

# Beveridge on idleness

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## Abstract

Beveridge's wartime proposals to eliminate idleness relied on the precepts of Keynesian economics and substantial extensions in the powers of central government to regulate industry and labour. Using convention theory, this paper demonstrates how these stipulations proved politically untenable. With the disappearance of full employment in the 1980s, the labour market problems Beveridge encountered in his youth have re-emerged accompanied by old problems of working poverty. Established forms of labour market analysis are obsolescent and employment rights disappear. The paper suggests a more decentralized and variable analysis of relations between work and idleness may offer a way forward.

## KEYWORDS

Beveridge, W.H., casual labour, full employment, labour market policies, unemployment

## PRELUDE

*At the time of writing, the joint impact of Brexit and the COVID-19 pandemic is still in motion and outcomes on future employment are hard to predict. Current opinion argues that, over the next few years, secure employment is going to be much more difficult to find. In other words, "idleness" is going to rise and earnings fall in the imminent future. This paper addresses the issue of idleness in a pre-COVID context. Readers can draw their own conclusions about how recent crises will influence future employment trends.*

Written during lockdown at 13, West End, Witney OX28 1NQ, UK.

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## 1 | INTRODUCTION

“A person who cannot sell his labour is in effect told he is of no use ... idleness even on an income corrupts; the feeling of not being wanted demoralizes” (Beveridge, 1944, p. 19)

Employment has changed in recent years. British policy-makers of all political complexions promote labour market deregulation and “flexible” employment as the route to prosperity. More people are hired on temporary, part-time or zero-hour contracts (ZHC). Aided by new technologies, a range of tasks – from cleaning and catering to marketing, web design and finance – are sub-contracted to self-employed teams, a trend culminating in the emergent “gig” economy where IT platforms offer task-based services to customers with no strings attached. Those registered ostensibly work as their needs dictate. A vast literature in the social sciences is critically assessing this type of employment. The decline of full-time, standard employment contracts damages working people's rights to sick/holiday pay, parental leave, pensions and general employment protection. Job insecurity has grown. Flexible work translates into low earnings that reduce state revenues. However, flexible labour markets offer employment to more people. Advocates claim that they make the UK economy more competitive. “Making work pay” has emerged as the means to take households out of poverty. British unemployment statistics in recent years have consistently been lower than those found in other European states. Flexible employment offers personal autonomy to determine working hours, improving work–life balance. Do these developments represent a new means to eliminate idleness? Would Beveridge have approved?

The giant Idleness was certainly central to Beveridge's concerns, but how this problem was interpreted and addressed was contested, both before and after the Beveridge Report (1942). This paper will explore how Beveridge's ideas about idleness have been (and are) understood and will examine the policy debates surrounding efforts to eliminate the problem. In broad terms, the problem of idleness has been equated with unemployment. Although subject to endless statistical appraisals, unemployment is a socio-political construct that reflects mechanisms of work distribution as well as economic performance and prevalent economic attitudes. The paper examines how Beveridge and post-war UK governments understood the question and the measures taken to address it. In the process, it will reveal the historically contingent way in which the objective of full employment and the elimination of idleness have been understood and the inherent difficulties we encounter when seeking to evaluate progress in this area.

The analytical framework used here draws on the French school of convention theory. Although in some ways similar to historical institutionalism, convention theorists focus less on path dependency and embedded institutions, to analyse the dynamics that facilitate co-ordination, fostering the confidence and trust necessary for socio-economic action while establishing its legitimacy (Diaz-Bone, Didry, & Salais, 2015). The theory denies the primacy of individual action based on rational choice, the foundation stone of neo-liberalism. Even market-based systems of co-ordination, reliant on signals of quality and price, require an understanding of collectively acceptable behaviours – when to bargain over prices, how products are valued and paid for and so on. Frameworks of common knowledge eliminate uncertainty<sup>1</sup> that may disqualify action (Dupuy, 1989). Analysing these frameworks, Boltanski and Thevenot (2006) developed “worlds of worth” or evaluation, within which personal actions can be verified or criticized, focusing on the public justifications given by actors to explain their situations when required. These include the “market world” mentioned above, an “industrial” world verifying collectively accepted technical measurement and judgement, a “civic” world delineating legitimate authority in decision-making, a world of “renown” requiring observance of religious practice or fostering regard for celebrity and a “domestic” or “familial” world within which desire for acceptance and love fosters conformity with specific behaviours. These different spheres can evaluate specific objects in different contexts. They overlap, but none can denigrate any of the others. Constant compromise is required as the “rights” and “wrongs” of particular actions are tested in open debate. At points of breakdown or conflict, when actors may be called upon to create or sustain public acceptance, prevailing conventions become pivotal points of reference. Different value frameworks serve, formally or informally, to co-ordinate collective action, giving rise to moral judgements concerning the right and proper way of doing things and establishing the building

blocks of collective understanding and trust, some of which may be reinforced in law. For in the event of disagreement, the state, solely sovereign in such matters, acts as co-ordinator of last resort, to guarantee conformity with commonly accepted forms of social justice (Salais, 1999).

