

Historical Development of the Irish System of Social Security

INTRODUCTION

This chapter offers an overview of the development of Irish social security from the first quarter of the nineteenth century until political independence in 1921. The chapter begins with an account of the nineteenth century Poor Law in the UK and its establishment in Ireland and then shows how the Poor Law became the *motif* for later developments in Ireland and the United Kingdom. Then a summary account of the emergence of old age pensions is given, followed by a brief account of the introduction of national insurance for unemployment and sickness. In Ireland social security was the political responsibility of the government in London until political independence, and of necessity, therefore, the chapter records the development of social security in Ireland largely, although not wholly, as a by-product of political influences and choices in Great Britain.

THE POOR LAW

The first national, statutory system of welfare in Ireland was the 1838 Poor Relief (Ireland) Act that emerged from the establishment of the 'new' Poor Law in Great Britain in 1834. The latter was embodied in the 1834 Poor Law Amendment Act. Some background is necessary here. In 1601 the 'old' Elizabethan Poor Law was introduced in the wake of a series of bad harvests that created widespread deprivation and unrest (Fraser, 1973). Under the Elizabethan Poor Law the local parish gave relief to the poor from local funding. Three important principles underpinned the operation of local poor relief: to receive aid the poor had to prove 'settlement' (permanent residence) in the parish; the principle of the liability of dependants meant that family members were mutually responsible for their well-being and maintenance, and poor relief was utterly minimal. An important addition to the Poor Law was the 1662 Act of Settlement. As a result of geographical mobility in the seventeenth century, many poor people were

perceived as moving from one parish to another — specifically, from poorer to richer parishes — to avail of the more generous relief that was available in better-off parishes. The Act allowed the parish to return individuals to their original parish if it was judged that they might become a burden on the local parish.

The old Poor Law gave way to the ‘new’ Poor Law embodied in the 1834 Poor Law Amendment Act for a number of reasons. (Powell, 1992; McKay and Rowlingson, 1999; Cook, 1990) First, the settlement requirements of the old law became increasingly incongruous in the context of the free mobility of labour that became an inherent feature of the newly urbanised, industrialised economy. Second, the old Poor Law became transformed in many areas in to a ‘Speenhamland’ system (after the name of the parish in which the arrangement first appeared). In the 1790s, bad harvests and the resulting shortages and inflation led to fears that the new revolutionary spirit emanating from the French revolution of 1789 would engender political unrest. In 1795, in Berkshire, the justices began to allow relief on a much wider scale and also permitted relief to poor, employed labourers to ensure they could afford food. Third, the Speenhamland system was increasingly criticised for its effects on the rural economy, subsidising ‘bad’ employers for paying below subsistence wages, on the one hand, while artificially driving up the price of bread by subsidising demand, on the other.

The Speenhamland system merely illustrated — for some of its distinguished critics — the fundamental difficulty with the old Poor Law. It was perceived, in today’s terms, as too generous, as evidenced by a significant increase in the amount of rates levied to fund Poor Law expenditure. The views of such critics are vividly illustrated in the contemporary writings of a Poor Law overseer, Sir G. Nicholls. In a pamphlet in 1821 Nicholls gave an account of the problems of the old Poor Law and in particular made a detailed critique of its impact in the parish of Southwell.¹ He commences his critique by suggesting that the provision of a workhouse ‘at considerable expense’ had become ‘the resort of the idle and profligate of both sexes’ and had generated a ‘circle of pauperism’. Pauperism eventually embraced ‘nearly the whole population. Self-reliance and provident habits were destroyed, the call for these qualities being superseded by a ready access to the public purse’. Nicholls conveyed a picture of wilful and widespread reliance on the local parish in his portrait of poor families in Southwell (Nicholls, 1898: 228–9):

A stripling married a girl as ignorant and youthful as himself. They immediately apply to the overseers to provide them a house, and for something also towards getting them a bed and a little furniture. The birth of a child approaches and the overseer is again applied to for a midwife, and for money to help them in the wife’s ‘down-lying’. Perhaps the child dies, and the parish has to bury it; and if it lives, the parish must surely help to maintain it. And so it was

throughout the whole range of their existence — in youth and in age, in sickness and in health, in seasons favourable and unfavourable, with low prices or with high prices — the parish was still looked to and relied upon as an unfailing resource, to which everyone clung, and from which every man considered he had a right to obtain the supply of every want, even although (*sic*) it were caused by his own indolence, vice or improvidence.

This critique of the ‘generosity’ of the old Poor Law led Nicholls and his fellow reformers, in their role as overseers in Southwell, to instigate changes in the administration of relief. These reforms included the abolition of the Speenhamland system of supplementing the wages of labourers and the payment of rents for labourers’ cottages. However, the core of the changes was the new and harsh regime imposed in the parish workhouse: the division of families within the workhouse, the separation of sexes, the imposition of a rigorous work regime for inmates, and so on. Nicholls summarised the approach to the reform of the old Poor Law in Southwell as follows (Nicholls, 1898: 236):

A well-regulated workhouse answers these two conditions. No person in actual want will reject the relief proffered therein, and a person not in actual want will not submit to the restraints by which the relief is accompanied. Workhouse relief will be more repugnant than labour to persons able to work, whilst to those who are disabled as well as indigent the workhouse will be a welcome refuge.

Prior to the establishment of Royal Commission on the Poor Law in 1832 this critique — and its practical implications in local parishes — became increasingly widespread and greatly influenced the new Poor Law of 1834. Nicholls’ critique was legitimised by the influence of the *laissez-faire* school of political economy with its emphasis on the ‘invisible hand of the market’ and the need for a free, mobile market in labour in the context of Britain’s industrial economy. The great exponents of liberal, *laissez-faire* economics opposed the Poor Law and in particular opposed the gradual evolution of the old Poor Law into the generic, Speenhamland system of relief. Thomas Malthus in his classic and influential work published in 1826, *Essays on the Principle of Population* had argued that there was a natural tendency for population growth to exceed the growth of food supplies. The Poor Law, he argued, was a destructive mechanism that was reinforcing the increase in the population of the poor, bringing with it a population burden that could not be sustained. The other great classical economists, David Ricardo and Nassau Senior, were equally vehement in their opposition to poor relief and argued for the abolition of the Poor Law in Britain. Senior, for example, in his famous letter to Lord Howick about poor relief in Ireland set out the three possible grounds that might give rise to poor relief: infirmity and illness; crop failure, and

want of employment. He accepted that illness could be relieved, but that old age was foreseeable and hence did not justify public provision (except in the case of provision in infirmaries for illness). In relation to crop failure, he opposed public relief of any kind and in the case of lack of employment, or employment at insufficient wages, among the able-bodied he suggested that public provision would 'destroy . . . industry, providence and mutual benevolence' (Cook, 1990: 5). In the terms of twentieth and twenty-first century debates, this perspective feared the emergence of an 'underclass' and a 'culture of dependence'.

