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Conclusion

The case for the welfare state

The case for a major role for the state in welfare depends both on facts and on value judgements. The facts are enshrined in the record of what has been achieved by forty years of welfare state policies. The value judgements are that the aims are sound, the achievement is worthwhile and that state welfare is the best available means of pursuing certain desired ends. Eight arguments are presented here for welfare state policies – that the achievement of the last forty years has been considerable; that the welfare state enjoys widespread popularity; that welfare state policies are an efficient way of meeting social needs; that such policies are the most effective way of supplementing, complementing and correcting the shortcomings of the economic market; that welfare state policies are the only satisfactory way of meeting needs which other traditional sources of welfare can no longer supply; that the welfare state is an important mechanism for securing political stability; that it provides a basis on which to build a genuine welfare society and, finally, that the welfare state is based on values which are the necessary basis for fair and civilised social life. The arguments are expounded in turn.

The achievement

There can be no argument about the achievement of the welfare state. It has been immense. Certainly, much remains to be done to achieve the kind of society which many supporters of welfare state policies wish to see. But what has been achieved goes a long way to vindicate welfare state policies. The facts have been set out in detail in the previous five chapters. They only need brief summary here.

More than half our schools have been built since 1945. Pupil-teacher ratios have improved vastly. One in five of our young people now stays at school beyond the age of sixteen. Thirty years ago the

figure was one in twenty. There has been an enormous and unprecedented expansion of higher and further education.

In housing, much remains to be done to achieve a generally acceptable standard of housing for all – but conditions have improved vastly in the last thirty years. Those living in physically unsatisfactory housing were a majority in 1951. Now they are a small minority. In 1981, for example, the number of dwellings lacking one or more basic amenities was just one third of the figure for 1971. Public policy, too, has encouraged a massive expansion of owner-occupation. By international standards the British people are better housed than many of those in other richer Western countries (Abel-Smith, 1983, p. 19).

In social security the essential achievement is the doubling of the real value of benefits since 1948 and the extension of the system to cover a wide range of new needs.

In the field of health, the National Health Service provides a high-quality service at a very low cost. Britain's expenditure on health care as a percentage of gross domestic product is one of the smallest among developed economies for one of the most comprehensive services.

As regards personal social services, great improvements have been achieved in the quantity and quality of services available to the most vulnerable members of society. Only twenty years ago residential care meant, for most of those who entered it, care in former workhouses. Since then the nature and quality of local authority residential care have been transformed.

Two particular charges are frequently made about the achievement of the welfare state – usually by its friends rather than its enemies – that it has failed in its attempt to reduce inequality and that it has failed to abolish poverty. These charges raise a number of important issues. The first is the difficulty of determining what, in fact, the objectives of the welfare state really were and are. Certainly, many of its early supporters had high and, in the light of experience, quite unrealistic expectations of the egalitarian possibilities of state welfare services. Equally, some hostile critics have found it useful to credit the welfare state with objectives it never had so that they could castigate it for failing to achieve them.

What is abundantly clear is that simple provision of state health or education services free at the point of use has not, and cannot, achieve equality of opportunity or outcome in health or in education. Such goals are only achievable by a wide range of policies to do with income, housing, diet, working conditions and so on. To blame the health and

education services for not achieving such equality is unrealistic.

Two points are being made here – that social services were not designed to reduce basic inequalities, and that their focus is too narrow to enable them on their own to do so. On the other hand, there have been some modest egalitarian successes. The distribution of health services *has* become more equal – and is less unequal than in most other developed countries. Something *has* been achieved in relation to the inequalities suffered by women, racial minorities and some deprived regions. Something may have been achieved too in the reduction of people's subjective sense of inequality.

While much expenditure on social services does favour the better off, lower income groups do nevertheless receive a markedly higher share of state welfare spending than they do of income distributed by the economic market. It may fail to achieve equality but 'the evidence suggests', says O'Higgins, 'that state welfare plays a valuable, if limited role in increasing the share of resources going to lower income groups' (O'Higgins, 1983, p. 181).

The other major charge made against the effectiveness of the welfare state is that it has failed to abolish poverty. In the sense that many people still have incomes below the level of Supplementary Benefit that is clearly true. In part, that marks a failure of the social security system – thought that is not to say that such a failure is inherent in state income maintenance systems. Many of the policies on which the social security system relies – means-tested benefits, for example – are known to be ineffective in attaining their supposed objectives, but governments continue to rely on them.

Looked at in other ways the record of the British welfare state in relation to poverty is more creditable. 'While we have no reason to be proud of our efforts to help the poor', says Abel-Smith, 'nevertheless our record is better than most countries of the EEC'. In 1975 only one EEC country had a smaller proportion of the population with income below half the average disposable income per adult equivalent (Abel-Smith, 1983, p. 16). Part of the explanation for the supposed failure of the welfare state to abolish poverty is the new and more demanding understanding of poverty as essentially relative, which has developed in recent years. Subsistence poverty has effectively been abolished by welfare state policies.

