyndman’s Social Democratic Federation refused to take up an “impossibilist” position and instead talked of “palliatives” as “stepping stones” leading in the right direction²⁸. The international socialist controversy on this subject, which reached its climax when two rival conferences were held in Paris in 1889, was never completely settled, but the “palliatives” generally agreed upon at the “possibilist” conference, the larger of the two, were all of a kind later to be associated with the “welfare state”.

It was argued, and has often been argued since, that the successful achievement of a programme based on individual “palliatives” would represent a victory for “working-class values” within a capitalist, market society. Marx himself had claimed that the passing of the Ten Hours Act of 1847 was the first great occasion on which “in broad daylight the political economy of the middle class” has “succumbed to the political economy of the working class”. Certainly the ten hours agitation, led by Oastler and supported by Ashley, marked a genuine stage in a process of conversion of values.

The “social service state” of the twentieth century, “palliative” state or not, in so far as it was a product of working-class efforts and aspirations, was a different phenomenon from the “social state” of Oastler. Like the mercantilists, Oastler founded his theory of the state on a theory of society divided into “proper stations and ranks”. “God has appointed the proper stations and ranks for each. He has exhibited Himself in His Word and His Works as the God of Order, and has thus left man without excuse if he should be in want and destitution.” In this sense Oastler’s was a stationary view of pre-market society. It did not assume a future increase in national income and it looked back to “ancient corporations and guilds” as proper instruments of welfare.

There were periods in the past when “the labourer’s wages were protected by statute, and the common foods of the working people [...] were

prohibited from being made articles of speculation. Care was then taken that the labourer's hope of reward should not be cut off by the inordinate desire for gain in the capitalists"²⁹.

When Oastler attacked "acquisitive society", he was speaking the same language which had been taken for granted as a basis of social morality until the long erosion of values described by Max Weber and R. H. Tawney in their studies of puritan religion gave way to fundamental shifts in outlook, organization and not least in real wealth which we associate with the industrial revolution.

The ten hours movement and the later movements for nine-hour and eight hour days increasingly became movements within the expanding (but fluctuating) industrial market, with *class* bargaining power being used. The late nineteenth-century British and continental labour groups were reacting against the individualism of orthodox "political economy" and capitalist economic organisation not by falling back on ideas of "rank" and "order" but by developing ideas of "class" and "movement". The systems of regulation which they were anxious to establish were not copies of medieval or mercantilist models (although for a time these were familiar and some of them came into later prominence with gild socialism)³⁰ but new models appropriate to the new "social nexus" of industrialism. Written into them was the ideal not only of "fairness", a link between old and new, but of "equality". The old system, both Fabians and trade unionists saw, was riddled with what Webb called "status and permanent social inequalities". The attack on status, which had been prosecuted by middle-class radicals and Benthamite theorists, was now pursued by working-class socialists and Fabian theorists. There was a real link between Mill and the Fabians. Of course, the attack was local rather than general, intermittent rather than continuous if only because of economic fluctuations, and subject to all kind of manoeuvres and diversions.

Once arguments for social reform had shifted from talk of "rank" and "order", it was easier for a section of non-socialist radical opinion to support them. The so-called "new Liberals" of the late nineteenth and early twentieth centuries argued the case for "welfare" from a democratic standpoint within the new market economy. They could condemn certain of the conditions of the market without condemning "capitalism" as a whole, and they could criticize, from a very different standpoint from that of Oastler, the theory of poverty which lay behind the poor law of 1834. They could thus reach substantial, though limited agreement, with trade unionists and socialists about particular social service measures, as was shown during the period of Liberal government from 1906 to 1914.

It is necessary to draw distinctions between the early and the late nineteenth century not only to arrive at historical truth but to dispose of current descriptions of "welfare state" policy in terms of "neo-mercantilism". The "enlargement of welfare" is not adequately so described. "There are elements

in it which were not present in mercantilist phases of the history of civilisation [...] It issues from a new phase in man's history"³¹.

The point is perhaps most clearly demonstrated from the history not of Britain itself but of British settlements in the Antipodes, where there were striking examples before the end of the nineteenth century of what a French observer called "socialism without doctrines"³². The early granting of universal suffrage in Australia and New Zealand was followed by the demand for social measures which would guarantee "fairness". Both Australians and New Zealanders had long boasted that they had no poor law – by that they meant that the conditions giving rise to a poor law and to "workhouses" were absent. In fact, however, they had by no means eliminated poverty, and in the last decade of the nineteenth century legislative measures were introduced which went further in certain respects than British legislation. There had been considerable dependence upon the state from the earliest period of colonization (the older British middle-class fear of the state as an "establishment" was missing) and there was little serious challenge to the view that the state machinery was freely available to those groups able to secure possession of it. "The more the state does for the citizen", Pember Reeves, the first New Zealand minister of labour, remarked in 1895, "the more it fulfils its purpose [...] The functions of the state should be extended as much as possible [...] True democracy consists in the extension of state activity". It was Pember Reeves who coined the phrase "colonial governmentalism"³³.

There was nothing paternalistic, however, about this willingness to delegate powers to the state. The emphasis, though at times it may have been somewhat misplaced, was always egalitarian. There was talk along practical, if extended Benthamite lines, of "the right to work, the right to fair and reasonable conditions of living and the right to be happy"³⁴. The collective power of the state (not a remote, impersonal state but a close-at-hand, essentially personally manipulated piece of machinery) was to be used to support social rights. These attitudes were reflected in the social service legislation of the Ballance-Seddon-Reeves ministry in New Zealand from 1891 onwards and in the legislation of the Turner government in Victoria from 1895.

