

When the five giants of post war reconstruction meet the four pillars of welfare reform-young people lose out, again

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Abstract

This paper discusses proposed changes to the Australian welfare state in the Welfare Review chaired by Patrick McClure and launched by Kevin Andrews, Minister for Social Services in the Abbott government, in a recent address to the Sydney Institute. Andrews cited the Beveridge Report of 1942, referring to Lord William Beveridge as the “godfather of the British post-war welfare state”, commending him for putting forward a plan for a welfare state providing a minimal level of support, constituting a bare safety net, rather than “stifling civil society and personal responsibility” through generous provision. In line with a key TASA conference theme of challenging institutions and identifying social and political change at local and global levels, this paper examines both the Beveridge Report and the McClure Report, identifying key issues and themes of relevance to current times in Australia.

Keywords: Beveridge Report, McClure Review, Reconstruction, Welfare State

Introduction

This paper begins by discussing the Interim Report of the McClure Review, *A new System for Better Employment and Social Outcomes*. The report was launched by Social Services

Minister Kevin Andrews, setting out central themes in the development of the Australian welfare state since the Second World War, outlining challenges and opportunities for its future.

The focus then moves (all too briefly) to examine the Beveridge Report of 1942, considering key drivers behind its recommendations to the wartime Coalition government led by Prime Minister Winston Churchill, succeeded by the first majority Labour government elected at war's end in 1945, headed by Prime Minister Clement Attlee, pledged to implement Beveridge's proposals. Some comparison, limited by the space available here, is then undertaken between the Beveridge Report and the McClure Review, eliciting issues for examination around possible futures for the Australian welfare system and impacts on young people, in particular.

The welfare reform policy context

The Federal Minister for Social Services, Kevin Andrews, gave an address to the Sydney Institute on June 30 2014, entitled "*Faces of Welfare-The Case for Reform*", conjuring up disturbing vignettes of apparent failures of the Australian welfare state (Andrews 2014:1):

A child fidgets aimlessly in a classroom, his mind wandering off to other interests. He can hardly read, and just write. He has missed two days of school this week. He arrived without lunch, and was one of an increasing number for whom the school provided breakfast. This is the face of welfare.

A teenager passes most of his day at the local skateboard park. He left school as soon as he could, and hasn't had a job for two years. His life is aimless. He has little prospects – and little hope. This is the face of welfare.

A young woman sits at the kitchen table. She has suffered episodic depression for a decade. Some days she is okay, able to go out, see her few friends and engage in life. But other days she just stays at home – alone and isolated. This too is the face of welfare.

Andrews went on to make the case for widespread welfare reform “to ensure that welfare spending is both sustainable and directed to those who genuinely need it” and uttered the well-worn mantra that “the best form of welfare is a job” (Andrews 2014:2). The four pillars underpinning proposed welfare reforms are “firstly, a simpler and sustainable income support system; secondly, strengthening individual and family capability; thirdly, engaging with employers and finally, building community capacity” (Andrews 2014:2). Apart from the usual neo-liberal grab bag of horror stories of welfare dependency, undeserving claimants, idle young people, recalcitrant disabled people needing to be pushed into employment and hard pressed tax payers footing the bill (Hall 2011), there was a lauding of the Beveridge Report (also known as the Beveridge Plan, or Social Insurance and Allied Services). Further, Andrews referred to Lord William Beveridge as the “godfather of the British post-war welfare state” (Andrews 2014:3).

The Beveridge Report

It is some seventy two years since publication of the Beveridge report, on December 1st 1942. A best seller, it moved over 635,000 copies, with long queues forming at the government stationery office in London (Beveridge 1944). The report came at a time during World War Two, when following the near disaster of the British Expeditionary Force at Dunkirk in 1941, the first glimmers of eventual Allied victory appeared on the horizon (Calder 1971). The prime mover behind the report was the Trades Union Congress (TUC), pointing to the parlous state of existing social welfare provision, replete with anomalies, conflicting means tests and a torn patchwork of health care, nationwide (Timmins 1995). The experience of two World Wars had revealed the paucity of a welfare state with its roots in medieval poor laws and haltering advancement in the early twentieth century (Titmus 1958).

Prime Minister Churchill's call for a "total war" identified a massive lack of organisational infrastructure to cope with civilian and military health and other needs, acting as a wellspring to pry resources away from the "war effort" to ameliorate, in part, problems existing for many decades on the home front (Edgerton 2006).

The TUC lobbied Arthur Greenwood, Minister for Reconstruction, in 1941 and a committee was established to examine the problems identified, to be chaired by Sir William Beveridge (Jacobs 1992). It is perhaps tempting to view the subsequent events of the Allied victory and the birth of the comprehensive welfare state and commencement of the National Health Service (NHS) on July 5 1948, as official, linear, narratives would prefer. Instead as Calder (1971) notes, the "People's War" was always a project in the making, beset by divergent perceptions of the national interest and ruling class neglect of many of the concerns of the poor. Churchill, along with many conservatives, was at best lukewarm towards Beveridge's blueprint for a welfare state from "the cradle to the grave" and while collective provision and state control had been necessary and tolerated during the "peculiar conditions of war", there was a desire within the Conservative Party to return to classical liberal ideals as quickly as possible at war's end (Cunningham and Cunningham 2012:50).

