

tury and in beliefs which fostered such an affinity between nonconformists and the Gladstonian Liberal Party. It was probably not without coincidence, Beith concluded,

that nonconformists in the party were still a strong force in emphasising the Liberal Democrats' distinctiveness from the Labour Party today.

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## From Beveridge to Blair

Fringe meeting, September 1997,  
with Frank Field MP and Nick Timmins  
Report by *David Cloke*

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At the autumn party conference, over 100 Liberal Democrats met in the rather bizarre surroundings of Eastbourne's Tennis Centre to consider the history of the welfare state and to peer into its future. They were welcomed by Archy Kirkwood MP, Chairman of the Commons Select Committee on Social Security – the first member of the party, or its predecessors, to hold such a post. The meeting was an historic occasion for another reason: it was the first Liberal Democrat fringe meeting ever to be addressed by a government minister.

It fell to Nick Timmins, the public policy editor of the *Financial Times* and author of a key work on the welfare state, *The Five Giants*, to outline the role of William Beveridge as midwife to the welfare state and to discuss what responsibility, if any, he had for the problems that have arisen in recent years. Whilst he said that he came to praise Beveridge and not to bury him, Timmins acknowledged that it was not an easy thing to do. Beveridge was not an easy man, he was vain and arrogant and could be cranky. His, often strongly held, views were not consistent throughout his life. Just four years prior to the publication of his Report he was calling for the 'whiplash of starvation' to force the unemployed back into work.

The Beveridge Report itself was an attempt to reconcile two irreconcilable values: individual freedom and compulsion. It was Nick Timmins' view that, for its time, the report managed to achieve the necessary balance to a remarkable degree. What the Report couldn't fore-

see was how wrong it would be for our time. Nonetheless, he argued that Beveridge was extremely concerned to preserve incentives to work and to save. Hence he did not want a system that preserved an individual's income at the level they were previously earning (a 'Santa Claus' system) but one based on national insurance, creating a national minimum below which an individual would not fall.

Whilst he recognised that Beveridge did get much right (not least the creation of a welfare system with massive popular support which served the country for nearly 30 years), Timmins focused most of his remarks on what, for our time, it is thought Beveridge got wrong. These included the creation of an annual bill for pensions of £40 billion, a traditional view of the role of women and of the structure of family life, the destruction of friendly and mutual societies and the granting of too many rights without the expectation of increased responsibilities. There was some evidence to suggest that some

of the problems arose from the way the Labour government implemented the Report's proposals. For example, Beveridge proposed phasing in the pensions scheme and a flat rate for benefits to meet the costs of rent.

According to Timmins, Beveridge designed the welfare state to meet the needs of the norm: two-parent families with the husband at work and the woman in the home at a time of full employment. He assumed that, as had been the case after the First World War, women would give up their jobs and return to the home after the Second. As a result of the findings of the 1931 census, he was concerned about a declining population, not an ageing one. Furthermore, there were a whole range of changes to society that Beveridge could not have foreseen that have had an impact on the effectiveness of the welfare state: the postwar baby boom, the rise in lone parents, the growing need for disability benefits and the return of high levels of unemployment.

In essence Nick Timmins appeared to be arguing that the norms of society had changed, but that the welfare state had not changed to meet them, and that therefore a redesign is necessary. However, he also argued that it was not all Beveridge's fault, as many of the changes could not have been foreseen when the Report was written.

Frank Field MP, Minister of State at the Department of Social Security, perhaps rather dashing some of the hopes of the audience by declaring that he was not able to give details of the government's new policies as yet, but would pose some questions to the meeting. For him, the purpose of looking back was not to apportion blame but to learn. He also informed the meeting that he drew an important lesson from Nick Timmins' book, that the development of the welfare state was a continuing journey.

Field's starting point on that journey was the late nineteenth and early twentieth century, spurred on by the enormous enthusiasm of the social reformers of the time, such as those

involved in the Poor Law Reform Commission. They had seen the success of many members of the skilled and semi-skilled working classes and attempted to understand the reasons. It was their, and his, view that it came from the spread of mutual aid. As mutuality became a way of life, it taught civic values. Frank Field argued that the franchise was conceded to these groups for this reason: it was a public recognition of the full citizenship they had already obtained.

