

The Welfare Reforms of the Labour Government 1945-1951

Did they deal with the problems?

Creation of the Welfare State?

Exam Essay Questions

- How successful were the reforms in improving social conditions in Britain?
- How successful were the reforms in establishing a welfare state?
- How successfully did the Labour Government promote social welfare between 1945-51?
- How effective were the reforms in dealing with the problems facing Britain at the time?
- “The creators of the Welfare State.” How well deserved is this description of the Labour government of 1945-1951?
- Assess the impact of the reforms on the lives of the British people.

In other words...

there are only...

two questions!

1. How successful were the reforms in dealing with the problems/improving social conditions of the people?
(by far the more common question)

2. Did the Labour Reforms create a Welfare State?
(not asked very often)

Both types of questions will require you to discuss the Labour reforms in detail to decide how well they dealt with the problems/needs of the people.

However, question (2) would also require you to discuss if the Labour Party established a Welfare State entirely on their own, or did they just build on previous reforms, such as the Liberal reforms of 1906-1911, and therefore simply put a more comprehensive and formalised system into operation.

Question 1:

How successful were the reforms in dealing with the problems/improving social conditions/promoting social welfare etc.

- Introduction: In any essay like this you must clearly establish what the social problems/conditions were, and why reform was needed. This is easy as it has been done for you by **William Beveridge** when he identified the “Five Giants.”

- Main Body: take each of the “Five Giants” in turn and show **in detail** what the government reforms did to deal with the problems.
- **Assess** each of the reforms to decide how effectively they dealt with the problems:
 - did they eradicate/cure the problem?
 - did the reforms ease the problem and by how much?
 - were there any weaknesses in the reforms and were they the fault of the government?
- At the end of each “Giant” briefly sum up the overall effectiveness of the reforms in tackling this “evil”

- Conclusion:

- Relate back to the question -remind the reader of what the reforms were meant to do - tackle the “Five Giants”.
- Summarise the overall strengths and weaknesses of the reforms.
- Decide which were the most effective.
- Point out that although poverty, ill-health and bad housing still existed after 1951, considerable advances had been made in the government taking care of the people.

“The Five Giants”

- Want (poverty)
- Disease (bad health)
- Squalor (housing)
- Ignorance (education)
- Idleness (unemployment)

'From the Cradle to the Grave'

Use Beveridge's Five Giants as an indication of the problems, then detail what was done to combat them.

Disease (bad health)

National Health Service – the **right** of all citizens to receive treatment.

Aims – comprehensive, universal, free at point of service.

Want (poverty)

National Insurance Act – covered sickness/unemployment benefits and also maternity, widow, death benefits and old age pensions.

National Assistance Act – a safety net for those not paying National Insurance.

Family Allowance Act

Industrial Injuries Act

Ignorance (education)

Education Act of 1944 – School leaving age set at 15. Secondary education for all, but the 11+ or 'qualy' exams in Scotland at 12.

Idleness (unemployment)

Some industries nationalised (taken over by the government) and run 'for the benefit of the people'.

Partly an attempt to avoid mass unemployment.

Squalor (housing)

House building programmes – mainly council estates – but there were still housing shortages.

'Prefabs'

New Towns Act resulted in the building of new towns such as Glenrothes and East Kilbride.

Problem 1 – Want

The key social problem which affected all others was poverty.

The solution?

- The Family Allowance Act (started by the wartime government) paid a small amount of money to all mothers of two or more children. There was no attempt to ‘target’ the money by means tests.
- The Industrial Injuries Act paid compensation for all injuries caused at work. It was paid by the government, not individual employers. All workers were covered.
- The National Insurance Act of 1946 improved the old Liberal Act and allowed for sickness and unemployment benefits, retirement, widow’s pensions and maternity grants. All people in work were included in this insurance. But what about those not in work?
- The National Assistance Act helped people who were not in work or the old who had not paid enough contributions into the new National Insurance scheme. It was means tested but it was a safety net to ensure that nobody had to fall into poverty.

Was the solution successful?

By including all workers and families in the benefits scheme, it seemed this attack on poverty caused by shortage of money would be very helpful.

Want

A 1946 **Industrial Injuries Act** introduced compulsory contributions by employers and employees into a state scheme against industrial injury.

A 1946 **National Insurance Act** introduced comprehensive cover for all 'from the cradle to the grave', based on contributions from workers, employers and the state. Entitlements included unemployment, sickness, maternity and widow's benefits, retirement pensions and death grants for funeral costs.

A 1948 **National Assistance Act** provided a safety net for those not covered under the NIA, such as the elderly. National Assistance Boards would give means tested financial help. Residential homes replaced workhouses.