To stress the achievement of the welfare state is not to ignore gaps, shortcomings and failures. Rather, it is to try to put them into

perspective. The aim is not to induce complacency, but rather to paint a more balanced picture of the situation than is provided by most assessments, which focus on what has *not* been achieved rather than on actual achievement. What is plain from any kind of objective assessment of the welfare state is that it has achieved a great deal.

Public support

A second and important indication of the achievement of the welfare state, and a part of that achievement, is widespread public support for welfare state policies. It is often implied by the critics that in an affluent society such as Britain, extensive state welfare services are both unnecessary and unwanted. Opinion research, however, makes it very clear that public opinion is still decisively in favour of state welfare.

Taylor-Gooby's research carried out in 1981 showed 'solid support' for the major spending areas of the welfare state. 'Public support for the mass services that make up three quarters of welfare expenditure', he writes, 'is overwhelming'. Eighty-four per cent of his respondents agreed that the welfare state 'is necessary in a modern society' (Taylor-Gooby, 1983, pp. 51-2).

In October 1983 *The Economist* carried a rather rueful leading article headed 'The electoral cost of welfare cuts'. It quoted recent MORI and Gallup studies showing mass support for state welfare. The MORI study of attitudes to state benefits revealed that 'scarcely anyone thought that any benefit was too high; in every case but one (child benefit), far more thought levels too low than thought them adequate'. Support for the welfare state was consistently higher than in a similar MORI study in 1980. Sixty seven per cent of Gallup's respondents rejected the notion that the state provides too many social services. Evidence suggested, too, that people are prepared to pay for such services. 'Voters in Britain', *The Economist* sadly concluded, 'have clasped the welfare state to their bosom' (*The Economist*, 8 October 1983).

The British Social Attitudes Survey 1984 put this question to its panel:

Suppose the government had to choose between the three options on this card. Which do you think it should choose?

1. Reduce taxes and spend less on health, education and social benefits.
2. Keep taxes and spending on these services at the same level as now.
3. Increase taxes and spend more on health, education and social benefits.

Nine per cent opted for option one, fifty-four per cent for option two and thirty-two per cent for option three. Nearly four times as many opted for higher taxes and higher spending as wanted the opposite even after five years of fierce anti-welfare state propaganda by the government (Bosanquet, 1984, p. 80).

Some critics have mistakenly deduced lack of support for the welfare state from studies which show enthusiasm for private welfare. What Taylor-Gooby found in his research was that support for private provision can and does coexist with support for state welfare (Taylor-Gooby, 1982, p. 323). The British Social Attitudes Report confirms this finding. 'The demand for "privatisation" of welfare', says Bosanquet, summarising the study's findings, 'exists only, in any strength, where people believe that such a development would not damage the present universal public services' (Bosanquet, 1984, p. 76).

People support the welfare state both because they believe in the values on which it rests and which it expresses, and because it seems to be the only practicable and effective way of responding to a range of needs. The market system may be logical, coherent and compelling to ideologues. But the idea which Hayek puts forward – that the market will at times offend our ideas of distributive justice but that we must nevertheless bear with it for the sake of a greater good – is simply not acceptable to most people (Hayek, 1949, p. 22). Where the market system offends people's ideas of distributive justice they support its modification while continuing to accept individualism and competition as necessary ingredients of the rest of economic life. Even if the welfare state is not always seen as successful in the stern eyes of students of social administration, camp followers of the New Right or other critics, the British public clearly give it a strong vote of confidence.

Its efficiency

A third set of arguments in defence of the welfare state relate to its efficiency as a method of meeting social needs. The National Health Service, for example, is clearly a bargain. 'No other country', *The Times* concluded, 'manages to provide equally good care as economically' (5 February, 1982). Although charged by the media and by politicians with over-bureaucratisation, a comparatively small percentage of total NHS expenditure is, in fact, spent on administration. The major private insurance companies in Britain and in the United States

spend a percentage of income on administration which is roughly double what the NHS spends. Again, the NHS is criticised because it is a virtual monopoly and, in the simplistic world of the economics text book, monopolies are inefficient. Britain, however, gets its doctors relatively cheaply because for many there is only one source of employment – the NHS.

Maynard's conclusion – and he is a person not unsympathetic to market approaches – is that there is no evidence that the private sector is, or would be, more efficient than the NHS. Nor is there evidence that it is, or would be, cheaper. The power of producer groups means that the assumed theoretical advantages of a more competitive system for consumers will not be allowed to develop because advantages for consumers are disadvantages for producers (Maynard, 1983, pp. 21, 38).

Critics of the efficiency of state welfare make a number of highly dubious assumptions. They assume, for example, that economic efficiency is of supreme importance. In some areas of activity that may be reasonable. In the area of social welfare it clearly is not. Much social welfare expenditure is undertaken precisely because such expenditure is inefficient in economic terms. A responsible government can never regard economic efficiency as the supreme good. Other goals and values are always to be judged as more important.

