

On 1 December 1942 the wartime coalition government published a report entitled 'Social Insurance and Allied Services'. It had been written by Sir William Beveridge, a highly regarded economist and expert on unemployment problems. The Beveridge Report quickly became the blueprint for the modern British welfare state.

**The Beveridge Report: 'The Way to Freedom from Want'
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6

short also in its provision for cash benefit for maternity and funerals and through the defects of its system for workmen's compensation. In all other fields British provision for security, in adequacy of amount and in comprehensiveness, will stand comparison with that of any other country; few countries will stand comparison with Britain. Second, social insurance and the allied services, as they exist today, are conducted by a complex of disconnected administrative organs, proceeding on different principles, doing invaluable service but at a cost in money and trouble and anomalous treatment of identical problems for which there is no justification. In a system of social security better on the whole than can be found in almost any other country there are serious deficiencies which call for remedy.

4. Thus limitation of compulsory insurance to persons under contract of service and below a certain remuneration if engaged on non-manual work is a serious gap. Many persons working on their own account are poorer and more in need of State insurance than employees; the remuneration limit for non-manual employees is arbitrary and takes no account of family responsibility. There is, again, no real difference between the income needs of persons who are sick and those who are unemployed, but they get different rates of benefit involving different contribution conditions and with meaningless distinctions between persons of different ages. An adult insured man with a wife and two children receives 38/- per week should he become unemployed; if after some weeks of unemployment he becomes sick and not available for work, his insurance income falls to 18/-. On the other hand a youth of 17 obtains 9/- when he is unemployed, but should he become sick his insurance income rises to 12/- per week. There are, to take another example, three different means tests for non-contributory pensions, for supplementary pensions and for public assistance, with a fourth test - for unemployment assistance - differing from that for supplementary pensions in some particulars.
5. Many other such examples could be given; they are the natural result of the way in which social security has grown in Britain. It is not open to question that, by closer co-ordination, the existing social services could be made at once more beneficial and more intelligible to those whom they serve and more economical in their administration.

THREE GUIDING PRINCIPLES OF RECOMMENDATIONS

6. In proceeding from this first comprehensive survey of social insurance to the next task - of making recommendations - three guiding principles may be laid down at the outset.
7. The first principle is that any proposals for the future, while they should use to the full the experience gathered in the past, should not be restricted by consideration of sectional interests established in the obtaining of that experience. Now, when the war is abolishing landmarks of every kind, is the opportunity for using experience in a clear field. A revolutionary moment in the world's history is a time for revolutions, not for patching.
8. The second principle is that organisation of social insurance should be treated as one part only of a comprehensive policy of social progress. Social insurance fully developed may provide income security; it is an attack upon Want. But Want is one only of five giants on the road of reconstruction and in some ways the easiest to attack. The others are Disease, Ignorance, Squalor and Idleness.
9. The third principle is that social security must be achieved by co-operation between the State and the individual. The State should offer security for service and contribution. The State in organising security should

not stifle incentive, opportunity, responsibility; in establishing a national minimum, it should leave room and encouragement for voluntary action by each individual to provide more than that minimum for himself and his family.

10. The Plan for Social Security set out in this Report is built upon these principles. It uses experience but is not tied by experience. It is put forward as a limited contribution to a wider social policy, though as something that could be achieved now without waiting for the whole of that policy. It is, first and foremost, a plan of insurance - of giving in return for contributions benefits up to subsistence level, as of right and without means test, so that individuals may build freely upon it.

THE WAY TO FREEDOM FROM WANT

11. The work of the Inter-departmental Committee began with a review of existing schemes of social insurance and allied services. The Plan for Social Security, with which that work ends, starts from a diagnosis of want - of the circumstances in which, in the years just preceding the present war, families and individuals in Britain might lack the means of healthy subsistence. During those years impartial scientific authorities made social surveys of the conditions of life in a number of principal towns in Britain, including London, Liverpool, Sheffield, Plymouth, Southampton, York and Bristol. They determined the proportions of the people in each town whose means were below the standard assumed to be necessary for subsistence, and they analysed the extent and causes of that deficiency. From each of these social surveys the same broad result emerges. Of all the want shown by the surveys, from three-quarters to five-sixths, according to the precise standard chosen for want, was due to interruption or loss of earning power. Practically the whole of the remaining one-quarter to one-sixth was due to failure to relate income during earning to the size of the family. These surveys were made before the introduction of supplementary pensions had reduced amount of poverty amongst old persons. But this does not affect the main conclusion to be drawn from these surveys: abolition of want requires a double re-distribution of income, through social insurance and by family needs.
12. Abolition of want requires, first, improvement of State insurance, that is to say provision against interruption and loss of earning power. All the principal causes of interruption or loss of earnings are now the subject of schemes of social insurance. If, in spite of these schemes, so many persons unemployed or sick or old or widowed are found to be without adequate income for subsistence according to the standards adopted in the social surveys, this means that the benefits amount to less than subsistence by those standards or do not last as long as the need, and that the assistance which supplements insurance is either insufficient in amount or available only on terms which make men unwilling to have recourse to it. None of the insurance benefits provided before the war were in fact designed with reference to the standards of the social surveys. Though unemployment benefit was not altogether out of relation to those standards, sickness and disablement benefit, old age pensions and widows' pensions were far below them, while workmen's compensation was below subsistence level for anyone who had family responsibilities or whose earning in work were less than twice the amount needed for subsistence. To prevent interruption or destruction of earning power from leading to want, it is necessary to improve the present schemes of social insurance in three directions: by extension of scope to cover persons now excluded, by extension of purposes to cover risks now excluded, and by raising the rates of benefit.
13. Abolition of want requires, second, adjustment of incomes, in periods of earning as well as in interruption of earning, to family needs, that is to say...