- ✿ NIA levels of benefits, fixed in 1946, came into operation in 1948. Rising prices meant that the benefits were worth less.
- ✿ Benefits were restricted to those who had made 156 weekly contributions. This reduced the size of the 'safety net'.
- ✿ The scheme was very costly, as it needed so many officials to operate it.

Problem 2 – Disease

Ill health was both a cause and a result of poverty – but the poor could not afford medical treatment.

The solution?

The most important of Labour's Welfare creations after 1945 was the National Health Service (NHS). The NHS was based on three main aims:

1. Universal access: the NHS was for everybody. The old health system, based on insurance schemes, did not cover everyone.
2. Comprehensiveness: the NHS would treat all medical problems.
3. Free at point of use: no patient would be asked to pay for any treatment. In reality the service was, and is, paid for by the National Insurance payments made by every worker.

Was the solution successful?

The government inherited many out of date hospitals, costs were high and, to keep doctors happy, the NHS operated alongside private medicine. By 1950, the idea of 'free for all treatment' was undermined when charges were introduced for spectacles and dental treatment. But overall the NHS was welcomed and did provide medical help from 'the cradle to the grave'.

Disease

- ✦ A 1946 **National Health Service Act** (NHS) came into effect in 1948. It applied to all, without insurance qualification. There would be no limit to the free help given by doctors, hospitals, dentists and opticians.
- ✦ Hospitals were nationalised. Opposition from doctors to state interference in medicine forced the Government to allow private medicine to continue. There would be provision for private patients in practices and hospitals. GPs would be paid a fee for each NHS registered patient, giving them a guaranteed income. Most doctors agreed to enter the NHS.
- ◆ There was an immediate demand for free treatment, highlighting the extent of untreated medical problems.
- ◆ It was difficult to provide the full service at first due to lack of facilities. New hospitals and health centres were gradually built to meet the demand.
- ◆ The NHS could not be financed through National Insurance Contributions. Money was raised through general taxation. Charges in 1950 for spectacles, dental treatment and prescriptions caused major protests and Bevan's resignation.

Problem 3 – Squalor

Most of Britain's cities still had slum areas and overcrowding was still a serious problem made worse by bomb damage during the war.

The solution?

Fast house building. The government aimed to build 200,000 houses each year. Most were council houses for rent. Many were 'prefabricated houses' – 'prefabs' for short – which were quickly assembled on site. The New Towns Act in 1946 laid the plans for 14 new towns including Glenrothes and East Kilbride, to be built. These were to be 'people-friendly' towns which aimed to relieve the housing problems in older cities (see diagram on page 39).

Was the solution successful?

Many houses were built but Labour did not build as many as it promised. By 1951 there was still overcrowding and long waiting lists for council housing. Some new industries moved to the new town areas, but these towns often became places where workers lived whilst still commuting into the older towns and cities for work. However, council estates were a big improvement on overcrowded tenements the new council tenants left behind. On the plus side, the houses had separate bedrooms, kitchens and a living room. There was gas and electric power, hot and cold water, indoor toilets in a bathroom and most houses in the 50s were two stories high, usually with gardens front and back. The down side was summed up by Alex Kerr who moved from central Edinburgh to an estate in 1953 'I was far away from my work, my friends and the town. The tar was still wet on the roads but there were no shops and no buses at first. We felt lost in the countryside'.

Overall the new council estates were a saviour for people living in overcrowded tenements in the centre of Scotland's cities. Not least among the advantages was the council's role as a major landlord which protected people from the unfair exploitation of private landlords. In the 50s, council rent was a third of that in the private sector.

Squalor

The housing shortage in the 1930s was made worse by the destruction of homes in World War Two and shortages of building workers and raw materials.

Labour did not create a Housing Ministry as it had promised. Bevan, Minister of Health, was responsible for housing. He aimed to help those most in need, the working class. His target of 200,000 new houses a year was not met. From 1945-51, 4 council houses were built for every 1 private house.

Prefabricated houses, built as a stopgap in the 1940s, were used for decades.

A 1946 **New Towns Act** allowed for the creation of New Towns. It aimed to ease pressure on existing cities such

as Glasgow and provide modern housing.

The 1949 **Housing Act** set up a Housing Production Executive and encouraged repair and modernisation of existing housing.

Though over one million houses were built, the 1951 census showed a shortfall of 0.75 million, the same level of homelessness as in 1931.

Problem 4 – Ignorance

Many children received no education past primary stage and poorer parents could not afford the fees that some secondary schools charged.

The solution?