With this background in mind, for Field Lloyd George should be viewed as a villain in the story of the welfare state. As a result of pressure from the commercial societies he let them compete on an equal basis with the mutual societies. From then on there was a state-organised attempt to drive out the mutuals, despite mutual and friendly societies having more members than trade unions.

Whilst Beveridge was not exactly a villain, according to Field he did try to have it both ways with regard to the mutuals. He wanted to establish state provision very quickly, but with mutual societies providing a 'top up'. However, as they were not made part of the delivery system mutuals were eased out and the role of private welfare was extended. In Field's view the extension of the role of the state and of the private sector had long-term damaging effects on society. In their anxiety to force the pace of change both Lloyd George and Beveridge lost sight of the key starting point for any welfare system: the establishment of mechanisms for secure social advance.

Frank Field's concern that the pace of change should be a measured one was perhaps reflected in his unwillingness to announce any government policies in this area, though he offered three key questions:

- 1 How can opportunities for change be built in to the welfare system?
- 2 As it is now recognised that welfare does affect people's behaviour, how do we build a welfare system that enhances civil society?
- 3 How should the government

seek a new consensus in these issues and where should the balance lie between a top-down approach and developing support from the grassroots?

In some small way the search for consensus began as soon as Frank Field sat down, with a lively exchange of views between the representatives at the meeting and the minister. Discussion ranged from single mothers to the role of local government and on to how to tackle the 'hardening of hearts' that was one of the legacies of the Thatcher era. Perhaps uniquely for a meeting of the History Group, there was much looking to the future. Whilst this is to be welcomed, ultimately the meeting was somewhat unsatisfactory in that it failed to provide a uniquely Liberal view and critique of the welfare state. Although many Liberal Democrats are deeply committed to the principles of the welfare state, the

Party should not forget the many concerns expressed by Liberals during its development and expansion during the late 1940s and 1950s.

Finally, I would like to draw attention to a piece by Nick Timmins in the *Financial Times* on 18 September 1997. In it he reports on the 'plethora of panaceas' to Britain's welfare problems being considered by the government. He quotes the research director of the Fabian Society, Ian Corfield, who states that 'Labour's problem is not a shortage of ideas. Rather it appears to have too many – and it doesn't know which ones to choose.' He adds that 'everyone is running around very energetically, but no one has a shared view of the role of the state in all this.' It would seem to me that the Liberal Democrats, including the History Group, should lead the discussion in determining the role of the state in the welfare system.

## In this month ...

*All extracts from the Liberal Magazine, December 1947:*

It is fairly obvious now that the Direction and Control of Labour Bill would have been thrown out if the men and women in Parliament had been free. What a farce! The leaders of the Liberal Party have recently issued a long statement on this subject. The statement ends: 'The most urgent constitutional reform is to ensure that a minority in the constituencies shall no longer be able to obtain a majority in the legislature.'

**George E. Buckland**

'Only Liberals can prevent a Liberal Government next time', so we are told. We had three rehearsals for the General Election, and one has been wasted; three chances to build up our machine, and one has been wasted; three chances to inculcate the habit of voting Liberal, and one has been wasted. The nation was ready to turn to us, and we refused to give them leadership. Do we deserve to win? .... By not putting up candidates, or by putting up Independents, you cause your colleagues who do stand to lose. The only way to build up a political machine is to fight elections.

**Harold T. Kay (on local elections)**

It is obvious that there has been a complete division of opinion in the Government with regard to policy. The Minister for Economic Affairs, when he was President of the Board of Trade, was all the time warning the country but what has been happening? The speech he delivered yesterday was followed almost immediately by a speech from one of his colleagues flatly contradicting him! How can we possibly have confidence in His Majesty's Government when there is obviously a division of opinion on policy in the Government?

**Clement Davies MP, in the Debate on the Address**