Viewed from this perspective, Beveridge's approach and recommendations – based strongly on technical calculation and social scientific analysis – reflect an association with the “industrial” world of worth. His construction of a working life and the labour market categories so created challenged both working arrangements, some based on collective agreements and the “civic” conventions of governance rooted in the UK's liberal political economy. Focusing on employment, conventions identify the qualifications required to follow certain professions, the identification of those expected to take on waged work, the responsibilities employers have to protect those in their employ and whose authority determines such matters (as agreements may or may not be legally enforceable). They identify the numbers required to undertake specific tasks, the demarcations between skilled and unskilled work, the number of working hours and levels of remuneration. This demonstrates the plasticity of categorizations and definitions (Whiteside, 2015). Current categories of social dependency are historically predicated on a specific construction of a single, universal form of employment, as promoted (among others) by Beveridge himself. The issue in question is whether such categories continue to sustain meaning in our current situation, when the growth of irregular employment is understood as a mark of progress. This perspective necessarily challenges perceptions of idleness, which become dissipated. This is not to argue that those experiencing job insecurity are not demoralized by their situation (to use Beveridge's term) but certainly explains the fading significance of unemployment as a political issue in recent years.

This paper is divided into five sections. Following established authors on Beveridge (e.g., Harris, 1978; Leaper, 1991), the first summarizes Beveridge's views on idleness, their foundation and the remedies he proposed to generate work for all. The paper then reviews the decades of full employment post-1945, when the problem identified in his first guiding principle emerged as central to policy development. Section 4 also outlines the impact of Margaret Thatcher's governments when unemployment became a “price worth paying” to control domestic inflation and boost economic growth. Section 5 returns to our “modern” labour market and recent employment transformations. Section 6 opens discussion and draws conclusions.

## 2 | BEVERIDGE ON IDLENESS

“ ... of all the causes and conditions predisposing to pauperism, the most potent, the most certain and the most extensive in its operation, is this method of employment in odd jobs”  
(Beveridge, 1944, p. 44)

During Beveridge's youth, the analysis of social issues underwent a profound change. In late 19th century Victorian Britain, newly founded statistical societies categorized and measured the social problems found in urban labour markets, as a precursor to advocating reform. Findings showed how intermittent employment generated disease, moral turpitude and criminality that could be mapped onto Britain's major cities (Topolov, 1994, chap. 9). This threatened economic performance and menaced Britain's commercial pre-eminence. In the 1850s, Mayhew had chronicled individual accounts of London's poor, explaining their poverty in terms of personal circumstance or misfortune by replicating their own words. By the 1880s, Charles Booth and his acolytes aimed not to chronicle individual experience but to analyse poverty's causes through those features – poor health, lack of work, alcoholism and so on – found among its victims. Employing statistical appraisals placed the poor in new categories. Social science identified problems and measured their dimensions, thereby creating objects for public action.

Beveridge's focus on labour markets was central to his professional life. Working as a young man at Toynbee Hall in London's East End, he confronted the contribution made by irregular, casual work to social degeneration, poor health and pauperism (social dependency). The proper organization of the labour market, he argued, was fundamental to industrial efficiency and general prosperity. “The problem of unemployment lies, in a very special sense, at the

root of most other social problems” he wrote in 1909. “... Reasonable security of employment for the bread-winner is the basis of all private duties and all sound social action”. (Beveridge, 1909, p. 1). In this, he reinforced the findings of social statisticians including Charles Booth (East London), Seebohm Rowntree (York) and Eleanor Rathbone (Liverpool) that had exposed the casual employment problem. General labourers in seasonal trades (construction, dock and warehouse work, gas production and clothing, for example) might only be employed for an hour or a half-day. This “flexible” labour market was unreliable, expensive and inefficient. Irregular earnings created poverty, poor diet, undermined working capacity and made saving impossible. Casual workers led a hand-to-mouth existence. They fell into debt, resorted to the pawn shop or, if all else failed, to the punitive poor law (the detested workhouse). Physical incapacity aligned with “demoralization”: the inability to attain independence or the desire to try. Sickness (mental or physical) bred poverty and poverty sickness, forming a vicious circle of social degeneration that, reformers argued, threatened Britain’s commercial future. Casuals were a burden on local communities where property rates funded local relief. Economic argument reinforced social evidence. Casual hourly rates were high, so the market attracted outsiders. Rural migrant workers exacerbated the competition for work in city centres. Disorganized urban casual labour markets were blamed for Britain’s declining commercial performance, threatening the future of Empire. This attracted political attention.