The Education Act of 1944 raised the school leaving age to 15. All children were to get free secondary education. An exam at 11 (called the 11+ exam, or the ‘Qualy’ – short for the qualification exam – in Scotland) placed children in certain types of school. Those who passed the exam went to senior secondary schools and were expected to stay on at school after 15, go to university and get jobs in management and the professions. Children who failed the exam went to junior secondary and were not expected to stay at school after 15. These children were expected to get unskilled jobs.

Was the solution successful?

For those who passed the 11+ exam or ‘qualy’ the system worked well. However those children who failed the exam seemed to be stuck in a trap of low expectations and inferior education. Many people opposed the idea of deciding a child’s future at 11 or 12.

Ignorance

Labour implemented the 1944 **Butler Education Act**, providing compulsory secondary education until 15, school meals, milk and medical services.

A main problem was the shortage and poor condition of school buildings. War-damaged schools were rebuilt and over 900 new primary schools built to cater for the 'baby boom'. By 1950, only about 250 secondary schools were built. This was inadequate for the provision needed under the 1944 Act.

Following an 11 plus intelligence test, children in England would be allocated to Grammar, Technical and Secondary Modern Schools, and in Scotland to Senior and Junior Secondary Schools. Middle class children tended to attend Grammar School and University. Most working class children attended Secondary Moderns and left school at 15 with few qualifications. Few technical schools were built.

Problem 5 – Idleness

In 1944 the government agreed to aim for 'full employment'.

The solution?

After the war there seemed to be work for everyone as Britain rebuilt itself, but Labour also nationalised some industries. **Be careful** when discussing Nationalisation. Some markers might think it is irrelevant since it was not a social reform, so it's up to you to make it relevant. Nationalisation was one way of keeping full employment and meant that the government took over the running of certain industries. The government could therefore use tax money to keep an industry going even if it was facing economic difficulties.

Was the solution successful?

Nationalisation was costly and at times led to bad management, but in this part of the course it is **not** relevant to go into the economic arguments about nationalisation.

Idleness

A 1944 White Paper committed the Government to 'the maintenance of a high and stable level of employment after the war'.

By 1946, unemployment was reduced to 2.5% in spite of problems caused by rationing, war damage, shortages of raw materials, war debts and the cost of the welfare state. This was partly due to government measures, the post-war economic boom, and Marshall Plan financial help from America.

Stable levels of unemployment continued into the 1950s in spite of the 1949 30% devaluation of the pound, inflation and balance of payments problems.

Nationalisation

Labour took key privately owned financial and industrial concerns into public ownership. From 1946 to 1949, it nationalised the Bank of England, coalmines, electricity and gas, the airlines, public transport, iron and steel. Nationalisation was costly. Many industries were in need of modernisation.

Government attempts to improve wages, working conditions and the service to the public in the nationalised industries had limited success.

Assessment of the Labour Government 1945-51

Considering the serious economic problems of post war years, it faced an enormous task in setting up the welfare state,

It did more than just build on previous reforms. Its reforms ended the Poor Law and laissez-faire. Its social security system and NHS went a long way to completing the social welfare system. The state provided a comprehensive safety net, which protected all 'from the cradle to the grave'. Poverty was reduced but not eliminated. The capitalist system continued, with an enormous gap between rich and poor.

The NHS was arguably its most important achievement. Improvements in health became obvious. The infant mortality rate fell sharply and old people greatly benefited. However, the cost of the NHS was enormous. Its record on housing compares badly with the inter-war period and Tory building in the 1950s. Homelessness and poor housing were still major problems. The scale of post-war problems, increase in marriages and the birth rate 'baby boom', should, however be taken into consideration.

In education, a socially divisive system was created.

In the 1950 election, the Labour Government majority was reduced to 6. High taxes and rationing were unpopular. The Korean War resulted in an economic crisis. Cuts in welfare spending split Labour. In 1951, the Conservative Party took power with a majority of 17. Labour returned to power in 1964.

Question 2 :

“The Creator of the Welfare State.” How well deserved is this description of the Labour government of 1945-1951?

OR

How true is it to say that the Labour government of 1945-1951 set up the Welfare State?

Essential Points

1. What is a Welfare State?
2. **Decide** how much credit the Labour party can take for these reforms.

Give a **brief** outline of what had already been achieved by previous reforms e.g. Liberal reforms of 1906-14.

Also, look at the **origins** of many of the Labour reforms and why they were introduced.