By the early 1830s the old Poor Law was widely unpopular. The cost was rising rapidly and the growing number of the poor seeking relief was giving rise to concern among its intellectual critics about the impact of the Poor Law on the economy and society. However, the Poor Law was still inadequate to meet the needs of the poor in many areas and gave rise to protest and unrest: the local nature of the old Poor Law meant that the poorest parishes had the least finance available to fund poor relief. A Royal Commission on the Poor Laws was established in 1832 and reported in 1834. Its recommendations were implemented in the 1834 Poor Law Amendment Act. The new Poor Law reflected the philosophical influence of classical economics, as the central principle on which the new law was founded was that of 'less eligibility' (Nicholls, 1898: 242). According to this principle, the circumstances of any person receiving relief must be worse than those of the poorest labourer: the circumstances of the recipient of relief 'shall not be made really or apparently so eligible as the situation of the independent labourer of the lowest class'. The Royal Commission outlined what it considered would be the effect of offering relief that gave the poor the same standard of living as that of the lowest paid labourer (cited in Nicholls, 1898: 242):

In proportion as the condition of any pauper class is elevated above the condition of independent labourers, the condition of the independent class is depressed, their industry is impaired, their employment becomes unsteady and its remuneration in wages is depressed.

Any expenditure on poor relief that breached this principle of 'less eligibility' was, the Commission suggested 'a bounty on indolence and vice'. Accordingly, relief outside the workhouse (outdoor relief) was abolished for the non-disabled (Cook, 1990; Nicholls, 1898).

The principle of 'less eligibility' retained a continuity with the old Elizabethan Poor Law in its harshness, but it offered a new rationale for this harshness in terms which economists would later call labour market incentives: welfare (for those able to work) should be less than the net earnings of low-paid employees. 'Less eligibility', taken together with two other key elements of the 1834 reform, gave the new Poor Law its defining characteristics. Firstly, the workhouse regime was designed to be harsh so that it would act as a deterrent to the able-bodied claiming

relief, and, secondly, it was more centralised. The Act provided for the appointment of three Poor Law commissioners and inspectors, and conferred considerable powers on the commissioners in relation to the detailed administration and implementation of the Act. At local level the new Poor Law was administered in Poor Law Unions under the direction of Boards of Guardians.

This new framework was the UK's first national statutory system of welfare and was to remain broadly in place until the beginning of the twentieth century. In Ireland, meanwhile, the general population suffered the most appalling social conditions (Cook, 1990; Burke, 1987). The economy was predominantly agricultural and at the base of this economy was a vast underclass of poverty. About 10,000 landlords who let significant parts of their land to 'middlemen' owned the land. In turn, they sub-let to cottiers who rented cabins and small plots and paid for these partly with their labour. Even the large landless labourer class rented very small patches of land for growing potato and other subsistence crops. This complex agricultural structure had, on the one hand, sustained a rapidly growing population: the population of (the island of) Ireland grew from about 2.5 million in the middle of the eighteenth century to over 8 million in 1841. On the other hand, the existence of the peasant and cottier classes was precarious. There was intermittent famine and continual emigration: from 1815 to 1847, 1.5 million emigrated.

In Dublin, the economy offered a stark contrast to the thriving industrial cities of Great Britain. The Act of Union of 1801 had put paid to any prospect of industrial growth in Ireland's cities and the small wealthy and middle-class segment of the population had begun to desert the city, weakening its economic fabric further. The large period townhouses of these classes began to be inhabited by the poor, some of these fleeing the destitution of the rural economy. By the 1830s, the social and economic problems of Ireland, compounded by religious discrimination and political repression, were well documented. A Select Committee of the House of Commons in 1804 had argued against the introduction of statutory poor relief in Ireland. A later report, in 1819, by a select committee on the State of Disease and Conditions of the Labouring Poor in Ireland, suggested that the best way of dealing with the poor in Ireland was to develop Ireland's indigenous resources in agriculture and fishing. This conclusion was essentially repeated in the 1823 report on the Employment of the Poor in Ireland. A further report was published in 1830: this report, *Report of the Select Committee on the State of the Poor in Ireland*, did not directly address the issue of legal provision for the Irish poor. In turn, this drew a public rebuke of the committee's chairman, Thomas Rice, M.P., from a member of the Catholic Hierarchy, who argued that the committee's own evidence strongly supported the case for statutory provision for the poor (Burke, 1987: 15).

The controversy about the need for a Poor Law in Ireland intensified in the 1830s as social conditions in Dublin deteriorated drastically during the cholera

epidemic. These conditions were dramatically highlighted in 1833 when the Mansion House Committee (then the largest and most active philanthropic body in Dublin) published, in graphic and detailed terms, the results of its enquiry into social conditions in the city. With the completion of the 1832 Poor Law inquiry in England and the implementation of its report in 1834, the government dealt with the continuing controversy about poverty in Ireland by instituting a further inquiry, the *Royal Commission of Inquiry into the Conditions of the Poorer Classes in Ireland*, chaired by the Anglican archbishop of Dublin, Dr Whately.

The context in which this inquiry undertook its work was marked by intense controversy about the appropriateness or otherwise of introducing a Poor Law. Irish landlords were implacably opposed, fearing that escalating costs on local rates would ensue, as had happened in the Speenhamland variant of the old Poor Law in England. However, the sheer scale of destitution had led to growing demands for some form of statutory relief. In the event, the Whately committee repudiated both the old and the new variants of the Poor Law, and in the course of three detailed reports offered extensive statistical evidence and vivid illustrations and case material about the extent and nature of poverty in Ireland.

Whately started from the premise that there was no point in imposing a workhouse test on the able-bodied poor as the problem was 'not to make the able-bodied look for employment, but to find it profitably for the many who seek it' (Burke: 29). Furthermore, Whately estimated that the sheer scale of destitution in Ireland was such that a Poor Law system of workhouses would require accommodation for almost 2.4 million people. Whately was also acutely aware of the dilemma of attempting a Poor Law solution in Irish circumstances. This had been highlighted by the classical economist Nassau Senior who had served on the Royal Commission on the Poor Laws in England: the depth of destitution in Ireland was so profound that not even the most rigorous workhouse test would deter the poor from resorting to the workhouse.

Nowadays, Whately's report would be described as recommending 'prevention rather than cure'. Whately recommended, first, a radical series of measures aimed at developing the economy principally through the establishment of a Board of Improvement with wide powers in the area of land improvement and redevelopment, agricultural training, education and rural housing. Secondly, they argued for a comprehensive program of assisted emigration as a means of relieving overpopulation and, thirdly, they proposed a series of largely institutional services for categories such as the aged and the disabled, partly funded through national taxation. In the event, the government rejected the Whately Commission's report. Philosophically, it ran completely counter to the prevailing *laissez-faire* policy, and the minority Whig government then in office would not have risked political defeat in the House of Commons by attempting to implement the Irish Commission's report. Furthermore, the report had provided the government with a tactical reason for rejecting it: the report had evaded the important and

contentious question of whether the Poor Law in Ireland should be funded locally from rates collected by Boards of Guardians (Cook, 1990: Burke, 1987).

In response, the government despatched George Nicholls to Ireland — the Poor Law overseer who had been so influential in criticising the Speenhamland system and in introducing the rigours of the new Poor Law in Southwell. Nicholls imposed his new Poor Law analysis on Ireland, and in a series of three reports developed a plan for Poor Relief in Ireland that was modelled on the 1834 Act. This Act, opposed by the Irish landlords, came into effect in 1838. It gave the English Poor Law Commissioners power to appoint officers in Ireland and provide and oversee a national network of workhouses within a framework of Poor Law Unions and elected Boards of Guardians. In each Union the cost of the workhouse was to be met by a Poor Law rate administered by the Boards of Guardians and levied on the Unions' property owners. Under Nicholls' supervision the network of workhouses began to emerge — 92 were provided between 1839 and 1843 — and the process of establishing and collecting rates began.