Critics too frequently assume a perfect market situation and compare the assumed advantage of that state of bliss with the reality of the imperfect state. What they should do, of course, is compare real market situations with the reality of public provision, and real market situations often reveal clear weaknesses and disadvantages – unnecessary treatments, excessive surgery, defensive medicine, mass litigation by dissatisfied patients, astronomical insurance costs for doctors, high administrative costs, and so on.

When judged against the pipe dreams of armchair economists the NHS may look inefficient. When compared with most other contemporary health care systems it looks distinctly appealing. The latest annual report of the Department of Health and Social Security shows that in the five years preceding 1983 the number of hospital in-patients treated increased by twelve per cent, the number of day cases treated increased by nearly forty-five per cent, the number of out-patients treated rose by eight per cent. All this happened while real spending grew by only seven per cent. Clearly the NHS is doing more with less resources (HMSO, 1984).

What is being argued here is not that the welfare state is always efficient. That would be to adopt the simplistic stance of its critics who argue that public provision is always and inevitably less efficient than private. The argument being outlined is that public provision is not inherently inefficient, that loose assumptions, for example, about automatic 'efficiency savings' releasing money for growth are an absolute nonsense until inefficiencies are clearly defined. What is evident is that public services can be, and often are, highly efficient enterprises.

Supplementing, complementing and correcting the markets

A fourth argument for the welfare state is that it is the best way of supplementing, complementing and correcting the shortcomings of the market in certain important areas of economic and social life.

The market is not to be despised as a method of economic organisation or as a mechanism for satisfying a wide range of needs and wants. It is the market which meets most of our needs most of the time. Having said that, the market is just not good at doing certain things.

Economic growth does not, for example, abolish poverty. A rising tide does not, to recall President Kennedy's optimistic analogy, raise all boats – certainly not when some are aground or waterlogged. The market, again, does not, and cannot, distribute the social product in line with ideas of social need. Need is not something to which market systems respond.

The market also cannot, it seems, guarantee a socially acceptable social minimum in education, health care, housing or the social care of the most vulnerable and dependent. It seems unable to do anything about significant social problems – for example, the inner city, housing decay, race, the problem of the very elderly, or youth unemployment. The market system is concerned with growth and profit. There are social costs which follow from the pursuits of such ends and the market seems unable to avoid such costs – or to prevent them lying heavily where they happen to fall.

Critics of the welfare state will, naturally, fall over themselves to point out that the problems of the inner city, housing decay, race, the very elderly, and so on, still exist or have emerged or re-emerged after a generation of welfare state policies. That is perfectly true. The argument being advanced here is that while the private market offers no hope of solutions, welfare state policies at least offer a range of possibilities, procedures and institutions. The market has nothing to offer except the possibility of growth as a long term solvent. The

waiting period is too long; the possibility too uncertain.

Welfare state policies are certainly constrained by the needs, beliefs, attitudes and values of market societies but they can and do provide actual and potential correctives to market failures. A great deal has been achieved in Britain in securing acceptable minimum standards in income, health, education, housing and personal social services (George and Wilding, 1984, ch. 2) – though much remains to be done. The argument being advanced here is *not* that state welfare is perfect but that it is the best available instrument for promoting this and other desired social objectives.

Critics of the welfare state would accept the theoretical desirability of supplementing, complementing and correcting the shortcomings of the market. Where they would challenge the supporters of welfare state policies is over the practical possibility of so doing and over the economic and social implications of such policies. We have said something of the practical possibilities of such policies. It remains to say something in response to the charge that the economic and social costs outweigh the benefits.

The opening sentence of the 1979 Conservative government's first White Paper on public expenditure opened with the confident if contentious assertion that 'Public expenditure is at the heart of Britain's present economic difficulties' (HMSO, 1979, p. 11). The assertion is, of course, the subject of a major debate between economists. It rests on a series of confident assumptions and assertions – that the level of public expenditure in Britain is relatively high (it isn't), that public expenditure is unproductive and burdensome, that the levels of taxation required to sustain high rates of public expenditure are both a disincentive to effort and innovation and a stimulus to inflation, that high levels of public expenditure 'crowd out' investment in genuinely wealth-creating activities and absorb the labour which should be developing such new fields. Evidence to support such clear-cut assertions is, however, limited in quantity and dubious in quality.

Neither historical nor comparative evidence provides support for the White Paper's declaration. In the 1950s and 1960s, when public expenditure was increasing steadily, the British economy grew at a rate which was almost unprecedented. The damaging economic effects of high public expenditure were less than obvious then. As regards other countries, there is no obvious connection between levels of public expenditure and rates of economic growth. There are high spenders with high growth rates – Sweden for example. Equally, there

are low spenders with relatively low growth rates. There is just no evidence of a systematic relationship between the level of public expenditure in a particular country and economic performance.