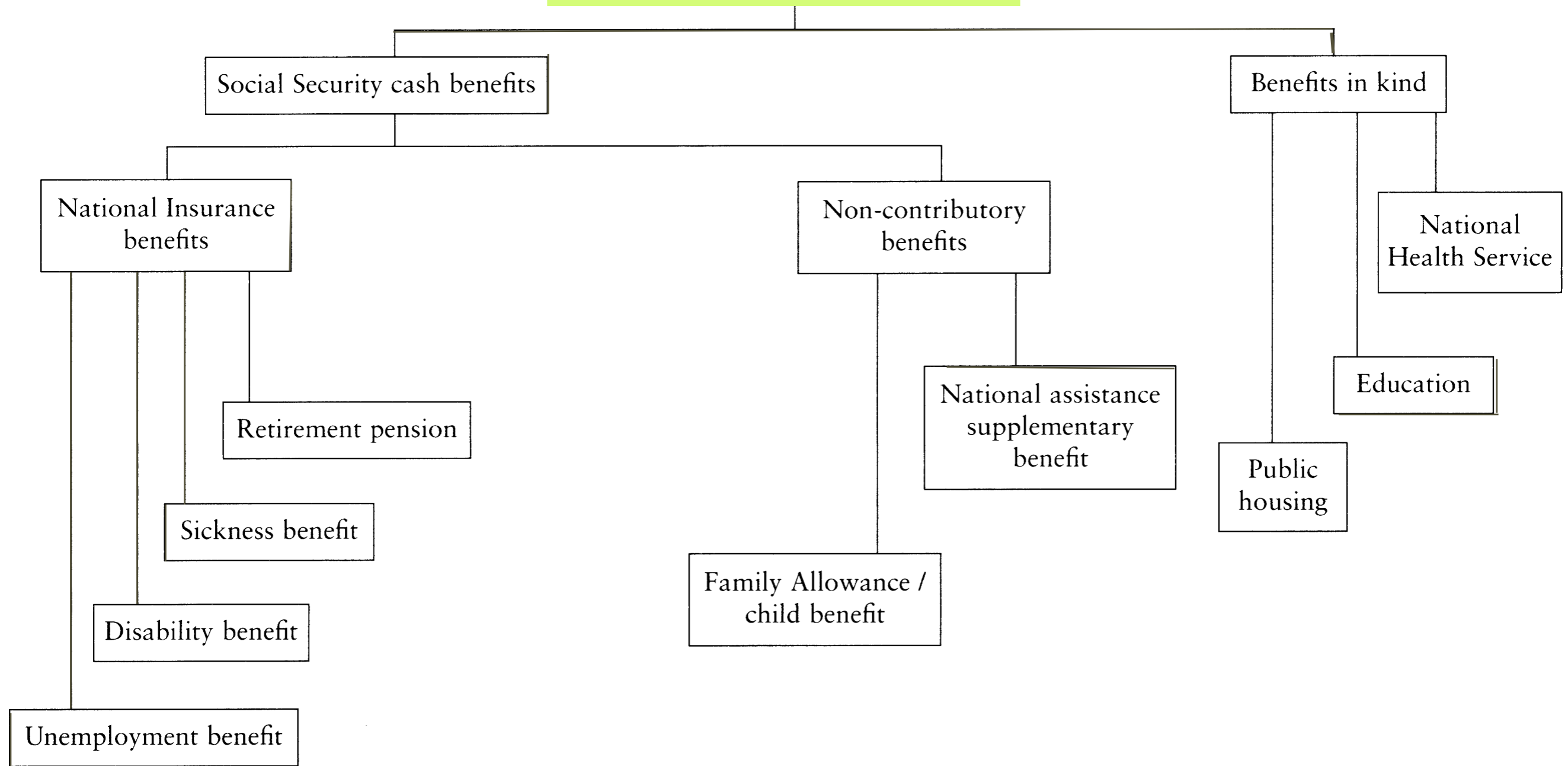
3. **Evaluate** the Labour reforms and decide to what extent they match up to the criteria for a Welfare State.

What is a Welfare State?

The Welfare State is a comprehensive system of state benefits and services which aims to do away with the causes and effects of poverty by providing care for all the people from the

“cradle to the grave”

The Welfare State



DEBATE

Labour did **not create** a Welfare State from nothing. They merely built on developments from before they came to power.

They merely **completed and implemented** a Welfare State which had in part been devised by others and would have been realised even if they had not come to power.

Labour did create a true Welfare State for the first time in this country. What they achieved was far more than simply building on previous piecemeal reforms. These reforms were dramatically different in their nature and scope. They created a whole new concept of care “from the cradle to the grave” and destroyed once and for all the Poor Law and laissez-faire.

A report produced by Beveridge, a Liberal, at the request of Churchill, a Conservative.