The 1838 Act — the first national, statutory system of welfare in Ireland — failed. The English model of poor relief was essentially inappropriate in Irish conditions. The sheer scale of destitution was such — even before the calamitous effects of the Great Famine of 1847 — that the workhouse could not operate as a deterrent in the way that it might in England's industrialised, wage-labour economy. Furthermore, the poor rate (the source of funding for the Poor Law) was to be collected from all property owners so that the population at large would have an interest in preventing pauperism. This principle meant, in Irish circumstances, that very small rates liabilities were being extracted, with considerable effort, from vast numbers of small property-owners, as well as established landlords. As Cook has pointed out, 'the distinction between ratepayers and the destitute was barely perceptible' (Cook, 1990: 14). In turn, this considerably widened the resistance to the poor rate and contributed to violence and disorder in the collection of the poor rate in many unions.

To compound the difficulties, the Great Famine created the most intense destitution on a scale that was unforeseen. The workhouses in Ireland came to be occupied by the starving and diseased, giving the workhouses a role and a stigma that had not been anticipated. Finally, whatever scope an English Poor Law might have had to relieve distress in Ireland was reduced by some specific aspects of the 1838 Act that differentiated the Irish from the English Poor Law (Cook, 1990: 26–8). For example, unlike the English Act, the Irish Act did not confer a *right* to relief. In Ireland, a widow was required to have two legitimate children to receive outdoor relief, whereas in England the requirement was one child. Guardians in England were permitted to grant outdoor relief in urgent circumstances, but no such discretion was allowed the Irish Guardians. In England, the families of prisoners and the children of families deserted by their natural heads were allowed outdoor relief, but in Ireland they were not. The net effect of these differences was

that the incidence of relief in Ireland (standardised for population size) was considerably *lower* in Ireland than in England, Scotland, or Wales, notwithstanding Ireland's vastly greater level of need.

What is the significance of the Poor Law for the history of social security in Ireland? The chronological significance is that the 1838 Act and the developments in the Poor Law thereafter provided the framework in which income maintenance was first paid in Ireland. Although the first social security legislation proper might be deemed to be the Workmen's Compensation Act (1897) or the introduction of Old Age Pensions (1908), it is more likely that under the rubric of outdoor relief cash payments first began to be made in some areas in the last quarter of the nineteenth century. The emergence of cash relief under the evolving Poor Law had a wider significance, however. Payments from the state first took the form of locally dispensed, discretionary payments, in a legal context that gave no rights to recipients, and in an institutional context that was inextricably associated with the Famine and the harsh Poor Law of the 1838 Act. This imparted to the next generation a deep-seated revulsion of the Poor Law: the indignities and stigma of the Poor Law would in future be invoked as a rationale for improvements in social security and social policy generally.

During the second half of the nineteenth century the Poor Law evolved and spawned a wide variety of initiatives in health and welfare. From the point of view of the development of income maintenance the critical changes were the gradual widening of the grounds for receipt of outdoor relief, commencing in 1847, and the transfer of overall responsibility for the Poor Law to the Local Government Board that was established in 1872. In the 1880s, when the agricultural economy was depressed, outdoor relief was granted to able-bodied landowners, and henceforth able-bodied persons would not be refused outdoor relief at times of agricultural depression. By the late 1880s, expenditure on indoor and outdoor relief were about equal, but this change took place in a framework that was essentially unchanged in ethos and structure since 1838. The number of workhouses had reached 163 in 1850 and from then until 1914 only four workhouses were closed (O'Connor, 1995). The significance of the Poor Law would begin to decline dramatically early in the twentieth century as national legislation incorporated a new method of responding to poverty — national insurance.

THE EMERGENCE OF NATIONAL INSURANCE

In the period 1900–11 the pace of change in social policy in Great Britain and Ireland accelerated and legislation for old age pensions, sickness benefits and unemployment insurance was introduced. This reflects the outcome of the battle of political ideas in Great Britain in the last quarter of the nineteenth and the early years of the twentieth century. This battle centred on the relative roles of the

state and the individual. Marshall's (1975) classification of these ideas offers a way of summarising the controversies. At one end of the political spectrum were the Victorian individualists, broadly supportive of the Poor Law. In the debates over social legislation this stance was most clearly represented by the Charity Organisation Society (founded in 1869). This was the largest and most active philanthropic organisation in Great Britain and it looked to individual rehabilitation and self-improvement as the way to ameliorate poverty. The COS regarded the Poor Law as a necessary deterrent against the poor claiming relief, resting this belief on the assumption that in a prosperous country poverty must be unnecessary. Helen Bosanquet, the leading exponent of this view, argued that all those who were not genuinely incapable of work should be held responsible for their own maintenance and that of their dependent relatives. In 1903, in her book, *The Strength of the People*, she rhetorically posed the question as to whether the social and economic system would allow everybody to meet their responsibilities. Her answer was that 'It is a vain and idle hypothesis. The social conditions *will* permit them.' (Marshall, 1975: 39) In the debates about pensions, unemployment and health care the COS and their followers opposed state welfare, or campaigned to have new provisions tied to the Poor Law and to voluntary effort.

In contrast to the COS, the newly emerging working class politicians and socialist intellectuals under the rubric of the Fabian Society campaigned for collectivist solutions. Sidney and Beatrice Webb were the most famous exponents of such views.² Their analysis of social problems was socialist: the causes of poverty lay in the capitalist economic system, which needed to be reformed. This analysis led them to offer state, collectivist solutions. The Webbs argued that to deal with unemployment, for instance, state-provided labour exchanges should operate as a direct system of allocating labour. Likewise, in their book about health, *The State and the Doctor*, the Webbs argued for a significant, direct role for the state in the provision of medical care.

The 'new liberalism' of Lloyd George and Winston Churchill and other political leaders of the Liberal Party represented a third political stance. This was essentially classical liberalism with its emphasis on the rights of the individual, free trade and a limited role for the state, qualified by an acceptance that a completely unregulated free market economy was simply not practical. A modern capitalist economy, in this perspective, could not function effectively without a modicum of state intervention such as the provision of infrastructure, housing, basic public sanitation, and so on. As the nineteenth century entered its last quarter, the theoretical ideal of a pure market economy co-existed with growing intervention in the economy and society in the form of such legislation as the Factories Acts and the 1870 Education Act. This increasing recognition of the practical necessity for state intervention extended at the end of the nineteenth century to include social problems. For efficiency as well as for social reasons, the

state might need health provisions to cure sick workers and get them back to work, or pension provisions to allow old, unproductive workers to retire, or a system of labour exchanges to get the unemployed back to work more quickly. In policy terms this perspective allowed a limited degree of state intervention as much for practical as for social reasons: many years later a standard analysis of the relationship between ideology and politics would label this perspective 'reluctant collectivism' (George and Wilding, 1976). An example of this analysis was William Beveridge's (1909) analysis of unemployment in *Unemployment; A Problem of Industry*. Here Beveridge argued not about the injustices of unemployment or the exploitative nature of the capitalist labour market, but about the needless waste and inefficiency it entailed. His strategy was to devise an element of organisation in the labour market to help it to operate more efficiently; this perspective would greatly influence policy in relation to unemployment.³