Much of this legislation was concerned with the creation of effective departments of labour and the control of sweated industries paying low wages to their workers. In both Australia and New Zealand, however, pensions legislation was either introduced or just round the corner by the end of the nineteenth century. The New Zealand Old Age Pensions Act of 1898 was the first in a British dominion. It provided at state expense pensions to people of good character but with little or no means above the age of sixty-five. New South Wales and Victoria followed the example of New Zealand in 1901, and the new federal constitution of Australia stated in the same year that the Commonwealth might legislate for old age and invalid pensions. A federal act of 1908 extended the old age pension system to all Australian states and included also pensions

for the blind and for permanently disabled persons. In the same year Britain passed its first non-contributory old age pensions act after decades of pressure from philanthropists, societies and even politicians. It was an act hedged round with moral qualifications³⁵, but it nonetheless marked, as did dominions legislation, an attempt to get away from the harshness of an all-embracing poor law. “The state was making new provision for welfare, in piecemeal fashion, outside of and parallel to the poor law.” This, it has been argued, was “the real beginning of the welfare state in its modern form”³⁶.

Pember Reeves, who came to England from New Zealand, was a member of the Fabian Society. He divided old age pensions into three classes. “First comes the socialists’ ideal”, he said, “of a universal and comfortable provision which shall supersede the necessity for petty thrift; next come the various schemes, more or less orthodox in principle, but complicated and burdensome in their nature, for the reward and encouragement of thrift and self-denial; in the third class may be placed the humanitarian proposals, the humble yet not ungenerous aim of which is to soften the bitterness of poverty to those aged who, while unfortunate, are not wholly undeserving.” The antipodean legislation, he believed, fell into the third class: “it was designed to offer help to those who need it most”³⁷. Its inspiration was neither a set of doctrines nor a cluster of ideas: it was a bundle of feelings about how people were treated. In Britain itself Hobson was to argue that the strongest solvent of the Poor Law of 1834 was “a movement along the lines of the strongest human feelings”³⁸.

It was liberal rather than socialist governments who moved along the lines described above, abandoning in the process many of the ideas which had dominated liberal thought earlier in the century, however much they had been qualified, as we have seen, on particular occasions or by particular writers.

“When I went up to Oxford”, wrote Lord Milner of the early 1870’s, “the *laissez faire* theory still held the field. All the recognised authorities were “orthodox” economists of the old school. But within ten years the few men who still held the old doctrines in their extreme rigidity had come to be regarded as curiosities”³⁹.

One of the liveliest transforming influences was T. H. Green, who argued forcefully that the state ought to remove all obstacles to the development of “social capacity”, such as those arising from lack of education, poor health and bad housing⁴⁰.

Hobson himself – and later L. T. Hobhouse – were sensitive students of the changes and initiators of new views. The issues with which late Victorian and Edwardian liberal intellectuals were having to concern themselves were social issues, and the practical politics, as Bland had prophesied, was increasingly pivoting on social politics. “It is not about details that the people care or are stirred”, wrote R. B. Haldane, “what they seem to desire is that they should have something approaching to equality of chance of life with those among

whom they live"⁴¹. Even old conservative principles of property were reinterpreted in radical terms and in Hobhouse's arguments were converted into instruments of social justice⁴². Individualism itself was increasingly associated with the freeing of the powers of "under-privileged" individuals. In 1909 Hobson commented that "the whole conception of the state disclosed by the new issues, as an instrument for the active adaptation of the economic and moral environment to the new needs of individual and social life, by securing full opportunities of self-development and social service for all citizens, was foreign to the Liberalism of the last generation"⁴³.

The "welfare measures of the Liberal governments of 1905–14, culminating in the bitterly controversial "budget against poverty" of 1909 and Lloyd George's national insurance schemes against ill health and unemployment in 1911, were in sharp contrast to the Gladstonian liberalism of only thirty years before. "They are so far removed from the old Liberal individualism", one Liberal historian has written recently, "that they may be called social democracy rather than pure liberalism"⁴⁴.

IV

That was the British story, more complex than it is usually told and revealing a multiplicity of motives and inspirations.

German experience in the nineteenth century was in certain important respects different from that of Britain. If before 1900 factory legislation was more advanced in Britain than in any other European country, Germany had established a "lead" in social security legislation which the British liberal governments of 1906 to 1914 tried to wipe out. Bismarck's reforms of the 1880s – laws of 1882, 1884 and 1889 introducing compulsory insurance against sickness, accidents, old age and invalidity – attracted immense interest in other European countries. Just as British factory legislation was copied overseas, so German social insurance stimulated foreign imitation. Denmark, for instance, copied all three German pensions schemes between 1891 and 1898, and Belgium between 1894 and 1903. Switzerland by a constitutional amendment in 1890 empowered the federal government to organise a system of national insurance. In Britain itself a friendly observer noted in 1890 that Bismarck had "discovered where the roots of social evil lie. He has declared in words that burn that it is the duty of the state to give heed, above all, to the welfare of its weaker members"⁴⁵.

