

Why did the Liberals introduce their welfare reforms?

Self-help v. welfare state

In Britain, when the state pays for health care, education, social services, unemployment benefit and many other services for whoever needs them. We call this the **WELFARE STATE**, this is run by the Government in power at the time. This was not always the case.

Before the early 1900s most politicians would have said that the government should leave such matters to individuals or charities and that individuals should look after their own welfare by working hard and saving money carefully. This is known as '**SELF HELP**'.

They would also have said that anyone could climb out of poverty if they tried hard enough, so it was their own fault if they stayed poor.

From 1906 - 1918, the Liberal Party was the largest party in the country and made up the government. During this time, they changed the focus from Self Help to Welfare State through a series of laws and social reforms.

These Liberal reforms were based on quite different assumptions:

- It was not always the fault of the poor that they were poor.
- It was the role of government to support the poor when they needed it most.

There are economic, political, social and even military reasons why they changed their views.

The social reformers

Leading Liberals were influenced by the work of researchers and social reformers such as **Seebohm Rowntree**. He was head of the famous Rowntrees chocolate and sweet company in York but he was also a committed social reformer. The family had set up in the 19th century a 'model' town called Bourneville with good health, housing and education systems for their workers and families.

In 1901 Rowntree published a book called ***Poverty: A Study of Town Life***. This book was based on two years' research in his home town of York. It contained a huge amount of statistics and evidence on wages, hours of work, diet, health and housing. His main conclusions were:

- Poverty was generally caused by old age, illness or similar factors. It was NOT the result of the poor being lazy or careless with money.
- The poor often suffered from the ups and downs in Britain's trade cycle. Clearly, ordinary people could not be blamed for this but it put them out of work and into poverty.
- In York, 27 per cent of the population lived below the poverty line (the poverty line was a wage level below which it was believed people could not feed or house themselves or their family).
- The Government should introduce measures to protect and safeguard the very young, the old, the ill and the unemployed - that is; **A WELFARE STATE**

Because of his wealth Rowntree had influence on the government. He had been a supporter of the Liberal Party all his life. He was a friend of the leading Liberal David Lloyd George, who became Chancellor of the Exchequer in 1908, (responsible for spending money from taxes). Rowntree was an important influence behind laws such as the Old Age Pensions Act and the National Insurance Act.

Political rivalry

The Liberals' main rivals were the Conservative Party. In 1905 the Conservatives had introduced the Unemployed Workmen's Act to help fight the effects of high unemployment. This could be a vote-winner among the working classes. The Liberals were worried that if they didn't introduce some social reforms that public support (and votes) would go to the Conservatives.

Key individuals: David Lloyd George and Winston Churchill

The Liberal politician David Lloyd George was very influential. After his father had died the year after David was born, he and his poverty-stricken mother went to live in a Welsh village. Lloyd George eventually became a lawyer and because of his early life, he sympathised with the ordinary people. He was also a very talented politician, and by 1908 he had risen to the post of Chancellor of the Exchequer.

Another key figure was Winston Churchill. He had been a Conservative, but switched to the Liberals in 1906 when the Liberals started their social reforms. In 1908, Churchill became President of the Board of

Trade. He would later return to the Conservatives and become probably Britain's most famous Prime Minister during the Second World War.

These two and other leading Liberals were influenced by Rowntree and felt that poverty needed to be tackled. They were aware of the contrast between Britain's vast wealth for a few and slums that many more lived in, in cities like London, Manchester and Leeds.

The Boer War (South Africa)

Between 1899 and 1902, Britain was at war to defend its territory in South Africa. Half of the recruits who volunteered to fight were found to be unfit for service because of ill health. In some poor areas of Britain, 69 per cent were unfit. The potential recruits were so badly fed that they had not grown properly. The army had to lower its minimum height for a soldier in order to find enough infantrymen.

This was alarming for a government that needed to be able to call up a strong army at short notice. The committee set up to look into the problem stated that poor diet, health and social conditions in cities were the main cause. Its recommendations influenced the Liberal programme of reform.

Industrial decline

From 1870 onwards, Britain's position as the world's leading industrial power was being challenged by the USA and Germany. By 1900, both countries had overtaken Britain. Lloyd George was extremely impressed with the welfare programme introduced by Bismarck, the German Chancellor (Prime Minister). Germany's success appeared to be closely linked to its healthier, better-educated and therefore more productive workforce. If measures like this were also introduced in Britain they might reverse our industrial decline and allow us to catch up with or overtake Germany and / or the USA.

The rise of Socialism

Finally, the Liberals saw welfare reforms as a way of fighting Socialism. Socialism was gaining influence among industrial workers because of its message of equality, some socialists supported the idea of violent revolution. If the working classes were healthier and happier, there would be less support for the type of revolutionary Socialism that was troubling France, Germany and Russia at this time.

It was also hoped that reforms would undermine support for the new Labour Party, which was influenced by peaceful socialism. Most working-class men could vote in elections by 1906. The new Labour Party was calling for pensions, education and unemployment benefits. The party was only small in 1906, with 29 seats in Parliament. The Liberals hoped to keep it that way by 'stealing' their potential support.