New liberalism was as much a political and electoral strategy as a body of coherent thought. The programme of social reform it would implement was strategically constructed to support the working class electoral base of the Liberal Party. This was under increasing threat from the mid-1880s when the electoral franchise was greatly extended and the number of working class MPs began to increase. More fundamentally, however, the political elite in Great Britain began to see that practical social legislation could be an effective political bulwark against socialism. British policy makers (Lloyd George and Winston Churchill notably) learned from Germany at this time about how to organise social insurance, but also learned of Chancellor Bismarck's tactical use of initiatives in this area as a political weapon in the battle for workers' loyalties. As Arthur Balfour, a Conservative politician, observed, 'Social legislation, as I conceive it, is not merely to be distinguished from socialist legislation, but it is its most direct opposite and its most effective antidote.' (cited in Marshall, 1975: 40) Of the three sets of ideas — Victorian individualism, Socialism and New Liberalism — it was the latter which dominated the first two decades of the twentieth century and directly affected the shape of the emerging system of social security.

The debate about political ideas and their implications for public policy was intensified by the revelations of social deprivation in Great Britain. These revelations were at first literary in nature, in the popular novels of Charles Dickens. But from the late 1880s in particular, a new tradition of systematic social inquiry directly influenced political debate. In 1890, General William Booth of the philanthropic body, the Salvation Army, published a popular work on poverty in England, *In Darkest England, or the Way Out* in which he drew parallels between the poor in England and African tribes. Commencing in 1889 and finishing in 1903, Charles Booth, who would later contribute to the controversy about pensions, published a seventeen-volume study, *The Life and Labour of the People of London* (1889). Booth used a quantitative approach and offered a direct answer to the question 'how many are poor?' The figure that struck the public imagination

was Booth's estimate that 30% of the people of London were poor. But the impact of Booth's work was superseded by the enormous impact — public and political — of Seebohm Rowntree's landmark study *Poverty: A Study of Town Life*, published in 1901.⁴

Rowntree's work is the precursor to modern studies of poverty and income distribution that attempt to identify 'poverty lines' and the numbers below them. He undertook a census of all working-class households in the city of York and collected detailed information about all of the households and supplemented this with information from employers about wage rates. He applied very rigorous dietary benchmarks to determine the minimum amount of food required and costed these: these costs were supplemented with other necessary costs such as rent. These calculations yielded a figure for the absolute minimum amount of income households of different sizes needed. He then estimated the numbers of families below this minimum. Sensationally, Rowntree estimated that 9.9% of the population of York were below the stringent poverty line ('primary poverty') and a further 17.93% were in 'secondary poverty'.

The impact of *Poverty: A Study of Town Life* can be attributed not only to the estimates of poverty it reported and its innovative use of social scientific methodology, but also to the way in which Rowntree put poverty in context. In his discussion of 'the immediate causes of poverty' he showed that poverty was endemic — it was a general problem affecting the working class because of underemployment, low pay, and the absence of wage earners (Rowntree, 1901: 119). Most famously, he outlined the existence of a typical life-cycle which generated greater needs at particular times — when wage earners have young children, for example. He pointed out that '*the wages paid for unskilled labour in York are insufficient to provide food, shelter, and clothing adequate to maintain a family of moderate size in a state of bare physical efficiency*' (Rowntree, 1901: 133, emphasis in original) He was careful to record that the 'poverty line' he identified was strict:

It will be remembered that the above estimates of necessary minimum expenditure are based upon the assumption that the diet is even less generous than that allowed to able-bodied paupers in the York Workhouse, *and that no allowance is made for any expenditure other than that required for the maintenance of merely physical efficiency.* (Rowntree, 1901: 133; emphasis in original)

Rowntree also reported case studies of individual families and gave an in-depth analysis of health and housing conditions in communities in York, showing the intimate connection between poverty and ill-health and mortality, contrasting the mortality rates in the poorest and richest areas. In reporting his findings, Rowntree correctly anticipated that the COS and its supporters would repudiate his research. He therefore presented his work with a view to countering the individualist philosophy of the COS and in one extended passage he carefully stressed again

how menial his poverty line was by dramatically listing all of the social needs which his calculated minimum would not allow (Rowntree, 1901: 134):

A family living upon the scale allowed for . . . must never spend a penny on railway fare or omnibus. They must write no letters to absent children because they cannot afford to pay the postage. . . . They cannot contribute anything to church or chapel or give any help to a neighbour. They cannot save. . . . The father must smoke no tobacco. . . . The mother must never buy any pretty clothes for herself or her children.

He also emphasised the impact the life cycle has on poverty and he showed that it was not possible for many workers with families to stay above the primary poverty line at prevailing wages: 'But the fact remains that every labourer must pass through a time, probably lasting for about ten years, when he will be in a state of 'primary poverty'; in other words, when he and his family will be *underfed*.' (Rowntree, 1901: 135; emphasis in original)

Rowntree's book had a profound impact politically, generating a widespread controversy. Lloyd George was a personal friend and very aware of the contents of *Poverty: A Study of Town Life*. He referred to the book in some of his speeches and he was particularly struck by the fact that Rowntree, an industrialist who was concerned with the health and productivity of workers, stressed that workers were actually undernourished. His association with Sidney and Beatrice Webb further amplified the impact of Rowntree's work. The latter had worked with Charles Booth on his study of the poor in London and was an active adherent of the emerging discipline of quantitative social science, emphasising the collection and reporting of large-scale survey information as the basis for social inquiry and policy debate. As members of the Royal Commission on the Poor Laws, the Webbs carried the policy debate about Rowntree's findings into the centre of official debate about poverty. The COS was also represented on the Royal Commission, however. The Commission's deliberations therefore became a battleground on which the Webbs and the COS rehearsed their respective arguments about the causes of poverty, invoking Rowntree's research as evidence for their views.

Rowntree emphasised the efficiency implications of the widespread poverty he described. Poor health, slum housing, and low levels of nutrition posed a threat to the efficiency of industry and the economy. This theme was dramatically reinforced in 1904 when the Report of the Interdepartmental Committee on Physical Deterioration was published (Marshall, 1975: 33–4). The Annual Reports of the Inspector General of Recruiting in the period leading up to the Boer War (South Africa) had revealed that a high proportion (42% in 1896) of prospective recruits to the army fell considerably short of minimum physical and health requirements, and the military authorities suggested that physical standards in the population generally were in a state of deterioration. While the official

report of 1904 expressed disagreement with the specific estimates made by the recruiting authorities, it nevertheless confirmed the shocking truth of widespread poor health among people of working age. Rowntree in a chapter entitled 'The Relation of Poverty to the Standard of Health' (Rowntree, 1901: 182–221) had made this very point. He illustrated the link between the social and health conditions of workers and national economic efficiency, by pointing out that America was then emerging as one of Great Britain's competitors and that this was partly because 'her workers are better nourished and possess a relatively higher efficiency' (Rowntree, 1901: 221). The cumulative effect of these findings was to forge a link in the public mind and in reformers' agendas between social needs, on the one hand, and economic efficiency and national self-interest, on the other.