More recently Bismarck's social policy has been described by more than one writer as the creation of a "welfare state"⁴⁶. The term is very misleading. Bismarck's legislation rested on a basic conservatism which Oastler himself would have appreciated⁴⁷ and was sustained by a bureaucracy which had no counterpart in Britain except perhaps in Chadwick's imagination. The Prussian idea and history of the state and the British idea and history of the state diverged

long before the 1880s, and it is not fanciful to attribute some of the divergences to the presence or absence a century before of “cameralism”, the idea of the systematic application to government of administrative routines.

Equally important, the history of political economy in the two countries diverged just as markedly. The development of a school of historical economics provided a powerful academic re-inforcement in Germany for *Sozialpolitik*. The refusal of historical economists to “isolate” economic phenomena, including “economic man”, their distrust of “laws of political economy” covering all ages and all societies, their *critique* of the motives and institutions of contemporary capitalism and their underlying belief in a “social order” distinguished them sharply from classical political economists in Britain. Their influence was considerable enough for Schmoller (1838–1917), the most important figure in the history of the school, to argue forcefully that no Smithian was fit to occupy an academic chair in Germany⁴⁸.

Even among the “precursors” of the historical school and among economists who stayed aloof from Schmoller and his circle, there was a powerful tradition linking social reform with conservative views of society⁴⁹. J. K. Rodbertus (1805–75) was a conservative monarchist who combined dislike of the “class struggle” and belief in state socialism. Adolf Wagner (1835–1917) who stayed aloof from Schmoller and admired Ricardo as the outstanding economic “theorist”, acknowledged his debt to Rodbertus when he gave a warm welcome to Bismarck’s legislation.

According to Wagner Germany had entered a “new social period”, characterised by new economic ideas, new political views and new social programmes. National economy (*Volkswirtschaft*) had to be converted into State economy (*Staatwirtschaft*): the foundation of the new economy would have to be “welfare”. The idea of regarding “labour power” as a commodity and wages as its price was “inhuman” as well as “un-Christian”. Wagner proposed a number of practical measures, some of which went further than those introduced by Bismarck. Schmoller, too, advocated policies aiming at “the re-establishment of a friendly relation between social classes, the removal or modification of injustice, a nearer approach to the principles of distributive justice, with the introduction of a social legislation which promotes progress and guarantees the moral and material elevation of the lower and middle classes”⁵⁰.

Bismarck, for whom the idea of insurance had a particular fascination both in his domestic and foreign policies, did not envisage a social policy which would go anywhere near as far as some of the “socialists of the chair” would have wished. He objected, for example, to the limitation by law of the hours of women and children in factories and he was at least as stubborn as any mill owner of the Manchester School when “theorists” talked of state officials interfering with private concerns in agriculture or industry. He also disliked extensions of direct taxation. He wanted the state, however, to be actively involved in the financing and administering of the insurance schemes which he proposed and he defended the introduction of these schemes – against both

right-wing and left-wing opposition – in terms of “the positive advancement of the welfare of the working classes”. “The state”, it was laid down in the preamble to the first and unsuccessful bill of 1881, “is not merely a necessary but a beneficent institution”. Bismarck disagreed with Theodor Lohmann, who drafted his first social insurance legislation, about whether the state should contribute directly to the costs of insurance. Bismarck got his way that it should, but the political parties objected and his first attempts at legislation foundered. It was a measure of his recognition of political realities that the idea of state contributions was dropped in 1884 when his accident insurance bill was introduced. The law of 1889, providing for disability and old age pensions, did entail a flat rate contribution from the imperial treasury of fifty marks for each person receiving a pension, but this was a small element in the total cost and fell far short of the amount Bismarck had originally envisaged.

Many of Bismarck’s critics accused him, not without justification, of seeking through his legislation to make German workers “depend” upon the state. The same charges have been made against the initiators of all “welfare” (and earlier, of poor law) policy often without justification, yet it was Bismarck himself who drew a revealing distinction between the degrees of obedience (or subservience) of private servants and servants at court. The latter would “put up with much more” than the former because they had pensions to look forward to. “Welfare” soothed the spirit, or perhaps tamed it. Bismarck’s deliberate invocation of “subservience” is at the opposite end of the scale from the socialist invocation of “equality” as the goal of the “welfare state”. It is brutally simple, too, when compared with sophisticated liberal attempts to define the conditions in which liberty and equality may be made to complement each other⁵¹. The invocation was, of course, bound up with conscious political calculation. Bismarck was anxious to make German social democracy less attractive to working-men. He feared “class war” and wanted to postpone it as long as possible. His talks with Lassalle in 1863 had ranged over questions of this kind⁵², and in 1884 he argued explicitly that if the state would only “show a little more Christian solicitude for the working-man”, then the social democrats would “sound their siren song in vain”. “The thronging to them will cease as soon as working-men see that the government and legislative bodies are earnestly concerned for their welfare”⁵³. It has been suggested that Bismarck was influenced by Napoleon III’s successful handling of social policy as an instrument of politics. He certainly spent time seeking an “alternative to socialism” and it was this aspect of his policy which gave what he did contemporary controversial significance throughout Europe.