Following a visit to Germany in 1906, Beveridge was converted to the merits of the municipal labour bureaux, and this informed his subsequent evidence to the Royal Commission on the Poor Laws (Beveridge, 1908). Introduced to Winston Churchill, then President of the Board of Trade (and already converted to labour exchanges), Beveridge entered the Board’s Labour Department to work on their introduction and on a national scheme of unemployment insurance introduced in 1911. This last became the prototype for his famous Plan 30 years later, with flat-rate contributions and benefits and centralized state administration, in contrast to the earnings-related schemes run by the social partners that typified continental Europe by the mid-20th century.

The young Beveridge’s definition of unemployment never embraced all seeking work. The purpose of labour exchanges was to rationalize the labour market – to improve economic performance by giving full-time work to the best candidates. “The general principle of state policy in the matter of the unemployed ... should not be an industrial system arranged with a view of finding room in it for everyone” (Beveridge, 1906, p. 327). Nationally organized labour exchanges would expel those who could not (or would not) work regularly, while fostering labour mobility both within and between trades and towns. Unemployment insurance reinforced this strategy by centralizing contributions in a single fund, placing benefit administration with the exchanges and limiting benefit rights to regular contributors, excluding casuals. Involvement in an industrial dispute, leaving work voluntarily or refusing an offer of work from the exchange meant benefit disqualification, forcing unsuccessful claimants back onto the poor law. Although initially confined to five trades, the basic format laid down in 1911 was extended in the interwar year to cover all earning less than a specified annual income, although the scheme was sporadically modified to accommodate political pressures.

Support for the unemployed, as laid out in the 1942 Beveridge Report, reflected the principles of the 1911 legislation. The status “unemployed” remained subject to a single definition, privileging full-time employment. Support was less generous than is sometimes assumed. Far from universal benefit available as of right, conditions for a successful claim remained strict, aiming to prevent the future social insurance fund suffering the insolvency that had plagued the unemployment fund in the interwar years. Only those with a record of past contributions could claim, for a maximum of 6 months. Once benefit rights were exhausted, future support was conditional on training. Similarly, school-leavers (with no contributory record) and the self-employed (whose contributory rates were lower) were also required to undertake training from day one in order to claim state support. As in 1911, strikers, those leaving work voluntarily or dismissed for misconduct were disqualified – as were those who refused a job offer as too distant, menial or low paid. Men and women “... cannot be allowed to hold out indefinitely for work of the type to which they are used or in their present place of residence if there is work that they could do available at the standard rate for that work” (1942, p. 58). Here, conditions of claim found in pre-war unemployment insurance legislation are reproduced, with the addition of mandatory training, justified by the establishment of full employment that would mean an alternative job was always available (1944, p. 173). The extension of social insurance to all working people led to further restrictions “... against the anomaly of providing compensation for loss of earnings to people who are

not in intention or in practice dependent upon earnings” (1942, p. 52). Such regulations aimed primarily to limit claims from married women who were to stay at home to perform unwaged domestic work. Their benefit rights were based on their husbands' contributions (Beveridge, 1942, pp. 50–52). So much for universality.

Two observations can be drawn from this insurance scheme for the unemployed. First, the restrictions placed on claims of married women and, by inference, of wealthier claimants reveal how the author understood social insurance: as essentially a measure to prevent or relieve poverty – not as social insurance that offered protection against pre-specified risk. In this respect, Beveridge's scheme can be contrasted to those created in post-1945 continental European countries, where earnings-related benefits performed a traditional insurance function, protecting the living standards of those who lost work. Second, although the trade union movement generally welcomed the Beveridge Report, it was allocated no voice in any future administration of the scheme. Again in contrast to continental Europe, where management by the social partners characterized benefit administration, Beveridge continued to advocate centralized control by the civil service – belying his mistrust of “sectional interests” (1942, p. 6) in determining public affairs (see next section). Again, this centralized structure reflects the precepts of the 1911 scheme. It also demonstrates Beveridge's commitment to social scientific method typifying an “industrial” approach to policy-making with little regard for any civic values characteristic of a democratic polity.

This is not to argue that Beveridge's views on idleness had remained unchanged, quite the contrary. As Chair of the Unemployment Insurance Statutory Committee during the 1930s, he had witnessed how long-term unemployment (absent from his early work) imposed hardship on its victims. The second world war had involved an unprecedented extension of state controls over the whole economy, including manpower resources. This precedent offered, in Beveridge's view, the future means to secure work for all. Drawing on the work of Keynes, he now proposed the regulation of the demand for labour, not merely its supply.

The Beveridge Report itself referred to the “maintenance of employment” as the third “assumption” on which the recommendations of his new social insurance scheme was founded (1942, p. 120). Interwar mass unemployment had undermined the actuarial principles of earlier social insurance and Beveridge's plan would be unviable if working people could not sustain contributions to his scheme. In *Full Employment in a Free Society* (1944), Beveridge demonstrated how government could stimulate employment through economic interventions, involving fiscal and monetary measures to regulate levels of public expenditure, investment and consumer demand. These instruments of demand regulation were to be supplemented by collectivist post-war economic planning, to include the controlled location of industry, the organized training and mobility of labour and the nationalization of power and transport as well as extensions in state-run social services. There should always be more jobs on offer than numbers registered as unemployed, although there was a minimum level below which unemployment would not fall (3% – essentially frictional unemployment). Beveridge's proposals went beyond the policies introduced by the post-1945 Labour government by recommending the nationalization of private industries should they fail to comply with state direction. His ideas were more radical than those of Keynes himself who preferred indirect stimuli to generate full employment.