The mix of ideological debate, popular controversy and new knowledge of social conditions provided the impetus for the reform of the Poor Law in Great Britain and Ireland. A Vice-Regal Commission on Poor Law Reform in Ireland was established in 1903. It reported in 1906 and effectively recommended the abandonment of the Poor Law. The report proposed the abolition of the workhouse system, the establishment of separate institutions for the different categories of inmate, the removal of the aged and infirm from the workhouses and the establishment of separate county institutions, and a considerably greater emphasis on the use of outdoor relief. The Royal Commission on the Poor Laws and Relief of Distress was instituted separately in 1906 and reported in 1909. In a minority report to the Royal Commission, the Webbs, informed by their collectivist ideology and armed with the evidence of Rowntree, Booth and others, offered an analysis that essentially supported the 1906 report on Ireland's Poor Law and recommended the abandonment of the Poor Law. The contrasting arguments of the Vice-Regal Commission and the Minority and Majority reports of the Royal Commission helped to keep Poor Law reform on the parliamentary agenda and there were abortive attempts to have an Irish Poor Law bill passed in the House of Commons between 1908 and 1912.

The gradual erosion in the effective role of the Poor Law began with the introduction of national social security legislation. This removed increasing segments of the population from the remit of the Poor Law. A modest beginning in this direction was the Workmens' Compensation Act of 1897, but the key developments were the introduction of Old Age Pensions in 1908 and Unemployment and Sickness Benefit in 1911. Ireland was to benefit significantly from these reforms introduced by the Liberal government of 1906–1911 (Gilbert, 1966: 159–231).

OLD AGE PENSIONS

The background to the introduction of pensions in Ireland is that in England from the late 1870s a campaign for the introduction of pensions began. Canon Blackley, an Irish-born cleric who was involved in work with the poor in East London, published a pamphlet advocating pensions in 1878. This pamphlet had little impact because of the conservative influence of the Friendly Societies, reinforced by the opposition of the Charity Organisation Society. The Friendly Societies were an integral element in the culture of the prosperous Victorian working class and offered their members sickness insurance. The societies were socially conservative and intensely concerned to distinguish their respectable membership from the pauper class that would depend on the Poor Law. Any proposal for an old age pension scheme that was contributory in nature was opposed by the Friendly Societies, as this would be competing with them for the savings of the working class. In effect, the societies had a veto on the emergence of old age pensions.

The idea of a tax financed, non-contributory pension did not appear until the end of the century and any proposals for pensions were contributory in nature and thus invoked the resistance of the societies. For example, Joseph Chamberlain leader of the Unionist Party published a pamphlet in 1891 proposing a system of voluntary pensions with subsidies added by central government. This was rejected by the societies. In the same year Charles Booth, the renowned social investigator and reformer, in a paper to the Royal Statistical Society in London proposed a non-contributory pension scheme for the elderly, financed from national taxation. In the 1890s, the resistance of the Friendly Societies continued to thwart the emerging efforts to introduce some form of State pensions. The Aberdare Commission (the Royal Commission on the Aged Poor) was set up in 1892 and reported in 1894, but it did not reach agreement, as Booth and Chamberlain — authors of fundamentally different proposals — were both members of the Commission. Moreover, in 1894 before the Commission reported, the Friendly Societies reiterated their opposition to state pension provisions. Aberdare concurred with the Friendly Societies that pensions should be their responsibility.

In office again in the mid-1890s, Chamberlain established a Treasury Committee under Rotschild to examine the issue of pensions, but limited the terms of reference to contributory plans. *De facto* only four out of 100 submissions (those dealing only with contributory schemes) could be considered and the Committee could not agree about these. By 1896 the prospect of pension reform seemed remote, but in 1908 a national, non-contributory pension was legislated for, and in 1909 it was implemented. A variety of circumstances led to this. First, the practicality of a pension paid for by the state became clear in 1898. The Governor General of New Zealand, William Pember-Reeves, was visiting London and gave a public talk about the pension system that had been introduced in New Zealand: this was a tax-financed, non-contributory scheme. The organisers of this

event arranged a further meeting in 1898 at which Charles Booth spoke, and out of this a national campaign emerged. A practical example was now available of a pension scheme that offered an alternative to the Poor Law for old people and that did not directly compete with the Friendly Societies for contributions.

Second, a nationally organised campaign developed with the full support of the Trade Unions and the Cooperative movement. This campaign was all the more effective because of Charles Booth's ability at defining and then popularising the policy reform being demanded. In 1899 he published a pamphlet titled *Old Age Pensions and the Aged Poor* in which he set out the case, and gave costings for a pension for all old people over 70. Furthermore, Booth's work gave reinforcement to the popular arguments being advanced in favour of state pensions: state pensions would considerably reduce the costs of indoor and outdoor relief under the Poor Law, would greatly enhance the health of the elderly, and would preserve the Friendly Societies. In 1899 the TUC demanded a pension as of right for all people over 60 and in 1901 the Cooperative movement did likewise.

Third, by the end of the nineteenth century the Friendly Societies were in a more difficult situation financially. Life expectancy had risen significantly in the latter half of the century and the Societies were now incurring greater numbers of claims from members experiencing greater longevity. Nor could the Societies deal with this problem by increasing contributions from members, as individual societies would not increase these for fear of losing members to competitor societies. The underlying insolvency of the societies was hidden for much of the 1890s as they profited from high interest rates on their reserves. But by 1900 there was a realisation that they were, in effect, paying pensions in the form of sickness payments (for which they had not made actuarial provision). The societies now accepted that a non-contributory pension would not displace the savings of their contributors, and in 1902 they offered public support for pensions for the first time.

Fourth, the electoral and political dynamic of social policy changed markedly very early in the twentieth century as the Liberal party's grip on the working class vote began to slip. In 1903, Will Crooks, a member of the National Committee campaigning for pensions, was elected to the House of Commons in what had previously been a staunchly Unionist constituency. In the same year, a working-class representative was elected in Durham to a seat normally held by a member of the local Liberal oligarchy. The general election in 1906 resulted in the return of an unprecedented number of working-class MPs. Keir Hardie had founded the Labour Representation Committee in 1898 as a forum for the newly emerging category of working class elected representatives. After the 1906 election there were 29 such MPs formally affiliated to the LRC and a further 24 sitting officially with the Liberal Party. The Liberal Party had not come to office as a party united on a platform of social reform. On the contrary, in the election the Liberals had studiously avoided an overall commitment to social reform. The eventual emergence of pensions legislation was, Gilbert's detailed account suggests,

'principally the story of forcing upon the traditional Liberals in the cabinet the conviction that pensions were not only theoretically desirable, but politically essential, if the reputation of the liberals as a party of social reform were to be improved' (Gilbert, 1966: 204). The new working-class MPs were not in a position to impose their will, but the more reform-minded members of the Liberal cabinet were aware that the working-class votes that had supported the LRC 'had to be bought back, and quickly. Part of the price was old age pensions.' (Gilbert, 1966: 202) This political pressure intensified in 1907 when the Liberals lost further by-elections, Booth published a further pamphlet proposing a tax-based pension, and the TUC again publicly demanded a national pension scheme.