His policy also provided a definite alternative to liberalism. During the last years of his life when he was prepared to contemplate insurance against unemployment and when he talked of the “right to work” as enthusiastically as any Chartist, he was reflecting that sharp reaction against economic liberalism which could be discerned, in different forms, in almost every country in Europe. Disraeli’s social policy in his ministry of 1874–1880 had somewhat

similar features. It also had the added interest of appearing to realize hopes first formulated by Disraeli in the age of Oastler and the Chartists. In 1874 also a royalist and clerical majority in the French National Assembly carried a factory act, limiting hours of work of children below the age of twelve, which went further than a law of 1848 on the same subject. A later and more comprehensive act of 1892 was the work of Conservative Republicans. The nineteenth century closed with a British Money-lenders Act which, Professor Clapham has argued, in effect revived the medieval law of usury, the last remnants of which had been swept away, it was thought for ever, in 1854⁵⁴.

Medieval attitudes to “welfare” were echoed most strongly in Christian apologetics. Papal encyclicals, notably *Rerum Novarum* (1891), were not only manifestos in crusades against liberalism or socialism but were also important documents in the evolution of *Sozialpolitik*. De Mun, Von Ketteler and Von Vogelsang were writers who advocated particular or general “welfare” policies: so did Heinrich Pesch, who has been singled out for special treatment by Schumpeter. Among Protestants also there was renewed call for a “social gospel”. It is not without interest that Lohmann, who had advised Bismarck and went on to advise William II in the formulation of the far-reaching Labour Code of 1891, was a deeply religious man, the son of a Westphalian Lutheran pastor. Canon W. L. Blackley (1830–1902), the pioneer of old age pensions schemes not only in Britain but in other parts of the world and the founder of the National Providence League, was an honorary canon of Winchester Cathedral. On the Liberal side – and there was a close association in Britain between religious nonconformity and political liberalism – Seebohm Rowntree (1871–1954), one of the first systematic investigators of the facts of poverty, was a Quaker. The whole attack on the limitations of the poor law was guided, though not exclusively, by men of strong religious principles.

V

The complexity of the nineteenth-century background contrasts at first sight with the simplicity of the twentieth-century story. For a tangle of tendencies we have a “trend”, a trend culminating in greater “order” and simplification. In fact, however, the twentieth-century story has its own complexities, which are now in the process of being unravelled. Professor Titmuss has shown, for instance, that Lloyd George’s national health insurance legislation of 1911, a landmark in “trend” legislation, was the culmination of a long and confused period in which doctors had been engaged in a “Hobbesian struggle for independence from the power and authority exercised over their lives, their work and their professional values by voluntary associations and private enterprise”. He has maintained that the legislation of 1911 can only be understood if it is related, as so much else in the twentieth century must be related, to the history of hidden pressures from established interests and a sectional demand for an

“enlargement of professional freedom”⁵⁵. Many of the complexities of twentieth-century history certainly lie buried in the records of the network of private concerns and of professional groups which came into existence in the nineteenth century. There can be no adequate historical explanation which concerns itself in large terms with the state alone. Just as the administration of “welfare” is complicated in practice and can be understood only in detail, so the outline of “welfare state” legislation only becomes fully intelligible when it ceases to be an outline, and when it looks beyond parliamentary legislation to such crucial twentieth-century relationships as those between governments and pressure groups and “experts” and the “public”.

Yet there are five factors in twentieth-century “welfare” history (other than warfare, one of the most powerful of factors) which are beyond dispute and dominant enough to need little detailed research. They are, first, the basic transformation in the attitude towards poverty, which made the nineteenth-century poor law no longer practicable in democratic societies; second, the detailed investigation of the “social contingencies” which directed attention to the need for particular social policies; third, the close association between unemployment and welfare policy; fourth, the development within market capitalism itself of “welfare” philosophies and practices; and fifth, the influence of working-class pressures on the content and tone of “welfare” legislation.

The first and second of these five factors can scarcely be studied in isolation. The basis of the nineteenth-century British poor law of 1834 was economic logic. That logic was strained when empirical sociologists, like Charles Booth (1840–1916) and Rowntree, showed that a large number of poor people were poor through no fault of their own but because of tendencies within the market system. They pitted statistics against logic by attempting to count how many people were living in poverty and by surveying the various forms that the poverty assumed⁵⁶. Prior to Booth’s “grand inquest”, Beatrice Webb wrote, “neither the individualist nor the socialist could state with any approach to accuracy what exactly was condition of the people of England”⁵⁷. Once the results of the “inquest” had been published “the net effect was to give an entirely fresh impetus to the general adoption of the policy of securing to every individual, as the very basis of his life and work, a prescribed natural minimum of the requisites for efficient parenthood and citizenship”.

Booth’s thinking about economics was far less radical than his thinking about “welfare”, but Rowntree, who drew a neat distinction between “primary” and “secondary” poverty, the former being beyond the control of the wage-earner, went on to advocate specific “welfare” policies, ranging from old-age pensions to family allowances, public-provided housing to supervised “welfare” conditions in factories. The policies which he urged at various stages of his long life were, indeed, the main constituent policies of the “welfare state”⁵⁸. Like the “welfare state”, however, Rowntree stopped short of socialism. He separated questions of “welfare” from questions of economic power, and

remained throughout his life a “new Liberal”. The main tenet of his liberalism was that the community could not afford the “waste”, individual and social, which was implied in an industrial society divided “naturally” into “rich” and “very poor”. Poverty was as much of a social problem as “pauperism”. The roots of poverty were to be found not in individual irresponsibility or incapacity but in social maladjustment. Poverty, in short, was not the fault of the poor: it was the fault of society. Quite apart from “socialist pressure”, society had to do something about poverty once it was given facts about its extent, its incidence (Rowntree drew attention to the cycle of poverty in families), its ramifications and its consequences. All facts were grist to the mill. They included facts not only about wages but about nutrition: subsistence levels could only be measured when nutritional criteria were taken into account.