In this way, Churchill and his followers badly misread the climate of public opinion towards the welfare state. For the TUC, broken promises about improving social conditions following the First World War, the 1927 Abdication crisis and 1936 march by the unemployed from Jarrow (in the north east of England) to London, all pointed to the need to respond genuinely to working class demands for this Second World War, some twenty one years after the previous war "to end all wars", to result in tangible improvements in daily life. Here also was

the spur for the war effort to become a unifying campaign with the lure of a welfare state in stark contrast to the Nazi “power and warfare state” (Bryson 1992:83). A mood grew up among the armed forces and also on the home front, amid growing talk of post war reconstruction, and better times ahead, even in the deeply despondent days of 1942 (Calder 1971). Beveridge, who shed tears of disappointment at being overlooked for more prestigious appointments on being asked to chair the committee, was set to become a national hero (Timmins 1995:11).

The pivotal moment was the Labour election victory of July 1945 when, seemingly by surprise, the Labour Party trounced the Conservatives who along with their political allies lost 203 seats, while Labour gained 227 seats. The election of Clement Attlee (a former social worker) as Prime Minister marked a major departure in British political life. The enormity of this election win, in the face of the apparently unbeatable Churchill, promoted as “the man who won the war”, is captured by Howard (1964:17):

The 1945 voter was not so much casting his ballot in judgement of the past five years as in denunciation of the ten before that. The dole queue was more evocative than El Alamein, the lack of roofs at home more important than any ‘national’ non-party edifice, the peace that might be lost far more influential than the war that had been nearly won. And by refusing to come to grips with these problems at all the Conservatives signed and sealed their defeat.

In articulating the “five giants on the road of reconstruction” of Want, Disease, Ignorance, Squalor and Idleness, Beveridge set out a policy program requiring the British state to secure conditions for the abolition of poverty on a range of fronts (Jacobs 1992:7). Importantly, everyone was included and covered, from “cradle to grave”. Benefits would be paid on the basis of need and at a level “guaranteeing the minimum income needed for subsistence”

which in itself was expected to be “adequate to all normal needs, in duration and amount” (Beveridge 1942:46).

Want equates with poverty, which Beveridge saw as lying beyond the power of individual workers to control and being an “interruption or loss of earning power or the failure to relate income during earning to the size of the family” (Beveridge 1942:7). Disease required the creation of a coordinated and resourced health care system “providing full preventative and curative treatment of every kind to every citizen without exceptions, without remuneration limit and without an economic barrier at any point to delay recourse to it” (Beveridge 1942:162). Ignorance was to be vanquished by education and “an immense programme of building schools, training and employment of teachers...to fit opportunity to young ability wherever it is found” (Beveridge 1942:7). Squalor described “bad conditions of life” in damp and unsanitary habitations for many millions of people, demanding a “planned attack” to provide sufficient housing (Beveridge 1942:7). Idleness or involuntary unemployment would be tackled by the state with a commitment to full employment, much as it had done in the turmoil of wartime (Beveridge 1942:254).

However, flaws in the Beveridge plan became apparent in the early post war years, especially in the assumptions about women’s role in the peacetime economy (Beveridge 1942:76):

The attitude of the housewife to gainful employment outside the home is not and should not be the same as that of the single woman. She has other duties... Taken as whole the Plan for Social Security puts a premium on marriage in place of penalising it. In the next thirty years housewives as Mothers have vital work to do in ensuring the adequate continuance of the British Race and of British ideals in the world.

Not only were women propelled towards marriage as a “meal ticket for life”, upholding British imperialist aspirations in countries like Australia with its White Australia migration policy was also part of this grand, but unpaid role of reproducing and socialising the new workforce in the post war era (Kennedy 1982: 204). However, a growing number of lone parents were not covered in the Beveridge Plan despite ample evidence of their existence. The assumptions made about women arguably persist in current times with the welfare state as “intrusive, objectionable and oppressive” as ever (Colwill 1994:48). Other groups let down by the Beveridge Plan included migrants from Commonwealth countries, coming to the UK to make good labour shortages in the NHS (Cunningham and Cunningham 2012). In relation to the unemployed, Beveridge’s contradictory nature surfaced as he pondered on the “whip of starvation” to motivate those without work to take (any) jobs and recommended that after six months, men and women should be “required as a condition of benefit to attend a work or training centre” (Beveridge 1942:17). For long term unemployed men a more daunting fate was suggested:

...those men who through general defects are unable to fill such a whole place in industry, are to be recognised as unemployable. They must become the acknowledged dependents of the state, removed from free industry and maintained adequately in public institutions, but with a complete and permanent loss of all citizen rights including not only the franchise, but civil freedom and fatherhood.