The development of actual pensions legislation began in 1906 when the Prime Minister met two of the leaders of the campaign and gave an assurance that a scheme would be introduced. The Treasury was put to work on the costs and related issues and at this point the only unresolved issue was what *type* of pension scheme would be legislated for. In 1907, the TUC publicly warned the Prime Minister not to take seriously the proposal being advocated by a banker, Lord Avebury, for a voluntary scheme administered by the Friendly Societies. In 1908, the King's Speech to Parliament made a commitment to legislation and in April that year the Chancellor set out proposals for the Cabinet. These proposals were close to the substance of the eventual legislation and reveal the influences shaping the Government's thinking. The cabinet note pointed to the savings in Poor Relief and the wholesale unpopularity of the Poor Law. It noted the success of the New Zealand scheme and argued against a contributory scheme, reflecting Treasury advice, on the grounds that there was no administrative infrastructure for the administration of a system of contributions. Significantly, it followed the opinion of the Webbs who were then members of the Royal Commission on the Poor Law and argued against local Poor Law type financing, but equally it opposed a completely universal pension and opted for a means-tested pension, tax-financed and subject to a test of character. This strategy drove a mid-way course between the radicals such as Booth, the Webbs and the progressive wing of the Liberal Party, and the conservatives such as the Friendly Societies, the Charity Organisation Society and the traditional wing of the liberal party and the Tories — the latter wanting a closer link between pensions and the Poor Law.

The legislation received its first reading in May 1908 and its second reading in June 1908. It provided for pensions for all persons of 70 years and over with an income below a stipulated annual figure, subject to proof of non-imprisonment and non receipt of poor relief in a specified period.⁵ The key changes made to the legislation before it was passed were: first, married couples were granted a full pension each rather than the 'one for one person/one-and-a-half for a couple' formula in the original bill and, second, a sliding scale of pensions according to means was substituted for a simple cut-off point of means. The pensions were to

be administered by Local Pension Committees representing the elected members of local authorities.

The pensions came into effect in 1909 in Ireland and the UK and represented the first significant departure from the Poor Law to national, statutory income maintenance provisions. In fiscal terms the pension provisions were very significant for Ireland, as Guinnane (1993) has shown. The Irish population was older and poorer than the British and therefore Ireland had more pensioners per capita than Britain. Also, the amount of the pension was set with the incomes and living costs of British urban workers in mind, and it comprised a higher proportion of the earnings of Irish labourers and agricultural workers.

NATIONAL INSURANCE FOR UNEMPLOYMENT AND SICKNESS

Two other important elements in the unfolding system of social security in Great Britain and Ireland were put in place by the Liberal Government: unemployment insurance and health insurance. The unemployment legislation was remarkably uncontroversial given its significance (Gilbert, 1966: 233–88). Here too the Poor Law was a starting point for reform. Although the percentage of paupers in the population began to decline at the turn of the twentieth century, the number of able-bodied workers in the workhouses in the larger cities, London especially, remained high and continued to rise. This was criticised on the grounds of its cost and because workhouse conditions were manifestly not acting as a sufficient deterrent. During the 1880s and 1890s the increasingly common response to the cyclical patterns of unemployment to which the British economy was now prone was the use of relief works, most commonly under charitable auspices. It became obvious that such schemes could not be offered on a sufficient scale. In 1904 the Local Government Board organised local committees in the metropolitan boroughs and in London representing the Poor Law authorities and local government. These took on the task of organising poor relief for the unemployed, creating local work schemes, assisting with emigration and establishing new farming and agricultural colonies to train and ‘rehabilitate’ the unemployed.

This system received no central government funding, but its essential principles were embodied in the Unemployed Workmen Act of 1905. This Act required every borough to establish Distress Committees and permitted the local authorities to fund the Committees’ activities partly through funds from rateable income. These new committees had a similar range of discretionary powers, as well as new powers to establish labour exchanges and employment registers to bring employers and workers together. Circumstances combined to ensure that this labour exchange system evolved into the national system established in legislation in 1909. The level of unemployment rose significantly in 1907 and this showed the limitations of small-scale, locally organised and funded responses to

unemployment. William Beveridge, later to be the architect of the British system of social security after the second World War, was involved in the central committee overseeing the 1905 Act and his observation of the operations of the schemes informed his ongoing research on the nature of the unemployment problem. In his book on unemployment Beveridge (1909) had identified what would now be labelled 'underemployment': the existence of very large numbers of workers in chronically vulnerable employment circumstances — unskilled, and reliant on work in casual, seasonal and very disorganised trades. He argued that the state should have a continuing role in organising the labour market to counteract underemployment.

In 1908 Winston Churchill took the post of President of the Board of Trade with responsibility for employment matters. At this point Churchill was a zealous reformer, and both publicly and privately argued for a programme of social reform that would include health insurance, unemployment insurance and labour exchanges. He appointed Beveridge to the Board of Trade, and a bill legislating for the establishment of labour exchanges was drafted in 1908 and enacted in 1909. Beveridge was made director of the new labour exchanges service in the Board of Trade and oversaw the expansion in the number of exchanges and in their role. In 1910 there were 61 exchanges and this grew to 430 by the end of 1913 (in addition to the much larger number of small rural branch agencies.) The 1909 Act empowered the authorities to establish exchanges and to offer a range of services. Workers could be given financial assistance to travel to seek work; the act permitted workers the freedom to refuse any job that might be offered at less than the trade union rate of pay and the exchanges maintained strict neutrality between worker and employer by refusing services to employers seeking 'scab' labour in a strike.

A number of points should be noted about the early history of labour exchanges. Firstly, Beveridge clearly envisaged labour exchanges as a social service to aid the worker in the labour market and to make the labour market more efficient. Historically, and to this day, the exchanges have become associated specifically with unemployment payments — the 'dole'. While it is true that a system of unemployment payments was devised for Ireland and Great Britain in 1911 and administered through the exchanges, it is clear that Beveridge and his political masters accepted the need for some form of labour market organisation quite independently of any consideration of payments for the unemployed. Secondly, in this initiative the Liberal reformers again steered a middle course between the same political ideologies that competed to influence the pensions legislation. On the one side were the Webbs who wanted a fully comprehensive system that made it compulsory for employers to use the exchanges and who advocated much more direct systems of labour allocation. On the other, the anti-reformers in the Cabinet and the Liberal Party were generally disposed not to support the overall programme of reform to which Churchill and Lloyd George

were now committed. Thirdly, the development of the labour exchanges revealed clearly for the first time the influence of German experiments on British policy. Churchill publicly adverted to the successful experiences of Germany in 'Social Organisation' and in his and Beveridge's preparation of the labour exchanges system they looked to Germany. The legislators also consulted the TUC, which sent a delegation to Germany in 1908 to look at their arrangements in relation to health, and social insurance for sickness and old age. The German 'solution' of social insurance had been ignored in the case of the initial pension reform, but by 1911 insurance was adopted as the mechanism for dealing with social security for health and unemployment (Gilbert, 1966).