Sharp turns of thought about poverty were by no means confined to people in Britain. There were signs of fundamental re-thinking, allied as we have seen to “feeling”⁵⁹, both in Europe and the United States at the end of the nineteenth and the beginning of the twentieth century⁶⁰. The survey method, which Booth and Rowntree depended upon, was capable of general applicability⁶¹. The limitations of systematic “charity” were noted at least as generally as the limitations of unsystematic charity had been at the beginning of the industrial age. It is no coincidence that in Britain and Sweden, two countries with distinct “welfare” histories, there was keen debate about the poor law at almost exactly the same time. In Sweden the Poor Relief Order of 1871, with its checks on poor relief, was criticised by the Swedish Poor Relief Association which was formed at the first General Swedish Poor Law Congress in 1906. A year later the government appointed a committee to draw up proposals for fresh legislation governing poor relief and the treatment of vagrants. In Britain the Royal Commission on the Poor Laws, which was appointed in 1905 and reported in 1909, covered almost all topics in social policy. The issues were clearly stated and both the social contingencies and the necessary policies of social control were carefully examined. Although new direct legislation was slow to come in both countries, there was much indirect legislation and in both countries there were demands for what Beatrice Webb called “an enforced minimum of civilised life”⁶².

The main threat to that minimum in the later twentieth century came from “mass involuntary unemployment”. This, of course, was a world phenomenon which strained poor law and social service systems in most countries and presented a threat – or a challenge – to politicians and administrators. In Britain, which was the first country to introduce compulsory unemployment insurance (1911; greatly extended in 1920), the system of relief broke down under the stresses of the 1930s. Insurance benefits, linked to contributions, were stringently restricted, and while tussles about the “means test” were leading to extreme differences of outlook between socialists and their opponents, an Unemployment Assistance Board, founded in 1934, was providing a second-line income maintenance service, centrally administered. In Europe there

was an extension of unemployment aid schemes, whether by insurance (the Swedes, for example, introduced state-subsidized unemployment insurance in 1934), “doles” or in certain cases “positive” state-run schemes of “public works”. In the United States and Canada, where there had been entrenched resistance to government intervention in “welfare” provision, new legislation was passed⁶³, while in New Zealand, which had long lost its reputation as a pioneer of “welfare”, there was a remarkable bout of state intervention after the return of a Labour government to power in 1935. The Social Security Act of 1938 contained a list of health services and pensions benefits which, while resting on previous legislation, were everywhere hailed as a bold and daring experiment. The Minister of Finance anticipated later “welfare” legislators in other countries by arguing unequivocally that “to suggest the inevitability of slumps and booms, associated as they are with affluence for a limited number during a period, and followed by unemployment, destitution, hardship and privation for the masses, is to deny all conscious progressive purpose”⁶⁴. According to the I.L.O., the 1938 New Zealand Act “has, more than any other law, determined the practical meaning of social security, and so has deeply influenced the course of legislation in other countries”⁶⁵.

Twentieth-century social security legislation raises many interesting general issues – the relevance of the insurance principle, for example, the relationship between “negative” social policy and “positive” economic policy, and, underlying all else, the nature and extent of the responsibilities of the state. Insurance principles, actuarially unsound though they may be and inadequate though they have proved as instruments of finance at moments of crisis, have been historically significant. They removed the stigma of pauperism from a social service, reconciled “voluntary” and “compulsory” approaches to provision, and facilitated “public approval” of state expenditures which otherwise would have been challenged. They thus served as a link between old ways of thinking (“self-help” and “mutual help”) and new. “Positive” economic policy was in the first instance, as in Roosevelt’s America, the child of improvisation: its systematic justification had to await revolutions in political economy (Keynes and after) which accompanied shifts in social power. The difference in tone and content between two books by William Beveridge – his *Unemployment* (1909) and his *Full Employment in a Free Society* (1944) – is one of the best indications of the change in the world of ideas between the early and middle periods of the twentieth century. “Beveridgism”, an important British phenomenon during the Second World War, had sufficient popular appeal to show that the world of ideas and the world of practical politics were not very far apart. For the intellectuals and for the public the magnification of governmental power – and the enormous increase in government expenditure financed from taxation – were taken for granted.

The fourth and fifth factors are also related to each other. In all advanced industrial countries in the twentieth century there has been a movement

towards “welfare” in industry – “industrial betterment” it was originally called – which has been accompanied by the emergence of philosophies of “human relations”, “welfare management” and industrial and labour psychology⁶⁶. The movement has to be explained in terms of both economics and politics. A “managerial revolution”, limited though it may have been in its economic effects, has accelerated the tendencies making for “welfare capitalism”. The need to find acceptable incentives for workers, to avoid labour disputes and to secure continuous production, to raise output in phases of technical change and (more recently) to hold labour “permissively” in a period of full employment has often driven where “human relations” philosophies have failed to inspire. “Welfare”, a word which was often resented by workers, when it was applied within the structure of the firm, was, indeed, used in a business context before it began to be applied to a new kind of state. Within state schemes of “welfare” employers have made, and are expected to make sizeable contributions. In France and Italy, in particular, obligatory social charges as a percentage of assessable wages constituted the main source of “welfare” expenditure⁶⁷. In the United States business rather than the state was, and is expected, directly to provide a network of “welfare” services. As in all such situations, the provision of “welfare” varies immensely from one firm (giant businesses are at one end of the scale) to another.