The argument of welfare state supporters is that state welfare services can supplement, complement and correct the shortcomings of the market, and do so without the economic and social costs to growth and social order, which are such an anxiety to welfare state critics.

An effective way of meeting needs

The fifth general argument to be adduced in defence of the welfare state is that welfare policies are the only effective way today of meeting needs which other traditional sources of welfare can no longer provide for – particularly in relation to social care.

Critics of the welfare state policies talk of restoring the family to the primary position in caring for the dependent which it supposedly occupied in some past golden age. What the critics fail to grasp – or choose to ignore – is that the task of caring for the dependent is today totally different in both scale and nature. The problem of the long-term care of the very elderly dependent simply did not exist in the past. It is only in the last decade that policy-makers and planners have become fully aware of the significance of the rapid increase in the number of the over seventy-fives. Families did not care for this group in the past – because the group scarcely existed. What has happened is that there has been a major expansion in long-term dependency, most obviously among the very elderly, but also among the seriously handicapped.

At the same time, families, neighbourhoods and voluntary bodies have become less able to provide care. Geographical mobility makes it less possible for one generation to help another – and militates against the creation of strong community links.

The evolution of the four-generation family presents, for many people, a novel and confusing pattern of family responsibilities. Is the primary responsibility of the fifty-six year old employed woman to her mother of eighty-five who cannot any longer manage on her own, to her own family where children are still in higher education and where her husband is threatened with redundancy, or to her eldest daughter who must return to work after her maternity leave or else lose her job – and any chance of ever getting one like it again? Family responsibilities have become much more complex. The birth rate between the wars was low. That is the generation now facing the care of larger

numbers of very dependent, very elderly parents. Similarly, the increase in marital break-up confuses responsibility, as does the pressure – and need – for women to work.

Society is faced, therefore, with an increased problem of dependency, and an institution – the family – less able to assume the novel burden. There is no sign at all, except in the field of residential care, that private entrepreneurs have much interest in providing the necessary services. Even if they did, the state would, without doubt, feel a responsibility to regulate the quality of the services they offered, and so would be heavily involved.

The other solution suggested by critics of the welfare state is that the voluntary sector could provide a viable alternative to state provision. Certainly the voluntary sector has a part to play but it is increasingly dependent on public money in the form of grants or charges for services rendered. Support for voluntary organisations from private individuals and industry and commerce makes up a significantly smaller proportion of income that it did a few years ago (D. Walker, 1984). Voluntary organisations providing social care must, therefore, realistically be seen as part of the welfare state since they depend so heavily on public support.

The welfare state involves itself in the provision of social care in four ways – regulation of the quality of private and voluntary provision, the direct public provision of services by public authorities, financial support for private and voluntary bodies, and the making available of funds to individuals – attendance allowance, for example – so they can buy particular services which they need.

The state has moved more decisively into the field of social care as, and because, traditional institutions have shown themselves unable to provide an acceptable level of care. Supporters of the welfare state would not argue that this means the state must provide all the services required. But it is hard to see what other body apart from the state can provide, regulate, or finance the necessary services.

Its contribution to political stability

A sixth set of arguments for the welfare state surrounds the contribution it makes to social and political stability. Claus Offe states very clearly his view that 'The welfare state has served as the major peace formula of advanced capitalist democracies for the period following the Second World War'. His argument is that two elements in welfare state policies have been crucial to overcoming 'the condition of

disruptive struggle and contradictions that was the most prominent feature of pre-welfare state, or liberal, capitalism' (Offe, 1984, p. 147). Those two elements are, firstly, the provision of services and support for those citizens suffering from the specific needs and risks of a market economy and, secondly, the recognition of the formal role of the trade unions in the formulation of public policy. Offe sees welfare state policies as the political solution to societal contradictions – the need for capitalism at one and the same time to exploit and to secure consent.

The argument that the welfare state is a stabilising force in society does not go uncontested. There is a considerable literature on the supposedly politically destabilising effects of welfare state policies. This literature stresses the connections between welfare state policies, overload in government, government failure to achieve objectives and the erosion of the authority of government. It stresses, too, the dependence on interest groups which follows from state involvement in welfare. Finally it sees as inevitable the fiscal crisis which follows from the extended role of the state in welfare which tax-payers are not, at the end of the day, prepared to finance (George and Wilding, 1984, ch. 7.).

Offe's argument about stability can, however, be broadened. Social welfare provision clearly can and does ease potentially disruptive problems which could provoke discontent and challenges to the legitimacy of the existing economic and political order – unemployment is the obvious contemporary example. Such provision also acts in a stabilising way by adopting definitions of social problems which do not directly challenge existing structures. Welfare state services can be seen as encouraging, rewarding and punishing certain values and certain patterns of behaviour in ways which are functional to stability. Finally, by introducing new kinds of divisions in society – between owner-occupiers and council tenants, between claimants and non-claimants, between wealth creators and wealth consumers – the most dangerous of all divisions, that between social classes, is blurred and becomes less threatening (George and Wilding, 1984, ch. 6).