As for young people, while they and children would be included in many aspects of the emerging welfare state, they had no place for unemployment benefit purposes “for boys and girls there should ideally be no unconditional benefit at all; their enforced abstention from work should be made an occasion for further training” (Beveridge 1942:86). In some ways this point returns us to where we came in, Andrew’s citing of the Beveridge Report.

The McClure Review

Minister Andrew's speech of June 30 2014 ushered in a six week consultation period intended to inform the Final Report of the McClure Review. In setting out the four pillars of proposed welfare reform there is some passing resemblance to Beveridge's five giants on the road to post war reconstruction, at least in the depiction a grandiose edifice of four mock Grecian pillars shoring up the nation's welfare state, on the frontispiece of the report (McClure Review 2014).

Beveridge was drafting his report at a tumultuous time of armed conflict on a world stage with the fate of Britain as a free nation barely assured, but still striking a substantial note of optimism for a better and fairer future as captured by Addison (1994:171):

At this stage of the war, the main ideas of reconstruction were in their first bloom, but largely, also in a state of suspended animation. Like the sleeping beauty, they awaited the prince's kiss. In almost every field of reconstruction, Beveridge's report of December 1942 was to be the decisive breath of life.

Conversely, the McClure Review does not excite the blood or suggest a new, fairer or responsive system of welfare. Instead, it puts up some central propositions and a large number of questions apparently in an attempt to engage in a national conversation lasting just six weeks, calling for written submissions structured around the full (176 page) Interim Report. Moreover, despite claims to have consulted with all relevant stakeholders, when pressed at the 2014 Australian Council of Social Services (ACOSS) conference, McClure conceded that his review team had not spoken with any individual welfare recipients, preferring due to time pressures, to talk with welfare agencies and other organisations (ACOSS 2014). In this respect, the McClure Review lacks any real purchase on what it is like

to be on benefits in Australia, from a claimant's perspective and Kincaid's (1973:178)

historical analysis of living in poverty is all too prescient:

In the last analysis to be poor is not just to be located at the tail end of some distribution of income, but to be placed in a particular relationship of inferiority to the wider society. Poverty involves a particular sort of powerlessness, an inability to control the circumstances of one's life in the face of more powerful groups in society. It is to be dependent for needed assistance on social agencies which have the power to investigate your personal life, can involve you in bureaucratic complications, and can stigmatise you as immoral or inadequate according to their standards. Sometimes you may be helpfully and courteously treated by the officer from the ministry or the social worker. But in any case, how you are treated is very largely out of your control. The arbitrariness of circumstances is a dominant theme in the experience of poverty.

Young People

The treatment of young people by the welfare state represents a long term whittling away at their entitlements and rights to income support (Marston et al 2014). This process of marginalisation dates from the demise of the Whitlam government (1972-75) where young people and adult claimants briefly received equal benefits (Kennedy 1982). In the 1980s, the Hawke Government targeted young people through increased surveillance, stricter work tests and longer waiting times for payments (Graycar and Jamrozick 1993:269). In this way, young people shouldered the blame for the collapse in the Australian youth labour market in train since the late 1970s (White and Wyn 2006). A topical case in point is the Abbott government's budget proposals to restrict Newstart (unemployment benefit) for the under 30s, with no payment for 6 months. This would affect up to 730,000 young people if they do not take up the severely restricted 'choice' of 'earning or learning' (Kelly 2014). There is also a revived Work for the Dole scheme, to prepare participants for an imagined 'real' world of work, with 4000 young people in designated locations required to undertake 15 hours a week of such activity (Karvelas 2014).

Similarly, the UK Labour opposition, attempting to outdo the Cameron governments already restrictive benefit regime for all claimants, and prove its 'tough' welfare credentials for the 2015 general election, seeks to terminate unemployment benefits for 100,000 18-21 year olds (Wintour 2014). In New Zealand, identifying the most vulnerable young people for delayed benefit payments, to deter them from claiming, is yet another example of revanchist social welfare policy flying in the face of sage advice to do otherwise (Fletcher et al. 2013:1).

Conclusion

The McClure Review is still at the Interim stage and we must await its final report and the dubious fruits of the Forrest Report to gain a real impression of what the four pillars of welfare reform really mean, in substance. The Abbott government has confirmed its commitment to a welfare safety net, but the parsimonious, revanchist nature of current (if not yet legislated) proposals requiring the unemployed to demonstrate forty job applications each month coupled with proposed restrictions on Newstart (unemployment benefit) to the under 30s, with no payment at all for 6 months, does not indicate imagination or innovation, but a painfully stale hounding of the poor, precisely when unemployment rates are high and there are few jobs to be had (Novak 1997; Karvelas 2014).

The welfare reform landscape is oppressive for many, particularly unemployed and disadvantaged young people and Minister Andrew's notion of a resurgent civil society seems a veritable contradiction in terms, engineering the abject poverty and mistrust of many, while promoting commendable values around belonging, social inclusion, community capacity building and volunteerism.

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