In contrast to these countries, such as Great Britain, which appear to regard government (for reasons which have been stated above) merely as the most effective of several possible institutions for the administration of income security programmes or the provision of services, [...] a society like the United States that distrusts its government is likely to seek to organise its social security services in such a way as to keep government activity to a minimum⁶⁸.

United States experience, in contrast to the experience described in other countries, shows that this likelihood has been converted into fact.

It is not accidental that the labour movement in the United States has showed little interest in socialism and that its leaders have chosen of their own volition to bargain for “fringe benefits” at the level of the plant. In most European countries, particularly in Britain and in Scandinavia, there has been a tendency for working-class pressures to lead to greater state intervention. In Britain nineteenth-century patterns of “mutual dependence” through “voluntary action”, which impressed so many observers from Tocqueville onwards, have become less dominant, except in the field of industrial relations where they have very tenaciously survived⁶⁹.

As we have seen, the demand for state action has been related to the rights of citizenship, to equality as well as to security. During the critical period between the two World Wars, when economic and social conditions were very difficult, “welfare” measures were demanded and provided “piecemeal” with varying conditions of regulation and administration, “a frightening

complexity of eligibility and benefit according to individual circumstances, local boundaries, degrees of need and so forth”⁷⁰. The Second World War, which sharpened the sense of “democracy”, led to demands both for “tidying up” and for “comprehensiveness”. It encouraged the move from “minima” to “optima”, at least in relation to certain specified services, and it made all residual paternalisms seem utterly inadequate and increasingly archaic. It was in the light of changes in working-class life within a more “equal community” that post-war writers noted the extent to which the social services of the earlier part of the century had been shaped by assumptions about the nature of man, “founded on outer rather than on inner observation”, on the “norms of behaviour expected by one class from another”⁷¹. This period of criticism has already ended. The assumptions which shaped the “welfare state” have themselves been criticized⁷², and radical political slogans have concentrated more and more on differences of income between “mature” and “under-developed” countries rather than on differences within “mature” countries themselves.

It may well be that in a world setting the five twentieth-century factors discussed in this article will be considered less important than other factors – the total size of the national income in different countries, for example, and the share of that income necessary for industrial (as, or when, distinct from social) investment, or even, on a different plane, the nature of family structure. Is not the making of the industrial “welfare state” in part at least the concomitant of the decline of the large, extended “welfare family”? How far has the pressure of women (or just the presence of women voters) in industrial societies encouraged the formulation of “welfare” objectives? The historian does well to leave such large questions to be answered rather than to suggest that all or even the most important part of the truth is already known.

Notes

1. I.L.O., International Labour Conference, 34th Session, *Objectives and Minimum Standards of Social Security* (1950), pp. 3–4. See also “Survey of Post-War Trends in Social Security” in *International Labour Review*, June, July, August, September, 1949.
2. I.L.O., *Approaches to Social Security* (1942), p. i.; *Objectives and Advanced Standards of Social Security* (1952); D. Thomson, A. Briggs, E. Meyer, *Patterns of Peacemaking* (1945), p. 310, ch. VII, appendix II.
3. R. M. Titmuss, *Problems of Social Policy* (1950), p. 506.
4. C. L. Mowat. *The Charity Organization Society, 1869–1913* (1961), p. 75.
5. A. V. Dicey, *Law and Public Opinion in England during the Nineteenth Century* (1914 edn.), p. 1.
6. Titmuss, *op. cit.* pp. 509–10.
7. Cd. 6550 (1914) § 8, § 33. See also Cd. 6404 (1942) and A. Briggs, “The Social Services” in *The British Economy, 1945–50*, (ed. G.D.N. Worswick and P. Ady, 1952), pp. 365–80.
8. T. H. Marshall, *Citizenship and Social Class* (1949), pp. 47 and 48.
9. J. Bentham, *Works* (ed. J. Bowring, 1843), vol. III, p. 35. Cf. J. M. Keynes’s view of the “agenda” of the state in *The End of Laissez Faire* (1926).