Certainly, welfare capitalist society looks rather less stable than it did in the first thirty years of welfare state policies. The vital question is whether this decline in stability has its roots in capitalism or in welfare. Is the welfare state the destabilising influence, or is it the market economy which, in Goldthorpe's view, exerts 'a constant destabilising effect on the society within which it operates' (Goldthorpe, 1978, p. 194)?

What is plain is that prior to the mid 1970s there was no discussion of the welfare state as a destabilising force in society. It was only as western capitalism struggled to respond to recession that instability became an issue. Some critics, of course, blame the welfare state for Britain's parlous economic situation. If that attribution of blame could be shown to be correct then the argument would be strengthened.

The balance of evidence and argument seems to suggest that capitalist democracy is a fundamentally unstable compromise both economically and politically, that its instability becomes more obvious in recession, but that it is supported and stabilised rather than destabilised by welfare state policies. Threatening problems – for example unemployment – are eased, the authority and standing of government are legitimised, a middle way is opened up.

Its potential for development

The seventh argument for the welfare state rests on confidence in the *potential* of welfare state policies as a way of tackling social problems. It accepts that policies sometimes fail but asserts with confidence the potentialities of the welfare state approach as the most promising way of coping with a wide range of problems.

The central failures of which major social services are accused – for example, failure to reduce inequalities in the use of health services or in health, failure to ensure equality of opportunity in education, failure to abolish poverty – are seen by welfare state supporters as a result of failing to adapt and develop services and as the result of expecting too much from narrow social service approaches. Critics, on the other hand, see such failures as invalidating the case for free, publicly provided services.

Welfare state policies, their supporters insist, have done a great deal to illuminate the nature of the problems which they seek to resolve. They have also shown that a broad range of policies is required to tackle many problems rather than simply a set of services. The NHS, for example, has shown just what the contribution of health services can be to improving and maintaining health. The failures of the National Health Service have served to illuminate the kind of national health policy required to redress inequalities and improve the nation's health – a policy directed at diet, smoking, drinking, exercise, working conditions, health education, income, and so on. Failure also suggests the lines along which actual health

care policy might develop to attain desired ends – positive discrimination by area, localisation and personalisation of services, the development of health centres, for example. What is very striking is how all the main social services have evolved since 1948 – in directions which were never anticipated at that time. This ability to evolve and develop in response to change in society, new understanding of problems and new insights into how problems can be resolved, is one of the great strengths of social policies – so long as they are given the freedom and the funding required for creative responses.

The value base is right

The final defence of the welfare state rests on the judgment that it is based on those values most likely to provide a firm and satisfactory base for civilised and stable life in society – co-operation and the sharing of burdens, reduction of inequalities, justice and fairness, altruism, humanitarianism and a concern for social need, fellowship and rights of citizenship.

In contrast, the *laissez faire* economy is based, in Crick's words, on notions of man as 'a programmed predator' (Crick, 1984, p. 26) and on faith in impersonal laws which govern economic activity. Market psychology is unreal. Common sense alone suggests that a civilised and sustainable society cannot be built on the basis of individual pursuit of self-interest. Man is not 'a programmed predator'. Rather, in Temple's words, he is 'naturally and incurably social' (Temple, 1976, p. 69). He realises himself in co-operative, constructive relationships with other people, not in relentless competition with them.

The welfare state also expresses man's creativity, his refusal to take the outcomes of supposed economic laws for granted when they affront his ideas of distributive justice, his confidence that he has the capacity to refashion and improve society and does not have to accept contemporary economic outcomes as sacrosanct simply because they exist.

The welfare state is an expression of those values and attitudes which make social life viable and sustainable. It appeals to man's imaginative and social nature and to his belief in the possibility of progress.

The charges against the welfare state

The charges against the welfare state are many. They come from all

parts of the political spectrum.

1. Welfare state services are ineffective and have failed to achieve their major objectives. Standards of services remain low; poverty and inequalities survive.
2. In an affluent society the welfare state is both unnecessary and unwanted. The provision of universal services is irrelevant. All that is needed is a safety net for the very poorest.
3. Public social welfare programmes are inevitably and inherently inefficient. There are no incentives to keep down costs or to ensure value for money. There is no competition to stimulate innovation.
4. The welfare state has damaging effects on the economy. It depends on high rates of taxation which damage incentives and fuel inflation. It absorbs labour and capital which would otherwise be used in genuinely wealth-creating activities. Over-generous social security benefits encourage malingering and the 'why work?' syndrome.
5. It has damaging effects on the political system and undermines political stability. The welfare state contributes to overload in government which leads to inefficiency and ineffectiveness and so to loss of confidence in government. Governments become dependent on interest groups and so lose authority. People come to expect more of governments than they can possibly deliver.
6. At the end of the day state measures are no more than a palliative and their primary aim and function is social control rather than social transformation.
7. The welfare state supports and sustains patriarchy. It operates on the basis of certain assumptions about gender relations and the resulting policies help sustain inequalities between the sexes.
8. Welfare state policies restrict and damage freedom. State services provide little choice. Effectively they impose a maximum standard on consumers who cannot afford the private market. Great power is given to professionals and bureaucrats.
9. The welfare state has damaging social effects. Backbones and moral fibre are weakened. So are individual and family responsibility. Dependency increases. Social division and social conflict grow rather than diminish.