Although sometimes remembered as such, Beveridge was no socialist. He never advocated the wholesale nationalization of the means of production, distribution and exchange, then embedded in the Labour Party's constitution. More importantly, he never envisaged the participation of outsiders in the development of state policy. Power must remain vested in the hands of professionals and intellectuals operating within an impartial civil service. Even so, the collectivist nature of his proposals and their strongly interventionist stance stand in contrast to his earlier ideas about labour market organization, on how general prosperity should be achieved and the role government should play in achieving it.

### 3 | FULL EMPLOYMENT AND AFTER

The maintenance of full employment was retained as a founding principle of economic policy by all governments in the years following the war. However, state planning for post-war economic development was never realized as

Beveridge had hoped. In large part, this was due to the economic exigencies facing the post-war Labour administration but also to its need to retain trade union support and its general adherence to democratic principle. In accordance with wartime agreements, pre-war industrial practices were restored when peace returned. Manpower controls were removed and free collective bargaining re-established. In the post-war context of full employment, pent-up domestic demand and the desperate need to raise exports (requiring controls on domestic consumption), inflation emerged as a primary economic threat. The Attlee government tried to reconcile full employment with low inflation and a system of 'fair shares' by continuing wartime controls, including state subsidies to shield consumers from rising import prices. The corollary to this strategy was wage restraint, secured through voluntary co-operation with trade unions, to stabilize production costs (and domestic prices), while promoting exports by containing domestic consumption.

The indefinite continuation of wartime controls was resisted, by trade unionists and especially by private employers who saw official interventions as the first step to nationalization. The large number of small family firms, threatened by policies promoting mass production along American lines, rejected state involvement in private business. The proposed introduction of joint industrial development councils to rationalize key industrial sectors was opposed by trade associations that had fought since the 1930s to protect the small businessman, not oversee his demise. On the other side, although the Trades Union Congress (TUC) remained loyal to the government, the issue of free collective bargaining split the Cabinet. While union leaders respected temporary wage restraint, their members argued against policies that perpetuated wage discrepancies frozen in place since the war and the corrosion of living standards by rising prices. While discontent was contained during Labour's years in office, this changed when the Conservatives returned to power in 1951.

During the subsequent 14 years of Conservative government, economic policy reverted back towards market principles and away from state planning. Both parties were committed to full employment, but their agreement ended. Unlike labour, Conservatives used full employment to restore market mechanisms, removing the need for universal social provision as advocated by Beveridge. Those who could afford to pay should be made to pay, Conservatives argued. Universal provision was an outdated response to the unemployment and poverty of the interwar years, problems that had now disappeared. Under the Conservatives, benefit levels fell below inflation and claimants with no private resources became reliant on means-tested assistance. Housing subsidies were challenged, food subsidies reverted to protecting domestic farmers rather than stabilizing prices in the shops (Whiteside, 1996).

This change raised the significance of wages in protecting working-class living standards. The TUC, under no political obligation to a Conservative government, made common cause with a rank and file eager to use industrial muscle to secure improvement. In the context of labour shortages during the 1950s and 1960s, a combination of low inward investment, poor labour management, inefficient layout of plant and readily available alternative work – all stimulated rising militancy while laying the foundations for the UK's appallingly low productivity. The consequences are well known. During the decades of full employment following the war, the British economy failed to match European growth rates. Captive markets for UK goods disappeared with decolonization. Far from shaping a new mixed economy for the post-war world as Beveridge intended, state influence over economic development was marginalized.

Labour market dynamics under conditions of full employment deserve attention. As noted, problems addressed by Beveridge's first principle were exposed. "... any proposals for the future", Beveridge wrote in 1942 "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. ... A revolutionary moment in the world's history is a time for revolutions, not for patching" (Beveridge, 1942, p. 6). Here, Beveridge indirectly addressed the traditions of collective bargaining that dominated industrial governance in the mid-20th century. Outside wartime emergency, the employment contract remained a private agreement between employer and employed that neither side wanted to see changed. Although mediated by legislation on health, safety and social protection, conventions governing industrial practices (hours of work, manning levels, job demarcations, training and qualifications) remained based on private agreements. British victory in both world wars vindicated, in the public mind, the superiority of industrial democracy and free markets over the state-run economies of the fascist powers. With the defeat of authoritarianism, both sides of industry defended their autonomy and demanded the removal of state management, albeit with rather different objectives.