10. S. Webb, in *Fabian Essays* ([1889] 1948 edn.), p. 43, p. 46.
11. H. Bland, *ibid.* p. 198.
12. J. R. McCulloch, *Treatise on the Succession to Property vacant by Death* (1848), p. 156.
13. The passage comes from his Oxford lectures of 1847–8. It is quoted in L. Robbins, *The Theory of Economic Policy* (1953), p. 45. See also for a modern comment on the history of the term *laissez faire*, D. H. McGregor, *Economic Thought and Policy* (1949), ch. III.
14. G. Wallas, *Human Nature in Politics* ([1908] 1929 edn.), p. 13. There is a fascinating, if controversial, account of poor law and market in K. Polanyi, *Origins of Our Time* (1946).
15. *The Fleet Papers* (1842), p. 58; (1841), p. 39; *Leeds Intelligencer*, 10 August 1833.
16. *Deutsche Allgemeine Zeitung*, 6 July 1843; C. Driver, *Tory Radical* (1946).
17. The phrase is taken from his *Stones of Venice* (1851). (Works, ed. Cook and Wedderburn, vol. XI, p. 263). The term “living wage” was first used by the English Cooperator, Lloyd James, in the *Beehive*, July 1874. The term “fair day’s wages for a fair day’s work” was older.
18. H. S. Foxwell, *The Claims of Labour* (1886) p. 249.
19. Quoted in S. E. Finer, *The Life and Times of Sir Edwin Chandwick* (1952), p. 477.
20. N. Senior, *Journals Kept in France and Italy* (1843), pp. 150–2. In this journal Senior compared England with Switzerland. The “pure democracies” of small Swiss cantons, he claimed, resisted the spell of “the political economy of the poor” because all their adult males “venerated heir clergy, their men of birth and of wealth and their institutions”. He did not see that “deference” was as much a feature of nineteenth-century England. Estimates of the likely effect of the extension of suffrage on popular demands for a new political economy were influenced by estimates of the power of “deference”. See W. Bagehot, *The English Constitution* (1872 edn.); A. Briggs, *The Age of Improvement* (1959), ch. x.
21. “Much of that tact which dreads the ballot is a dread of the loss of aristocratical influence which prevails by gold, and of the gain of the influence which prevails by popularity” (Letter of 14 October 1852, quoted in Finer *Op. cit.* p. 478).
22. For details, see D. Roberts, *Victorian Origins of the British Welfare State* (1960), esp. pp. 152–244.
23. McGregor, *op. cit.* p. 54.
24. J. B. Brebner, “*Laissez faire* and State Intervention in Nineteenth-century Britain” in *Tasks of Economic History*, Supplement VIII (1948) to the *Journal of Economic History*. For the dangers of explaining in terms of Dicey’s “abstractions”, see also MacDonagh, “The Nineteenth-century Revolution in Government: a Re-appraisal” in the *Historical Journal* (1958).
25. Bland, *loc. cit.* p. 195, p. 200.
26. *Ibid.* p. 200.
27. Quoted by D. Thompson in “A Note on the Welfare State” in the *New Reasoner*, No. 4, 1948.
28. See C. Tsuzuki, *H. M. Hyndman and British Socialism* (1961), p. 56, p. 148.
29. *The Fleet Papers* (1842), p. 190.
30. Yet Beatrice Webb herself said of her poor law scheme in 1907: “The whole theory of the mutual obligation between the individual and the State [...] is taken straight out of the nobler aspect of the medieval manor”; *Our Partnership* (1948), p. 385.
31. H. L. Beales, “The Making of Social Policy”, (*L. T. Hobhouse Memorial Trust Lecture* (1946), p. 5. The mercantilist parallel usually refers not only to welfare policy but to population policy (which, through such devices as family allowances, has “welfare” implications) and to protection (which also has “labour” implications).
32. A. Métin, *Le socialisme sans doctrines* (1901). See also A. Stegfried, *Democracy in New Zealand* (1906).

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33. Métin', *op. cit.* p. 229; J. B. Condliffe, *New Zealand in the Making* (1930), pp. 164–5.
34. W. K. Hancock, *Australia* (1930), p. 61. For general reflections on the role of the state in Australia, see S. Encel, "The Concept of the State in Australian Politics" in the *Australian Journal of Politics and History*, May 1960.
35. See A. Wilson and G. S. Mackay, *Old Age Pensions, An Historical and Critical Study* (1941), ch. II, III, IV. See also R. M. Titmuss, *Essays on "The Welfare State"* (1958), pp. 18–19.
36. C. L. Mowat, "The Approach to the Welfare State in Great Britain" in the *American Historical Review*, October 1952. It has also been called "an extended form of outdoor relief". See B. Abel-Smith, "Social Security" in Ginsberg (ed.), *Law and Opinion in England in the Twentieth Century* (1950), pp. 352 ff.
37. W. Pember Reeves, *State Experiments in Australia, and New Zealand* (1902), vol. II, p. 244. For more recent appraisals, see W. B. Sutch, *The Quest for Security in New Zealand* (1942); R. Mendelsohn, *Social Security in the British Commonwealth* (1954).
38. J. A. Hobson, *The Evolution of Modern Capitalism* (1902), p. 321.
39. A. Milner, Introduction to A. Toynbee, *Lectures on the Industrial Revolution* (1923 edn.), p. xxv. Toynbee anticipated the Fabians in these lectures, delivered to working-men in the early 1880s, by contrasting the age of capitalist anarchy with the age of regulation which had preceded it. For movements in liberal political economy at this time, see T. W. Hutchison, *A Review of Economic Doctrines, 1870–1929* (1953), ch. 1.
40. T. H. Green, *Lectures on the Principles of Political Obligation* (1895 edn.) pp. 206–209.
41. R. B. Haldane, *Autobiography* (1929), pp. 212–214.
42. See, in particular, L. T. Hobhouse, *Elements of Social Justice* (1922); *The Labour Movement* (1893); *Democracy and Reaction* (1904); *Liberalism* (1911); "The Philosophical Theory of Property", in *Property, its Duties and Rights* (ed. C. Gore, 1915). For the significance of his work, see J. A. Hobson and M. Ginsberg, *The Life and Work of L. T. Hobhouse* (1931).
43. J. A. Hobson, *The Crisis of Liberalism* (1909), p. 3. For Hobson, see H. N. Brailsford, "The Life and Work of J. A. Hobson" (*L. T. Hobhouse Memorial Trust Lecture*, 1948).
44. R. B. McCallum, "The Liberal Outlook", in M. Ginsberg (ed.), *Law and Opinion in England in the Twentieth Century*, p. 75.
45. W. H. Dawson, *Bismarck and State Socialism* (1890), p. IX.
46. S. B. Fay, "Bismarck's Welfare State" in *Current History*, vol. XVIII (1950).
47. "A British Bismarck", Professor Driver has written, "would have commanded all his uncritical devotion, but Wellington was no Bismarck" (Driver, *op. cit.* p. 189).
48. J. A. Schumpeter, *History of Economic Analysis* (1954), p. 765.
49. The pre-history of this approach leads back to Sismondi who has important links with Mill and the English utilitarians. He is a seminal figure in the critique of industrialism and the demand for welfare legislation.
50. A. Wagner, *Rede über die soziale Frage* (1872), pp. 8–9. G. von Schmoller, *Über cinige Grundfragen des Rechts und der Volkswirtschaft* (1875), p. 92.
51. For the background of these attempts, see M. Ginsberg, "The Growth of Social Responsibility" in *Law and Opinion in England in the Twentieth Century*, pp. 3–26.
52. See G. Mayer, *Bismarck und Lassalle* (1927).
53. Dawson, *op. cit.* p. 35. This remark was made in 1884. Five years earlier the Emperor, referring to the anti-socialist law of 1878, had said, "a remedy cannot alone be sought in the repression of socialistic excesses; there must be simultaneously the positive advancement of the welfare of the working classes", (quoted *ibid.* p. 110).
54. J. H. Clapham, *An Economic History of Modern Britain*, vol. III (1938), p. 445.
55. R.M. Titmuss, "Health", in Ginsberg (ed.), *Law and Opinion in England in the Twentieth Century*, p. 308. Cf. p. 313: "The fundamental issue of 1911 was not [...] between individualism and collectivism, between contract and status; but between different forms of collectivism, different degrees of freedom; open or concealed power."