To fight on the ground chosen by one's enemies is nearly always bad strategy – hence the decision in this conclusion to argue the positive case for the welfare state rather than simply to rebut these criticisms of welfare state policies. Most of the major criticisms have been

answered in the course of that defence, but four need a little more discussion.

Firstly, there is the charge that welfare state policies are no more than a palliative, are primarily concerned with social control, and should be regarded as an instrument for legitimating and sustaining, rather than transforming, capitalism. Clearly state welfare is not a radical, transforming force in society – though what happened between 1945 and 1948 looked radical to contemporaries. To describe the major services as no more than palliatives is, however, grossly to underestimate their importance. More than fifty years ago Tawney described such a judgment as ‘a piece of claptrap which plays into the hands of the interests bent on saving the pockets of the rich at the expense of the children and the unemployed’ (Tawney, 1931, p. 120). That judgement still stands. The health, housing, education and social security services have meant, and continue to mean, a massive and transforming increment to the standard of living of many members of our society.

No informed observer would dispute the limited possibilities of welfare state policies. That is proved by history. The issue is whether they can fairly be described in their impact and potentialities as mere palliatives and whether they are rightly seen in their aims or functions as solely or even primarily concerned with social control. The argument being advanced here is that such accusations are caricatures of the reality.

Secondly, there is the feminist charge that the welfare state sustained patriarchy. ‘The welfare system as it stands (or totters)’, says McIntosh, ‘is utterly dependent upon a specific construction of gender’ (McIntosh, 1981, p. 41). The British welfare state, it is argued, operates on the basis of certain rigid and archaic assumptions about gender relations – that women living with men should be financially dependent upon them, that married women caring for their husbands do not merit any special financial compensation for so doing, whereas unmarried women or husbands caring for wives do, that girls have different academic interests from boys, that married women at home are available to operate as the unpaid pillars of government policies of community care.

Feminists not only point out the sexist, patriarchal assumptions on which much policy rests. They also emphasise the significance of the situation: certain values favouring the interests of men rather than women, they argue, have been embodied in a variety of social policies,

and such policies have become an important means by which values, and inequalities between the sexes, are maintained.

There is a substantial element of truth in the charge. Sexist assumptions do permeate welfare state policies and do impinge significantly on the lives of many women. On the other hand, the welfare state has attempted – though without great enthusiasm – to outlaw sex discrimination and unequal pay for equal work. What the feminists have achieved is the exposure of sexist assumptions as a significant factor in welfare state policies. They have provided a valuable critique – which provides a basis for reform.

The third charge – that welfare state policies restrict and damage freedom – is an old one. It has four main strands. The first is that the basis of freedom in society is a low level of government intervention in economic and social life. Freedom is seen as the fruit of the absence of government action.

The second is that welfare state services usually offer no choice and provide further threats to freedom by, in effect, imposing a maximum standard on what is available to consumers. After paying their taxes few people can afford to pay the total costs of private provision. They therefore have to accept the standard of the state service.

The third strand is to do with the power of professionals and bureaucrats. Inevitably the welfare state services ‘put some people in a position to decide what is good for other people’ (Friedman and Friedman, 1980, p. 249). There is usually little appeal against such decisions. ‘The State’, writes Stuart Hall, from the opposite end of the political continuum from the Friedmans, ‘is increasingly encountered and experienced by ordinary working people as, indeed, not a beneficiary, but a powerful bureaucratic imposition’ (Hall, 1979, pp. 17-18). Democratic control of government activity is seen as an impossibility.

The fourth point critics make is to stress what they see as the inevitable conflict between equality and freedom. They see egalitarianism as a central strand in welfare state policy and believe that the attempt to create equality ‘has almost destroyed freedom for consumers and suppliers’ (Seldon, 1981, p. 14).

What can be said about these charges? The first point which must be made is that the argument is usually at a high level of generality. It is about an unspecified kind of freedom. What is important is to look closely at freedoms lost and gained in welfare states, at the relative value of different freedoms and at who has gained and lost.

Goodin attempts to do this in a careful examination of nine claims concerning freedom and the welfare state. His conclusion is that 'the gains to freedom outweigh the losses'. He finds all the alleged negative impacts of the welfare state on freedom 'equivocal at best'. On the other hand, three of the positive claims about the enhancement of freedom in the welfare state 'seem unequivocal and quite important' (Goodin, 1982, p. 172). In the end, of course, it depends on the valuation put on different freedoms. Goodin accepts this. The critics ignore this major point.