The effect of World War II – increasing public acceptance/ expectation of government intervention.

The Beveridge Report (1942): 'a time for revolution, not patching'.

Moves towards a Welfare State did exist before Labour came to power in 1945.

Public expectations – 'post-war must be better than pre-war'.

The foundations laid by the Liberals between 1906 and 1914.

The similarity of Labour and Conservative promises in 1945.

Education reform was implementation of 1944 Butler Education Act (a Conservative)

and preceding reforms of late 19th century

The Liberals had laid the foundations of the Welfare State between 1906-1914

YES

Liberals did:

start a system of National Insurance

start old age pensions

become interventionist

increase taxation to pay for social reform

try to tackle problems with direct government intervention

NO

Liberals did not get rid of the Workhouse

Liberals reforms still left a considerable element of laissez-faire through its permissive rather than compulsory legislation e.g. free school meals and Labour Exchanges.

Liberal reforms were very limited in their range and benefits. e.g. National Insurance Act, Parts 1 and 2 for sick and unemployed

The Effects of World War II

- “The decisive event in the evolution of the Welfare State was the Second World War”
(M Bruce)
- “The war was to have a decisive influence in producing a common experience and universal treatment for it”
(D Fraser)

The Effects of World War II

- Evacuation opened the eyes of middle classes to continuing problems of poverty and deprivation in industrial city slums.
- Rationing and the Blitz meant equality of sacrifice for all classes.
- War had led to a form of “war socialism” as war time coalition government had to become very interventionist to regulate the whole country for total war effort e.g. rationing, school milk and meals, immunisation, free hospital treatment for all war wounded (including bombed civilians, state nurseries etc.
- War meant people accepted and expected greater state intervention after the war was over. “Post-war must be better than pre-war” - people wanted a better Britain for all.

MANIFESTOS COMPARED

By the end of the war, both main parties, Conservative and Labour, promised social reforms to improve health, housing and education.

CONSERVATIVE MANIFESTO 1945

National Insurance

One of our most important tasks will be to pass into law and bring into action as soon as we can a nationwide and compulsory scheme of National Insurance based on the plan announced by the Government of all Parties in 1944.

Health

The health service of the country will be made available to all citizens ... We propose to create a comprehensive health service covering the whole range of medical treatment from the general practitioner to the specialist ...

Education

The Education Act set forth in the 'Four Years' Plan' has already been piloted through Parliament by Mr Butler. Our task in the coming years will be to remodel our educational system to the new law ...

LABOUR MANIFESTO 1945

Social Insurance Against the Rainy Day

The Labour Party has played a leading part in the long campaign for proper social security for all ... A Labour government will press on rapidly with legislation extending social insurance over the necessary wide field to all.

Health of the Nation and its Children

Money must no longer be the passport to the best treatment. In the new National Health Service there shall be health centres where the people may get the best that modern science can offer, more and better hospitals ...

Education and Recreation

An important step forward has been taken by the passing of the recent Education Act. Labour will put that Act not merely into legal force but into practical effect ...

Many doubt, however, that the Conservatives would have introduced completed a social welfare system if they had come into power - given their desire to cut taxes and also spend on defence.

Take each of the main areas of reform and give a fairly brief outline of the main points and decide if they match up to the criteria for creating a Welfare State.

Also provide a summary of the overall effectiveness of the reforms in meeting the needs of the day.

(See slides 10-22 above for this information)

Conclusion

- Most of the reforms were not the ideas of the Labour party and so they cannot be given much credit for the origins of the reforms.
- The reforms were introduced at a very difficult time for the country, many of the reforms had limitations, and they did not by any means cure all the problems of poverty - particularly housing.
- However, they did introduce a very wide- ranging series of reforms which were dramatic in their scope and benefit - especially the NHS which had a huge effect on the health of the people.

The Welfare State was different from government help that had existed before for these reasons:

1. It finally ended laissez-faire and the Poor Law
2. Benefits were centrally organised and given out by the government.
3. People were now entitled to benefits having paid compulsory flat - rate National Insurance Contributions from their pay packets.
4. There was provision made for those who had not made contributions - National Assistance benefit - the workhouse had gone.
5. A universal health care system was introduced which was free at the point of use.
6. The system was universal and did provide a safety net for all “from the cradle to the grave.”

Revision Details

- Textbook “Changing Britain 1850-1979 is very good for details on this topic.
- “Get Results” Revision Book - good lists for learning.
- “Nixon Notes” available in return for a small donation to the Conservative Party, or a promise to vote Conservative at the next election (remember it is a secret vote as a result of the Ballot Act 1872)