Beveridge's relations with private employers and the trade union movement had never been good. His early promotion of labour exchanges had provoked union hostility as strike-breaking agencies. Employers resented the contributory costs of unemployment insurance as it could offer the means for skilled unions to underwrite industrial disputes (Whiteside, 2017, pp. 75–78). Beveridge's involvement in manpower policies at the Ministry of Munitions in the first world war had bought him into conflict with trade unions, thanks to unpopular controls forbidding labour mobility and outlawing strikes. In 1916 Lloyd George won the support of organized labour for his new Coalition government by transferring Beveridge to the Ministry of Food, out of harm's way. Although the subsequent hardships imposed by the post-1920 recession and the Slump years converted a new generation of trade unionists to the merits of the Beveridge Plan in 1942,<sup>2</sup> they did not embrace the wider implications his recommendations involved.

In his wartime writings, Beveridge's conception of idleness becomes clear. Idle manpower is to be found not only among the unemployed but also in over-manning, job demarcation and associated work-sharing agreements negotiated by trade unions (as “sectional interests”) that protected jobs but prevented the rationalization of available work into regular 5- to 6-day work-weeks as Beveridge wanted. The abolition of such practices would release manpower for other productive purposes. Beveridge argued that full employment and the provision of subsistence-level benefits should enable trade unionists to abandon established “restrictive” practices and collaborate in his programme of labour market rationalization (1944, pp. 174–175). He was to be disappointed. Memories of the economic downturn that followed the first world war remained fresh. Trade unions refused to abandon bargaining powers, reinforced by post-war labour shortages, in order to conform to an alien blueprint of Britain's future over which they had had little say. Equally, private employers looked askance at Beveridge's vision of a planned economy that required obedience to central direction with the threat of nationalization for non-compliance. Both sides of industry thus rallied to repudiate state interventions in what they considered their private business. Free collective bargaining was restored to the management of industrial affairs.

As prosperity rose during the 1950s, Conservative governments removed cost of living subsidies. This stimulated strikes that secured better wages, working conditions and private welfare benefits (pensions, holidays, sick pay) more quickly than petitions for improved state provision (Whiteside, 1996). Plant-based bargaining fostered local flexibility in the private sector but at the price of poor productivity, unstable labour relations (unofficial strikes) and inflation. The experience helped union members to understand welfare politics as a supplement, not a replacement, for industrial action: a conclusion that proved resilient in the post-war years. The election of Labour governments in 1964 and 1966 witnessed serious attempts to combine full employment with economic modernization and an export drive, both requiring constraints on wages. Throughout the 1960s and 1970s, prices and incomes policies (all temporary) imposed wage restraint with varying degrees of success (Flanagan, Soskice, & Ulman, 1983, chap. 7). However, such policies were anathema to union rank and file. The TUC united to repudiate attempts by Labour and Conservative governments to curb union militancy (“In Place of Strife”, 1969; Industrial Relations Act 1972). Unemployment began to creep up, but this did nothing to curb inflation, which peaked at c. 30% by late 1975, as “stagflation” emerged as the major economic challenge of those years. Public sector workers, hardest hit by wage restraint (governments could easily curb the wage demands of their own employees), led an explosion in labour militancy in the winter of 1978–79 – the “Winter of Discontent”. In the general election that spring, the Conservative campaign poster displayed a snaking queue of unemployed, captioned “Labour isn't working”. The Conservatives under the leadership of Margaret Thatcher won that ballot with a substantial majority. No longer central to economic policy, full employment vanished from the political agenda. Unemployment became viewed as a “price worth paying” in order to control inflation.

By the mid-1970s, the foundations of Beveridge's Plan had crumbled: Keynesian solutions that had married economic management with full employment were no longer working – as Labour Prime Minister Callaghan observed in 1976. The injection of funds to boost consumption had no effect on domestic production, but raised the demand for imported goods, thereby destabilizing the currency, provoking inflation and stimulating demands for higher wages even as unemployment continued to rise. As Beveridge's solution for the problem of idleness had rested primarily on Keynes, so his welfare plan lost its relevance. Deprived of their foundations, full employment and “benefit as of right” for the unemployed (always something of an illusion) came under closer scrutiny in the decades that followed.