Social security payments for unemployment were introduced in the form of unemployment insurance in 1911, as part two of the National Insurance Bill. The proximate source of the initiative was the enthusiasm of Churchill, Lloyd George and the trade unions for the German experiment with social insurance. After the passage of the pensions legislation in 1908 Lloyd George had personally visited Germany and this visit reinforced his growing interest in social insurance. However, the introduction of social insurance for unemployment was by no means inevitable. Although Germany had unemployment insurance, it was not a national, statutory system, and the existing local and embryonic schemes in Great Britain and Europe were either trade union based or organised at town or municipal level. The central features of the 1911 Act were as follows:

- Employers and employees would pay matching contributions to a national unemployment fund.
- The state would add a third contribution.
- The contributions paid and benefits received would be flat rate.
- The coverage of the Act would be limited to specific trades.
- The state would subsidise private (typically trade union) schemes to encourage the unions to offer higher benefits than those available under the state scheme.
- Employees were entitled to one week's benefit for every five contributions paid subject to a maximum of 15 weeks benefit in any twelve-month period, after a waiting period of one week.
- Employees on strike were not entitled to benefit, but equally the act allowed a worker to refuse to take up employment in a firm engaged in a trade dispute.
- A worker unemployed through his own 'misconduct' or who left employment 'without just cause' could be disqualified from benefit, although the act provided for an appeals system (Gilbert, 1966: 265–89).

The administration of contributions commenced in July 1912 and the first benefits became due in January 1913. This scheme remained largely unchanged until 1920 when the 1911 Act was repealed and the Unemployment Insurance Act was introduced (Farley, 1964: 44–8). The coverage of the scheme was widened to

include all employees aged 16 or over in a contract of employment, although the key exclusions from the scheme (agricultural employees, domestic servants, public employees) meant that the effective coverage for unemployment insurance in Ireland remained limited in contrast to Great Britain. Under the 1920 Act the numbers insured in Great Britain and Ireland rose to over 12 million compared to just over two million under the 1911 legislation. It is difficult to estimate what proportion of the Irish workforce was insured for unemployment, but Farley (1964: 47) suggests that by 1926 only 37% of the Irish workforce was covered by the legislation. The 1920 legislation also altered the levels of benefit and changed the details, but not the substance, of the earlier legislation. In 1921 there were amendments to the 1920 Act: the levels of benefit were substantially increased; as expenditure rose rapidly during 1921 the benefit levels were revised down to their 1920 levels again, the waiting period for payment was increased to six days and contribution rates were increased; additional allowances were introduced in respect of dependant spouses and children of the unemployed. The broad architecture of unemployment insurance introduced at this time has remained substantially unchanged.

The application of national insurance to health-related costs in Part 1 of Lloyd George's 1911 Act proved to be contentious. This part of the Act set out to offer social insurance to meet the costs of sickness benefit (income for workers when out of work sick) and medical benefit (the costs of doctors and medicines for workers and their families). The Act proposed an insurance framework for sickness analogous to that for unemployment for broadly the same sections of the workforce. At the time the legislation was introduced it was unclear how many in Ireland would be affected by its provisions. In her account of the bill, Barrington (1987: 42) notes that estimates varied from 800,000 to 1.3 million. The 1911 Census would later show that the total number of employees affected was 933,000. Workers, employers and the state would contribute to a fund and become entitled to sickness benefit based on their contributions, with both benefits and contributions set at flat rates. The benefits available were sickness benefit for 26 weeks subject to a specified number of contributions; a long-term payment, disablement benefit, could also be paid where stricter contribution requirements were met. In addition, a lump-sum maternity benefit was payable and a separate sanatorium benefit administered by TB sanatoria was provided for.

For both Great Britain and Ireland the legislation stipulated that the Friendly Societies would act as the agencies for the payment of sickness benefit. The persons required to become contributors could choose which society to apply to, but the societies were free to refuse membership to any individual (but not on grounds of age). A separate system of collecting and recording contributions in Post Offices was necessary for those contributors, 'deposit contributors', who could not obtain membership of a society. Relying on the societies had distinct advantages in Great Britain, but experience was to show that in Ireland this

created distinct problems that would require national legislative action. From the time the bill was enacted until political independence the structure of the scheme remained unchanged, with modifications being made in the level of benefits, the contribution amounts and the income ceiling governing membership.

The new sickness benefit scheme brought considerable benefits to workers and their families, but in both Great Britain and Ireland it was the most politically contentious of all the new national insurance provisions. Briefly, in Great Britain the original proposals had included provisions for widows and orphans, but these were abandoned in the face of opposition from the Friendly Societies and private insurance companies (Gilbert, 1966: 289–399). As well as conceding on this major issue, the Government also had to negotiate with the medical profession and the Friendly Societies on the terms of their involvement in the medical benefit aspect of scheme — the part of the scheme governing workers' access to treatment by doctors. The legislation enacted in Great Britain was significantly different to the Government's original plans. The Government had intended to use Local Health Committees (under the local authorities) as the vehicle to administer medical benefit, but opposition to this eventually led the Government to administer it through the Friendly Societies, with the doctors paid on a contract basis by the societies for each sick worker treated.

Irish workers were *not* included in the medical benefits aspect of national health insurance at all. This element of national health insurance was rejected by the medical profession, by the Catholic hierarchy and by the Irish Party in the House of Commons (Barrington, 1987: 39–66). The political dynamics that led to the rejection of medical benefits in Ireland have been fully recorded in Barrington's authoritative study and need not be recorded here. Barrington points out that in Ireland the existing medical services and their organisation differed significantly from those of Great Britain. Specifically, Ireland had a Poor Law based, local dispensary system of medical care for the poor alongside an emerging system of voluntary hospitals and private general practice. Ireland, however, did not have a dense network of Friendly Societies. The Irish Party and the medical profession would not accept the extension of state-funded medical care that medical benefit would have entailed. Barrington's account suggests that in fact many general practitioners in Ireland (the Poor Law dispensary doctors) would have benefited from the proposed shift to insurance-funded capitation payments. However, the campaign against the legislation was ill-informed and overly influenced by the interests of the small group of private-practice consultants who opposed the perceived threat to private care (Barrington, 1987: 39–66).

The rejection of medical benefit had one long-lasting, important effect on the character of Ireland's social security system. It separated the systems of social insurance and health care at an early point in their development. In the future, many countries would build on medical benefit arrangements to develop equal access to health care through social insurance for all of the population. The

repudiation of medical benefit in Ireland led not only to the separation of income maintenance system from the health care system, but also to the continuation of separate health care for the poor and the well off. As Barrington (1987: 65) has stated:

The decision to exclude medical benefit meant that insurance funds would play little part in financing general practice or hospital services in the future and that the remuneration of doctors by capitation fee was never firmly established. No special arrangements were made to meet the medical needs of the working classes and the dispensary system had demonstrated its resilience once again.

The last addition to the emerging social security system prior to political independence was the introduction of separate pensions for the blind. Under the Blind Persons Act in 1920, people aged over 50 unable to work because of their disability became entitled to a pension on the same terms as which people aged over 70 received the old age pension.

CONCLUSION

The emergence of social *insurance* as an instrument of social security was important. Historians of the British welfare state have stressed the fundamental nature of the initiative (Marshall, 1975: 53–4; Fraser, 1973). In the first instance, national insurance required a qualitative change in the labour market: the state was now intervening on a large scale in what had up to that point been a simple capital-wage nexus between the worker and the employer. By levying contributions on employers and extracting contributions from employees the state would henceforth have a direct effect on the cost of labour to employers and the disposable income of employees. More importantly, the use of the notion of insurance was significant. ‘It led people’, Marshall suggests, ‘to exaggerate the distinction between social insurance and social assistance, and helped to maintain the flavour of inferiority that clung to the latter.’ (Marshall, 1975: 55) This caused, Marshall also suggests, ‘a widespread misunderstanding of the nature of social insurance which bedevilled discussions of social policy for many years’ (Marshall, 1975: 55).