The critics choose, too, to ignore the coercive effects of the market. They assume that freedom exists in a market system and is eroded in a welfare state. The market can be profoundly coercive in its impact and implications. 'Liberty without fraternity', says Crick, 'is competitive cruelty' (Crick, 1984, p. 23). 'Without a greater equality of material resources', Plant suggests, 'political liberty is likely to be of unequal worth' (Plant, 1984, p. 7).

Again, the idea of an inevitable conflict between freedom and equality is simple-minded. A free society will display inequalities but that does not mean that inequality is a vital element in freedom. Equally, certain types and levels of material inequality make a non-sense of any kind of freedom. 'The notion', says Jones, 'that there is a simple conflict between freedom and the redistribution of resources does not bear examination' (Jones, 1982, p. 236).

Forty years ago Hayek saw welfare state policies as the road to serfdom. Since then no welfare state has lapsed into totalitarianism. At the very least, the road is longer than Hayek supposed. There is simply no means of measuring scientifically whether freedom has increased or been diminished in the welfare state. The sweeping claims of the critics can therefore be treated with some disdain. Some freedoms – archaic, elitist and unimportant may have disappeared. Many more have been gained – most obviously from the worst of the tyrannies of the five giants Beveridge saw barring the road to reconstruction.

Fourthly, there is the charge that the welfare state has damaging social effects. Four specific points can be distilled from the rhetoric.

First, there is the alleged damage done by the welfare state to individual and family responsibility. 'The citizens of a healthy society', argues Mrs. Thatcher, 'are people who care for others and look first to themselves to care for themselves' (Thatcher, 1977, p. 86). The argument is that stress in the welfare state on the social causation of

problems and the adoption of collective solutions has a damaging effect on individual, family and community responsibility. People come to look first not to themselves or their families for support and help, but to the State.

Assessing whether a sense of individual and family responsibility has in fact been weakened by state welfare is almost certainly impossible. We lack the evidence and we lack the instruments to measure degrees of responsibility in the past or the present. Equally, as was argued earlier, the responsibilities facing the family are now vastly greater than they were even thirty years ago.

Second, and it is closely related to the previous point, the welfare state is blamed for creating dependency, for damaging backbones and softening moral fibre. Welfare state benefits, the Social Affairs Unit tells us, are breeding the 'begging bowl mentality' (*Daily Telegraph*, 11 July 1984). Easy availability of the welfare state cushion is alleged to lead on to abuse and fraud and the development of the irresponsible society. This is an easy accusation to make. It cannot, however, be sustained by anything which can reasonably be regarded as evidence. Measuring any increase in dependency which results from the more general provision of state benefits is simply not a practicable project. Certainly, there is more dependency of some kinds in modern societies than in the past and a greater looking to public support. Most informed observers, however, would see social change as the main factor rather than a service-induced moral dry rot. If people are more ready to look to the State, it is because in the conditions of modern life other historic sources of support are no longer relevant or available. The welfare state is, in part, a response to such changes, not a cause of them.

Thirdly, the welfare state is accused of exacerbating social division and social conflict rather than increasing social integration and cohesion. 'Social conflict', Seldon argues, 'is intensified by the welfare state because it uses the political process to decide the use of resources, through 'representative institutions' that are in practice controlled by *un* representatives who happen to be politically endowed' (Seldon, 1981, p. 40). Joseph and Sumption argue that social cohesion 'is not necessarily destroyed by inequality but is inevitably destroyed by the abrasive measures required to make men equal' (Joseph and Sumption, 1979, p. 18). The Friedmans see egalitarian policies as underlying the decline in respect for the law and so contributing to the growth of criminality in Britain (Friedman and Friedman, 1980, p. 178).

Bosanquet makes a crucial point about this particular argument. The welfare state may seem to have divisive effects. This is not, however, because of anything to do with the welfare state as such. It is rather because 'those issues that move into the political process are exactly those that cannot be resolved by private means' (Bosanquet, 1983, p. 107). They represent the failures of market capitalism, not simply the failure of the welfare state.

Those who indict the welfare state for causing social division and conflict choose also to ignore the corrosive effect of the market system on social cohesion. The market, not the welfare state, is responsible for the crucial divisions and conflicts of our society – between capital and labour, rich and poor, employed or unemployed. Supporters of the market assume that the result is a social order to match the harmonious economic order which flows from a market economy. The evidence is that no such order results. The welfare state develops, in part, in an effort to make good those failings. It cannot be blamed for their existence.

The way forward

'One can make the case for the social welfare state', Furniss and Tilton argue, 'without contending that it constitutes a panacea for all social ills' (Furniss and Tilton, 1979, p. 22). We have sought to defend the welfare state on two grounds. Firstly, we have argued on the basis of solid achievement, though not on the basis that it has achieved all that we would have wished or all that it might have achieved. Secondly, we have defended the welfare state as an approach to resolving central problems of economic and social life in capitalist society.