56. C. Booth, *Life and Labour of the People in London*, 17 vols. (1892–1903); B. S. Rowntree, *Poverty: A Study of Life* (1901).
57. B. Webb, *My Apprenticeship* (1926), p. 239.
58. For Booth, see T. S. and M. B. Simey *Charles Booth, Social Scientist* (1960); for Rowntree, see A. Briggs, *Seebohm Rowntree* (1961). See also B. S. Rowntree and G. R. Lavers, *Poverty and the Welfare State* (1951).
59. “In intensity of feeling”, Booth wrote, “and not in statistics, lies the power to move the world. But by statistics must this power be guided if it would move the world aright” (*Life and Labour, Final Volume, Notes on Social Influences and Conclusion* (1903), p. 178).
60. See *inter alia* C. L. Mowat, *The Charity Organisation Society*; K. de Schweinitz, *England’s Road to Social Security* (1943); C. W. Pitkin, *Social Politics and Modern Democracies*, 2 vols. (1931), vol. II being concerned with France; R. H. Bremner, *From the Depths; The Discovery of Poverty in the United States* (1956).
61. See M. Abrams, *Social Surveys and Social Action* (1951); P. V. Young, *Scientific Social Surveys and Research* (1950); D. C. Caradog Jones, *Social Surveys* (1955).
62. The British controversy is well described in U. Cormack, “The Welfare State”, *Loch Memorial Lecture* (1953). For Sweden, see The Royal Social Board, *Social Work and Legislation in Sweden* (1938).
63. Mendelsohn, *op. cit.* III: J. C. Brown, *Public Relief, 1929–39* (1940); E. A. Williams, *Federal Aid for Relief* (1939); P. H. Douglas, *Social Security in the United States* (1939 edn.).
64. Quoted in W. K. Hancock, *Survey of British Commonwealth Affairs*, vol. II. (1940), p. 275.
65. I.L.O., *Social Security in New Zealand* (1949), p. 111.
66. See A. Briggs, “The Social Background”, in H. Clegg and A. Flanders (eds.), *Industrial Relations in Great Britain* (1955); L. Urwick and E. F. L. Brech, *The Human Factor in Management, 1795–1943* (1944); E. D. Proud, *Welfare Work, Employers’ Experiments for Improving Working Conditions in Factories* (1916); E. T. Kelly (ed.), *Welfare Work in Industry* (1925); P. E. P., “The Human Factor in Industry” (*Planning*, March, 1948).
67. P. E. P., “Free Trade and Security” (*Planning*, July 1957); “A Comparative Analysis of the Cost of Social Security” in *International Labour Review* (1953).
68. E. M. Burns, *Social Security and Public Policy* (1956), p. 274.
69. For the nature of the nineteenth-century pattern, see J. M. Baernkeither, *English Associations of Working Men* (1893). For industrial relations, see Clegg and Flanders, *op. cit.*
70. R. M. Titmuss, *Essays on the Welfare State*, pp. 21–22.
71. *Ibid.* p. 19.
72. See A. Peacock, “The Welfare Society”, *Unservile State Papers* (1960); R. M. Titmuss, “The Irresponsible Society”, *Fabian Tracts* (1960); J. Saville, “The Welfare State” in *The New Reasoner*. No. 3, (1957).