One of the attractions of national insurance is that the term ‘insurance’ had connotations of prudence, thrift and self-help — the virtues emphasised by the Friendly Societies, the private insurance companies and the COS — but this obscured the nature of the ‘contract’ between the citizen and the state. National insurance required its participants to ‘contribute’ and allowed them to benefit according to certain rules. This relationship was in practice not a commercial, actuarial one, in which the benefits received by individual recipients were calibrated according to their individual ‘insurance premiums’. The contributions

were, in reality, rules of entitlement, but the fact that workers paid contributions in a quantifiable way reinforced the insurance character of the new rights. The insurance 'rights' workers began to accrue were subject as much to political as actuarial considerations.

By developing social insurance as they did, the policy makers simultaneously addressed a number of conflicts of policy logic and practical politics. Social insurance could be presented as the opposite of the dreaded Poor Law. It was not discretionary welfare at the behest of the local Poor Law guardians, but a set of entitlements that recipients could claim to have 'earned'. The new insurance benefits, while clearly superior to the Poor Law, were not radically redistributive either: in fact the contribution system of flat rate contributions at all wage levels required disproportionate contributions from the lower-paid and was therefore regressive. An element of redistribution arose indirectly as a result of the sharing of the costs of unemployment, sickness and so on, and social insurance could therefore be characterised as a form of collective provision. However, the provisions were constructed to complement rather than displace private provision and hence they could also be presented as inherently compatible with an individualist philosophy and a free market economy. Furthermore, while the legislators presented the new measures as the undoubted reforms and improvements they were, they could also point to the contributory — and therefore 'prudent' and 'responsible' — nature of the reforms. These made the initiatives partly self-funding: compulsory national insurance generated a continuous flow of revenue out of which the payment of current benefits could be made.

Before moving on to examine the period after political independence, it is useful to make some general observations about developments up to that point. Clearly, the emerging social security system in Ireland was British, but it is important to distinguish the dimensions of similarity or 'parallelism' in the early development of the two countries' systems, following Cook's analysis (Cook, 1986: 67). Parallel *introduction* refers to legislative initiatives that are introduced at the same time; parallel *provision* refers to identical legislative content, and parallel *enactment* to legislation being enacted and enforced in the two systems simultaneously. Parallel *outcomes*, however, refer to the actual effects of the legislation in the separate contexts of Ireland and Great Britain. Significantly, the period till 1921 shows instances where outcomes in the two countries differed, despite strongly parallel introduction and provision. Notably, the considerably lower proportion of the workforce in waged work in Ireland greatly reduced the effectiveness of the national insurance legislation in meeting the needs of the poor population in Ireland. Where the degree of parallel provision in the specific content of legislation was low, with strongly differentiated legislation, this seemed to be to Ireland's disadvantage. The Irish Poor Law was notably more restrictive than its British counterpart, for example; the medical benefits of national health

insurance were not extended to workers in Ireland and the impact of the formal legislation was therefore much less in Ireland than in Great Britain.

By 1920 the emerging social security systems in Ireland and Great Britain contained the seeds of different types of social security systems. The Poor Law remained in place for the large numbers of people for whom the embryonic social security system had not yet made specific provision. Alongside this ran the new old age pension arrangements, financed out of general taxation and based on a means test. Then social insurance for two contingencies, sickness and unemployment, were added. Given the co-existence of tax funded pensions, national insurance benefits and the Poor Law, it was by no means pre-determined what system Ireland would develop in the future — leaving aside the fact that political independence would transfer political responsibility for social security to the new Irish government.

A final reflection concerns the British origins of Ireland's system of social security. Ireland's long-standing colonial link with Great Britain did not make it inevitable that its social security system would be as British as it was at political independence, because the events that shaped the emergence of social security were highly contingent. If, as seemed possible at the turn of the twentieth century, Ireland had achieved Home Rule before the Liberals' social reform programme got underway, then a native government would not have inherited the British reforms — and might not have imitated them — and the subsequent path of social security development might have been different. Alternatively, it is possible that the Liberal Party might not have won the political argument about legislation for national insurance, or might not have won it until the years after the Great War of 1914–18. These alternative scenarios provide an appropriate point at which to turn to events after political independence.

Notes

1. Sir R. G. Nicholls, a Poor Law overseer, was influential in shaping the Poor Law in Great Britain and Ireland. He wrote a two-volume history of the Poor Law, later supplemented by a third volume by T. Mackay. This account of the 1821 pamphlet is taken from the third volume (Nicholls, 1898).
2. The Fabian Society was founded in London in the early 1880s by Thomas Davidson. It offered a forum for left-wing and socialist writers and activists to debate political issues and to publish pamphlets; its first pamphlet was *Why are the Many Poor?* The Society would later develop strong links with the British Labour Party, publishing many authoritative social policy documents in the twentieth century.
3. William Beveridge was author of the most widely cited social policy report during the twentieth century in these islands, the 'Beveridge Report', published in 1942. He was a most influential figure in the development of

social policy in Great Britain. Like many of the new liberal reformers he became involved in these issues through his personal involvement with the poor in London's East End. He played many roles in British social policy in the twentieth century, starting with his work as leader writer in the *Morning Post* newspaper from 1906 to 1908. He was a civil servant in the Board of Trade from 1908 to 1909, during which time he researched the unemployment problem and advised the Government on the development of labour exchanges and wrote *Unemployment; A Problem of Industry*. Later he was a civil servant in the Ministry of Food, a director of the London School of Economics, and during the Second World War was an advisor to the Government on post-war reconstruction and social planning. It was during this era that he wrote the famous 'Beveridge Report', *Social Insurance and Allied Services* (1942). The biography of Beveridge is *William Beveridge: A Biography* (Harris, 1977).

4. Benjamin Seebohm Rowntree was an industrial chemist employed in the cocoa works in York at the turn of the twentieth century. During his life he combined a deep philanthropical commitment to the poor with a political commitment to practical 'new liberal' reforms. His industrial experience gave him great cause for concern about the efficiency of labour in British industry and his primary aim in researching *Poverty* was to examine the diets and social conditions of British workers — hence the emphasis in the book on defining exactly the basic needs of workers. Rowntree was an active supporter of the Liberal party and advisor to the party in government and opposition. His research on poverty had a direct impact on the British social security system: his 'poverty lines' were updated in later versions of his study and influenced the levels of benefit incorporated into the Beveridge-led reforms of social security after the second World War. *Poverty* spawned a whole series of local studies in Great Britain and the general approach to the analysis of poverty that he pioneered — now called 'budget standards' — has remained influential. Rowntree's biography is *Social Thought and Social Action: A Study of the Work of Seebohm Rowntree, 1871–1954* (Briggs, 1961).
5. In the terms of the currency then in place, the amount of the pension was 5 shillings, or one quarter of £1 sterling. The annual income limit was £26 sterling.