Conservative governments of the late-20th century espoused the primacy of a market-based world of value. Dedicated to the principles of a free market economy, union controls were broken, public services privatized and the labour market “deregulated”. New neo-liberal orthodoxies changed the political narrative. Market competition would guarantee the provision of the best goods and services at optimal prices. Far from it being a state obligation to guarantee work for all, the unemployed became guilty of “pricing themselves out of jobs”. Work was there for those willing to find it at the right price. Justified by Beveridge’s own prescriptions for the treatment of unemployed claimants, single parents and new labour market entrants were now required to undertake state-sponsored training or a work placement or to continue in education. Means-testing and conditionality were tightened. The election of a New Labour government in 1997 did not fundamentally challenge the market perspective (Cole, 2008). Labour market deregulation was followed by New Labour’s promotion of “flexible” employment, ostensibly to foster the social inclusion of marginal workers (women and ethnic minorities). Labour market activation schemes, under the sobriquet “New Deal”, involved young people, single parents, the long-term unemployed, incapacity claimants, even artists and actors – driving the message home that work, any work, should be taken in lieu of state support. Working tax credits encouraged part-time and irregular employment as a preferable alternative to total social dependency. Labour market activation has been reinforced by subsequent governments, notably tightening tests on the working capabilities of impaired people to prevent their “settling down” on incapacity benefit. These strategies thus fostered “non-standard” work that has been promoted as the main route out of poverty, for women as much as for men.

Over the last 30 years, de-industrialization and privatization weakened trade union strongholds and broke the template of the regular working week on which full employment had been founded. The rise of a service economy did not require hundreds of workers to clock in and clock out at pre-ordained times. Deprived of its original foundations, the concept of unemployment has become increasingly divorced from the problem of poverty, reflected in a rising incidence of “working poor”. Obligations of an employer to employed have been relaxed, as business restructured to allow the contracting out of specific processes (marketing, finance, even payroll) to small subsidiary firms or individuals – all helped by a looser labour market. Tightening access to state help has facilitated the process. The consequent construction of a “modern” labour market in recent years displays some of the features observed by Beveridge before the first world war and to these we now turn.

## 4 | IRREGULAR WORK AND THE MODERN ECONOMY

Since the Global Financial Crisis (GFC – 2007-8), the vast majority of new jobs in Britain have involved “non-standard” work, facilitated by new information technologies and accounting for two-thirds of employment growth in the UK after that date. While traditional permanent jobs continue to cover the majority of people in work, the expansion of part-time, temporary and self-employment as well as the growth of ZHC and the gig economy – all challenge established statistical analyses of the present-day UK labour market. A part-time self-employed person may also have a part-time job. The difference between part-time and full-time self-employment is not known (the division, for ONS purposes, is based on self-classification). We do not know how many on ZHC identify as full-time employed. The fluidity of emerging forms of employment renders common assumptions concerning job identity highly problematic (Clarke & Cominetti, 2019, sect. 5). However, such employment trends have had a marked impact on the official unemployment count. The Labour Force Survey currently classifies anyone undertaking 1 hour of waged work per week as “in employment”, rupturing assumptions that equate being in work with financial self-sufficiency.

Changing temporalities challenge employment security. The precarious jobs in the gig economy have attracted critical attention from politicians, press and academics (e.g., IRJ, 2018; WES, 2019). However, gig-based self-employment is also marked among professionals: publishing, legal and financial advice, accountancy, management consultancy and graphic design, as well as the better-known taxi, cleaning and courier work. Professional self-employment explains why average income of the self-employed has risen in all regions (bar the north-west) since



2001 (Tomlinson & Corlett, 2017; ONS, 2018, figures 4 and 5). The growth of “non-traditional” work is in part due to employment restructuring that allows firms to externalize risk. However, the trend cannot be understood solely in terms of employer HR strategies. Freelancing and self-employment have always given qualified people with domestic obligations the chance to work as they see fit and (in theory) offers those with physical or mental incapacities the autonomy to work as their health allows. Others value the extra income self-employment supplies. Younger workers with few family obligations may undertake a portfolio career that involves juggling multiple tasks. Such work is widespread in London and the south-east where the cost of living is high and a small business or second job offers vital additional income. This work may be temporary (to raise cash for immediate consumption or pay off debt) or long-term (to cover household costs or subsidize a nascent commercial venture). However, as commonly recognized, holding down multiple jobs commonly reflects an ongoing battle against poverty. A lack of training or promotion opportunities ties many workers to the fringes of the labour market, reliant on social payments to subsidize irregular, low earnings.

The extension of non-standard work undermines classifications of labour market status (House of Commons, 2017). As indicated above, clear distinctions are nearly impossible. Workers combine or shift between categories over a short space of time that cannot be captured by survey-based research. Employment law recognizes three classifications: employee (with full rights to employment protection and social security), worker (with limited rights to the minimum wage, paid holidays and sometimes sick pay) and self-employed (with rights confined to health and safety regulations). Tax law identifies two: the employed (who pay full-rate income tax and National Insurance Contributions – NICs) and self-employed (whose fiscal and NIC obligations are lower). Tax advantages have fostered work in a gig economy where both platform owners and registered workers gain by distorting employment status. Platform wage rates may appear reasonable but generate low earnings as work is shared between thousands. Gig workers unable to protect income in the event of accident or sickness supplement ultra-low earnings with state benefits (Butler, 2017). IT platforms are therefore criticized for “free-riding on the welfare state” whose financial viability is already burdened by an ageing population (Frank Field, 2017). With the introduction of Universal Credit from 2012, further restrictions have been placed on claimants to state support as access has tightened and benefit rates have been cut with the aim of pushing those previously reliant on tax credits into working longer hours.

