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# HOW VALUABLE IS THE SOCIAL SECURITY SCHEME IN GREAT-BRITAIN

EDGAR GUAY

How valuable is the social security scheme in Great Britain? It would be presumptuous, I believe, to pass judgment on so vast an undertaking after only eighteen months in operation. It would be more than rash, since John Bull himself, with his proverbial caution, takes the attitude of « wait and see ». Perhaps the judgment will never be passed, for, skilled architect of adaptation that he is, the Englishman is likely to transform the system little by little until it has all the kinks worked out of it. That's what it means to him. In the present circumstances we may well ask whether immediate social utility is not the right barometer to judge by. Thus the plan would always be that which is best for any given moment.

Though it would be throwing prudence out the window to judge the system in terms of black and white, historical facts can help cast some light on the present development of the scheme and thus permit us to form a tentative opinion.

## History

A glance at the route traversed by socio-economic thought in Great Britain in the course of the last two centuries shows a passage from blissful ignorance of the social responsibility of private property to a more and more vigorous recall to the interdependence and mutual responsibility of citizens.

Under the regime of *laissez-faire* capitalism, the Poor Law administration was never able to prevent pauperism, and even gave rise to it at times. It is referred to as the Speenhamland system, with its unhappy social consequences.

In 1795 an assembly of magistrates at the Pelican Inn in Speenhamland, in answer to the agricultural workers' constant pleas for aid, proposed to supplement their wages by a subsidy drawn directly from the funds collected by the Poor Tax. This subsidy was based on the price of bread and the number of children in the worker's family. The employers of the time took advantage of this measure to drop their wages to the lowest level, counting on the subsidy to make good the difference. Before long a man had to be recognized as a pauper before he could get a job, because the public dole was refused to anyone who was able to own anything. The measure, at first only local, spread through the whole country

and ended in pauperizing the majority of agricultural workers.

Another consequence was the giddy rise of the tax rate. It reached six sevenths of the total of the funds spent in public administration, without solving the problem. Popular revolts broke out in the southern counties. Obviously, a reform of the regime was demanded. It took place in 1834. But the government attempts only transformed into quasi-penal institutions the workhouses created by Elizabeth for the jobless. When this administrative reform of 1834 was put through Disraeli cried: "This proclaims to the world that in England poverty is a crime"; and the institution employed to quell the demands for aid has become an object of shame for the Anglo-Saxons.

This incomprehension on the part of the public authorities of the nature of the problem of pauperism provoked all sorts of reactions. The mutual aid movement grew extensively with the numerous foundations of the Friendly Societies and cooperatives; the more fortunate classes roused themselves and attempted by their philanthropy to bridge the gap between the two nations of the kingdom, the rich and the poor, described in Disraeli's *Sybil*. Finally, vigorous political action took place under various designations: chartists, Christian Socialists, Birmingham Radicals, Social Democrat Federation. This permitted the rise of leaders from the ranks of the labouring classes, more or less battered by economic liberalism and the Poor Law regime, to public posts of power and authority. It led to that amalgamation known today as the Labour Party, dedicated to the reclaiming of social justice. Of all the movements this is the most powerful and influential. It is claimed that its educational action has so infiltrated the liberal party as to make it lose all significance. This tactic was employed especially by the Fabian Society, the oracle of the Labour Party, and is supposed to have drawn its inspiration from Bentham's utilitarianism.

The most flamboyant representative of the labour movement is Aneurin Bevan, Minister of Health, whose views on public welfare and the future of the social security plan, and on what attitude to take *vis-à-vis* the Conservative Party, are certainly definite enough. "Homes, health, education and social security — behold your birth-

right", he has declared to the workers. "No flattery, no moral or social seduction can extinguish from my heart the fire of my hatred for the Conservative Party..." For him this party represents capitalism.

We must pause a moment to compare this body of doctrine, which has breathed into the labour government its new dynamism, with the ideas current at the time of Townsend and Malthus: "There seems to be a natural law that the poor be more or less improvident, in order that they may always be there to discharge the most servile functions of society, the dirtiest, the most unnoticed".

On account of the vigorous and encroaching operations of the government, the philanthropic and mutual aid movements are finding it very difficult to carry on their charitable activities. Taxation has in a way dried up the financial source of philanthropy. And many works of charity are being obliged to modify their policy because of the expansion of public social services. The mutual aid societies or Friendly Societies, on their part, see their *raison d'être* disappearing in the nationalization of insurance.

The situation has been found to be so grave that in 1948 Lord Beveridge, at the plea of one of the most important Friendly Societies, presented to the public a study entitled *Voluntary Action*. This work constitutes an attempt to find a propitious sphere for the function of mutual aid and philanthropy, as also to find the means of effective cooperation with government services.

The overall message of this document is that these movements operate with the greatest efficiency in the sphere of social experiment and social exploration. This involves a continuing nationalization of the results of their efforts. Yet Lord Beveridge recognizes certain social functions the state cannot exercise, for instance the task of interpreting the citizens to the state, or the organization of leisure.

#### *The current administration*

There are some signs in the present administration of the plan that show the way the wind blows.

It is often heard among the government social security officials that this or that measure must be taken to wipe out the disgrace of the Poor Law. This explains the generosity of the program of National Assistance and the great number of those who appeal to its services. As we have pointed out in a previous article, this organism seems to grow on account of the relative inability of the

system of National Insurance to provide the minimum subsistence demanded by Beveridge. If we examine the financial structure of the system we find that it is rather rigid. It is not flexible enough to follow the fluctuations in the buying power of the pound. In this regard a more flexible plan might be to base contributions and benefits on a wage percentage rather than on the number of shillings (the buying power of which varies as the economy fluctuates).

The health section of the plan has raised numerous discussions which it would be idle to repeat here. One criticism, however, seems to have some foundation. The English these days are fond of commenting wryly: "We have an excellent plan for National Sickness". The truth is that the emphasis of the plan is on curative medicine, — though the rationalization of prenatal hygiene and child care is producing results not to be sneezed at. One cannot help admiring in this connection the civic spirit of the English. Ten thousand volunteer workers staff the administrative boards in every part of the country.

Beveridge has always said, and continues to maintain, that national social security should give only the subsistence minimum. But it seems that the high cost of obtaining this minimum is raising some doubts about the effectiveness of the means, i.e. nationalization of insurance, of medicine, of hospitals and of all the other connected services. Is social insurance destined to become simply a forced and artificial redistribution of revenue into services instead of being a system of mutual protection?

Relations among the ranks of the socially insured (they number 29 millions plus dependants) are somewhat dehumanized. They can be resolved into a series of accounting operations. Beveridge himself declares: "Decline of the intensity of inner life is a natural consequence of growth in size". Should we search for a formula of social security that will capitalize on both the strength drawn from great numbers and the human wealth of the relations between natural social groups?

The present regime of welfare and social security bears within itself the elements of regeneration. Indeed, the political sagacity of our British friends has, so to speak, welded administrative structure to the needs and the mental outlook of the people. A thoroughly integrated network of administrative and consultative boards composed of all the elements of the nation keeps the government informed on measures to be taken. This organic conception of administration is surely a factor of continuity and balance.