As a concluding act of critical friendship we set out ten guidelines for the future development of the welfare state:

1. The focus must be on the development of policies, not just on the development of services. What is very clear, particularly in relation to health and education, is that a narrowly-focused service-centre approach cannot secure the aims of the services. The factors which affect outcomes are much wider than those which can be influenced or determined by service provision. Other policies must be co-ordinated to further what have hitherto been regarded as the goals of particular services.
2. Economic and social policies must be seen as two elements of a single whole. They are not separable. Economic growth does not,

of itself, eliminate social problems; it may even create them. Equally, tackling such problems without growth is very difficult, both politically and in practice. Any economic strategy has social implications – a point made starkly and tragically clear since 1979. Any social strategy rests heavily on assumptions about how the economy is going to function. Economic and social policy are not distinct and separate spheres of government activity (A. Walker, 1984, ch. 3.).

3. Development of a more acceptable and equitable tax structure is vital for the development of the British welfare state. Britain is not particularly heavily taxed – contrary to what certain politicians would have us believe. But the structure of the British tax system is such as to feed a sense of burden and injustice, and that militates against welfare state development. What is clearly required is a thorough review of the incidence and impact of taxation and tax allowances, in terms of both the effectiveness of the system in raising revenue and in the fairness of the burdens it imposes.
4. Supporters of the welfare state and those concerned with the development, management and implementation of policies must become much more concerned with effectiveness and efficiency – with what works and what doesn't work, with the relative cost of achieving goals by different policies. Efficiency, says Heald, 'is a vital cog in the process of making compassion an attainable goal', and he goes on to say that 'it is the supporters, not the detractors, of the welfare state who stand to gain most from improved efficiency in the public sector' (Heald, 1983, p. 278).
5. The welfare state must become more concerned about work. Work is a crucial element in most people's welfare. Full employment was probably the biggest contribution to human welfare in Britain between 1945 and 1975. Now, work has become a scarce commodity. A policy is needed to create, organise and distribute work. Because of the significance of work to people's well-being, economic factors cannot be allowed to dominate employment policy. Work-sharing may be less 'efficient' on narrowly economic grounds; it may be essential for social well-being. Work is a central part of welfare and must be a major consideration to those concerned about the future of the welfare state.
6. The welfare state of the future is going to be a mixed economy of welfare. The 'pure doctrine of state welfare' – the notion that the state could and should do everything – has collapsed. The vital role

of the family, voluntary and community groups, the private market, and occupation-related welfare is increasingly recognised. What is important is appreciation of what the mixed economy of welfare means for the public sector. It necessitates the development of new partnerships between statutory and voluntary, formal and informal, the family and state.

7. Those responsible for welfare state policies and those concerned for their development must take public education about welfare much more seriously. In the media the images and stereotypes conveyed about the welfare state are predominantly – even almost exclusively – negative. Setting out the achievements and problems, limitations and possibilities of state welfare, needs to be given much more emphasis. A struggle is going on for the minds and hearts of men and women. It will not be decided by the merits of the case alone.
8. The welfare state must be democratised. ‘“Working together” should be our slogan, not “Doing Good”,’ says Crick (1984, p. 40). The argument for democratisation has two stands. There is the argument of principle. Services *should* be provided on a more democratic basis with greater opportunity for citizens generally, and users in particular, to express views about their organisation and operation. Then there is the argument that democratisation will make for more effective services because users will provide ongoing monitoring and feedback about how services are actually operating. It is also crucial to building public support for services – that people see them as *theirs*, not as something provided from outside.

Democratisation means a voyage of exploration. It must mean decentralisation and it must mean participation. Both are concepts which require careful examination and application.

9. There must, in the future, be a firmer commitment to securing acceptable minimum standards throughout the welfare state. Setting clear minima has always been regarded with some apprehension in case the welfare state became limited to a sort of minimal residualism. But a concern for acceptable minimum standards for the most vulnerable – in residential care, in local authority housing, in the hidden areas of the NHS, in the jungle of means-tested benefits – must be a first priority.
10. There must be reform of collective bargaining in the public sector. This might be thought to be a slightly odd priority. That is

because of the narrow vision of too many welfare state supporters. Heald, however, emphasises its importance. Any government, he argues, 'attaching high priority to both the welfare state and reduced employment, will reap a harvest of bitterness if procedures are not reformed. On this issue, more than on any other, hinges the future of the welfare state' (Heald, 1983, p. 320). The welfare state cannot afford the loss of support which follows from the disruption of vital services.

This book has had a strictly limited objective – to supply an account of the achievements of the British welfare state in five major areas of social service provision. Contributors have not sought to ignore failure. What they have aimed to do is to set out achievements so that rounded assessment is more possible. In recent years the welfare state has had a bad press. Achievements have quite deliberately been played down or ignored. Failures and shortcomings have been sought out and exaggerated. The contributors would all be critical of many aspects of the welfare state as it now exists but all would be united in their support for it as a force – actual and potential – for individual and social welfare.

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