Official publications have addressed employment problems arising from recent labour market change, most notably, the Taylor Review (DBEIS, 2017). Accepting Taylor, the government of the day promised to clarify employment categories, equalize pay rates between permanent and agency workers, raise the penalties on employers for non-compliance with legal obligations and guarantee the rights of irregular workers to request (but not to be given) regular hours (DBEIS, 2018). This does little to extend employer obligations. The Taylor Review remains essentially sympathetic to employers using atypical employees and failed to lift the financial burden imposed by the gig economy on the taxpayer.

In the absence of legislation, platform workers claiming employment protection have resorted to the courts (Prassl, 2018, chap. 6), where issues of employment status and the associated obligations of IT platforms for their registered workers have been fought out at great length and greater expense. In law, appellants have been judged to be workers, not employees, allowing self-employed status for tax purposes to remain intact. Although this offers entitlement to sick and holiday pay, appellants would not have wanted to be “employees”. There is little purpose to paying full rate NICs as Job Seekers Allowance (as unemployment benefit is now named) is so low and the right to it so short-lived. Yet the law recognizes what Taylor, the government and media have ignored: the significance of historical precedent in irregular working. Historically, welfare rights were first granted to employees alone as they, reliant on an employer, were unable to protect themselves against job loss, while the self-employed exercised more control over terms and conditions of their work. It makes no legal sense to force the most vulnerable (gig workers) into a category originally reserved for privileged workers. Furthermore, as indicated above, casual work long predates the creation of IT platforms. The platform makes casual employment more visible, but new technology did not create casual work. Taylor failed to realise that his “modern working practices” have deep foundations. This draws us back to the problems observed by the young Beveridge among the casually employed in the early-20th century. An evaluation of his proposals for reform follows below.

## 5 | DISCUSSION AND CONCLUSIONS

“... out of intermittent labour spring our gravest woes. It produces in the labourer intermittent energy; the off-days become habitual; with indolence comes intemperance; with uncertainty of employment comes recklessness about the future; from these result pauperism and the whole series of mental and physical infirmities that are the creatures of pauperism” (Loch, 1883, p. 7).

Beveridge's attack on idleness was essentially a moral crusade against wasted human capacity that undermined his desire to synchronize personal well-being with economic efficiency. State-sponsored reforms before 1914, partly designed by the young Beveridge, promoted standardized formal employment. New categories (unemployed, sick, disabled) identified those who merited public support. This normative agenda, derived largely from an “industrial” world of value, dominated policy-making for the next 60+ years. Social security legislation endowed the unemployed with a single, national identity based on a regular, 5- to 6-day working week. In practice, borders between labour market categories were never watertight and benefit rights responded periodically to changing political and economic circumstances. However, this never challenged the legitimacy of national categories as such, which were rooted in a specific view of how labour markets should function and who should be in work. Causes of unemployment (structural, frictional, etc) became associated with economic fluctuations, not with individual inadequacy as the Victorians had supposed. Beveridge's technical framework of social ordering identified idleness as wasted human capacity and proposed measures to remove it, be this through the creation of new jobs or the eradication of “restrictive” working practices.

The promotion of “deregulated” and “flexible” employment changed this narrative. Of course, work and labour markets have been transformed over the last century, but so have the political contexts and economic assumptions through which they are viewed. The demise of trade union influence, the transfer of public services to private providers and a desired reduction of official direction of business operations, all derive their legitimacy from renewed faith in the superiority of private enterprise as the source of collective prosperity. This promotion of market values initiated by the Thatcher governments places analytical focus on individual behaviours, transforming what employment means and who should be seeking work. The social enquiries of the late 19th century focused on households and on the male breadwinner as responsible for that household's well-being. Evidence of female (particularly wives') casual work was noted, but as a symptom of poverty, not its cause. Beveridge's vision never involved women working outside the home. In all his published work, he viewed the married woman's place as primarily domestic and a girl's employment as being a temporary stop-gap before marriage. Like many Victorians, he saw the household financial maintenance as a male responsibility, a responsibility requiring the employer to offer regular work and the (male) worker to follow a full-time job.

In recent years, the promotion of a market-based society has re-oriented policy away from the promotion of employment in regular work-weeks and towards requiring all benefit claimants to take on any job at any price, no matter how precarious (with sometimes disastrous results<sup>3</sup>). “Labour market activation” faces claimants to state support. Today all adult women are now officially expected to be labour market active. Tighter access to disability benefits pushes those in weak health back onto the labour market. Current official statistics show that these groups dominate the rising numbers of part-time self-employed. Thirty years of labour market deregulation and a politics of “making work pay” are corroding traditional employment and the analytical categories it sustained. Mandatory retirement age has disappeared, and the condition for leaving the labour market increasingly depends on personal savings in old age. This creates anomalies: economists have puzzled how the UK's officially low unemployment rate has been accompanied by appallingly poor productivity and feeble growth in earnings. The answer is fairly self-evident. Pushing those in poor health back into work does little to improve productivity. UK unemployment statistics no longer offers any measurement of the scope of idleness or the burdens it imposes. Our disorganized labour market allows the symbiotic relationship between poor health and poverty to resume its Victorian profile, with the return of in-work poverty similar to that found by social investigators (and the young Beveridge) before the first world war.