How effective were the Liberal reforms?

1 Children

In 1906, an Act was passed that allowed (but did not force) local authorities to provide free school meals. The new law meant that children would eat at least one decent meal a day. In 1914, 14 million meals were served up, most of which were free. On the other hand, only half of Britain's local authorities actually set up a meals service.

In 1907, an Act made every local education authority set up a school medical service. At first, the service provided only did medical checks, but from 1912 this was extended to provide treatment in school as well. Each local authorities had control how to put this into practice therefore, medical care in schools varied widely across the country.

In 1908, the **Children and Young Persons Act** gave children special status as protected persons, and their parents could now be prosecuted for neglect. It also made it illegal to insure a child's life. What had been happening was that some parents had been insuring the lives of their children and then allowing them to die, usually through neglecting them. This has been difficult to prove and to prosecute. The Children and Young Persons Act aimed to stop this.

The Act also set up special courts to deal with child crime and also special homes or Borstals to house young offenders so that they did not need to be sent to adult prisons.

2 The Old

In 1908, Lloyd George introduced a government-funded **OLD-AGE PENSION**. A person over 70 with no other income would receive five shillings per week. Married couples would receive 7s 6d. Anyone who had an income of over £31 per year did not qualify for a state pension. Only British citizens who had been living in Britain for the last 20 years could

receive a state pension. Pensions could be refused to people who had failed to work to their best abilities during their working life.

Although the state pension was hardly a generous measure, the effect on the elderly poor was enormous. Their state pensions made them independent for the rest of their lives. In the first year, some 650,000 people collected their pensions. The number of people claiming help from charities fell by over 80,000. This was the first time poverty was tackled directly by central government instead of being left to charities or local councils.

3 The Unemployed

LABOUR EXCHANGES run by volunteers had existed for some time. Here, workers could sign on to a register when they were unemployed, and they could find out about available work. In 1909 the government set up its own labour exchanges as part of its campaign against unemployment. By 1913 labour exchanges were putting 3000 people into jobs every working day.



A government Labour Exchange in Camberwell, London in 1910.

4 Workers: the National Insurance Act

The **NATIONAL INSURANCE Act of 1911** was a really important measure. Insurance was not a new idea. It had been the basis of the friendly societies for two centuries or more. Indeed, the Liberals used the friendly societies to administer the national insurance scheme. But Lloyd George's scheme went far beyond any of these private schemes.

Sick pay

The first part of the Act dealt with **HEALTH INSURANCE**. All men and women in lower-paid manual and clerical jobs earning under £160 per year had to join. They then had to pay 4d out of each week's wages. Each payment earned them a 'stamp' on their card. The employer added 3d worth of stamps and the government a further 2d. Liberal posters talked of workers getting 9d for 4d. The money was paid into a friendly society of the worker's choice.

In return, the worker received up to 26 weeks of sick pay at 10 shillings a week. There was also free medical care for the insured. It was an important boost for low-paid workers, but it did not solve all their problems. The families of workers were not entitled to free treatment, and widows did not receive pensions.

Unemployment benefit

The second part of the Act dealt with **UNEMPLOYMENT** and underemployment, especially in 'casual' work. In trades such as building, shipbuilding and engineering, occasional unemployment was common. To cover this, the Act required a further contribution of $2\frac{1}{2}d$ per week from the worker, $2\frac{1}{2}d$ from the employer and $1\frac{3}{4}d$ from the government. These sums paid for 'stamps' on the worker's card. During times of unemployment, a worker would receive seven shillings per week for up to 15 weeks. It was not much money, certainly not enough to support a working man and his family. This was deliberate, because the government wanted to encourage careful saving and did not want workers to 'sit back and enjoy' the benefits.



Elderly people collecting their pensions at a London post office on 1st January 1909. The first day of the new pension scheme.

Reactions to the Reforms

The reforms were met with enormous opposition. **CONSERVATIVES** opposed the cost and the idea of the 'nanny state'. The idea that workers would become dependent of benefits, rely on the state for help, become unproductive and this would affect attitudes to work in the country as a whole.

DOCTORS were not convinced about health insurance.

The **FRIENDLY SOCIETIES** and **INSURANCE COMPANIES** prevented national insurance benefits being given to widows.

Some **WORKERS** resented the deductions from their wages.

Some **RICH PEOPLE** resented paying for this too. Lloyd George said that the upper classes inherited much of their wealth and did little work to earn what they had, so they should pay for social reforms to help those who did work and suffered poverty.

The **HOUSE OF LORDS**, which had a majority of people from the upper class and Conservative supporters, tried to stop the reforms going through.

The **LABOUR PARTY** criticised the fact that workers had to fund their own benefits. They felt it should come from taxation of the wealthy to help the poor.

There can be no doubt that taken as a whole the Liberal reforms constitute an impressive body of social legislation, the greatest ever passed by any one government up to that time . . . A radical new plan of campaign had been developed to meet the most urgent social needs of the working classes, and to do so outside the Poor Law System.

Eric Hopkins, *A Social History of the English Working Classes*, 1979.