The technocratic nature of Beveridge's Plan, grounded in social scientific analysis and professional, centralized administration, did not permit negotiated compromise with outside interests, which its author summarily dismissed as "sectional". Ignoring a need for civic legitimacy, Beveridge's top-down views on state planning immediately encountered embedded systems of industrial democracy that endowed free collective bargaining with authority over manpower management. Far from eliminating idleness, joint agreements in the immediate post-war decades entrenched the status quo, protecting small establishments and jobs in a manner quite contrary to Beveridge's objectives. Deprived of both the means and the legitimacy to intervene, the post-war British state remained external to labour market developments, being confined to rescuing the victims. The regulation of employment by UK government, notably the recruitment and distribution of labour into and between different occupations, remained an administrative no-man's-land. Innovations, such as advisory employment services, training agencies, transference schemes and regional development policies, were introduced sporadically but failed to exercise much impact over the distribution of work. There is a boundary beyond which the remit of the British state does not run.

In this respect, the experience of the UK can be contrasted with that found in other European countries. In post-war Europe, reforms accommodated regional and occupational variation by involving both sides of industry in broader forms of economic regulation and management (Whiteside & Salais, 1998). European welfare legislation was shaped by political conventions concerning potential spheres of state intervention that determined the legitimacy – and therefore viability – of specific initiatives. Much post-war transformation was rooted in state interventions in labour market regulation: the growth of public sector employment, the expansion of state ownership and the promotion of industrial modernization. New modes of economic thought fostered new assumptions concerning the powers of government as an agency for economic and social amelioration. Investment in new skills can be rewarded by better social protection and a higher pension at the end of working life (Iversen & Soskice, 2015). In this manner, welfare support and employment relations were more tightly integrated on the continent. Beveridge's widely publicized scheme of universal social insurance found no imitators in other countries. In Britain, the representation of both sides of industry in either state planning or in welfare administration was never envisaged, leading to a peculiarly Anglo-Saxon view that separated industrial relations from social welfare, promoting (in right-wing politics) a view of the latter as a drag on general prosperity, setting the stage for the revival of a new iteration of market values.

The use of convention theory as a diagnostic tool to unpick Beveridge's proposals and their reception allows a more sophisticated understanding of the problems encountered by British governments. It shows why Beveridge's solution to the problem of idleness failed. Currently faced by the problems of poverty and precarity consequent on changing views of employment, the re-imposition of national labour market categories that he promoted offers no solution. The category "unemployed" no longer offers any measurement of job loss or its consequences. The disappearance of "benefit as of right" for nearly all claimant categories has allowed the poor law and its means tests to re-emerge in national form under the guise of Universal Credit. The situation requires a radical rethink. Returning to late-19th-century labour markets invites our consideration of previous forms of labour market support, fashioned to accommodate the variations in working lives found in particular occupations and employment sectors (Whiteside, 2017). This necessarily requires an understanding of specific typologies of working life and the creation of representative agencies to secure collective discussion on how idleness is best managed and its adverse consequences mediated. Such an approach demands a complete departure from the "one-size-fits-all" categorizations of the mid-20th century to create more decentralized structures that admit variation in occupation and personal circumstance (Dukes & Streeck, 2020). It also suggests an extension in the membership and remit of trade union organization and a recognition of the benefits collective bargaining can offer, at local, regional and national level, to promote new agendas and allow their precepts to be internalized and requirements understood. Such a trajectory of change is bottom up, rather than top-down. The importance of civic values, which Beveridge ignored, cannot be neglected when developing support for more diversified forms of working life. This is a tall order but arguably better founded than much currently on offer.

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## ENDNOTES

- <sup>1</sup> Following Knight (1921), uncertainty should be distinguished from risk: the latter is amenable to actuarial calculation, allowing insurance against adverse consequences. Uncertainty implies outcomes are unknowable.
- <sup>2</sup> In 1941, Beveridge had tried to become Director-General of Manpower under Ernest Bevin, ex-TUC General Secretary and Minister of Labour and National Service in Churchill's wartime Coalition – an attempt repudiated by Bevin who made little secret of his dislike for Beveridge's authoritarian approach to labour problems (Harris, 1978, pp. 373–376).
- <sup>3</sup> Domestic social care workers on ZHC stand accused of spreading the coronavirus infection in care homes. Mortality rates among the elderly residents rose as a result. *The Observer*, 14 March 2021: Commentary, 17.

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