

ADDENDUM TO THE SYMPOSIUM

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So much excitement has been worked up over the Beveridge Report in Great Britain that we here may tend to exaggerate its importance. In the first place, even if the Report were applied in full (which is by no means the intention of the present British Government), it would not bring about the social revolution. Its proposals are of two kinds: (1) Simplification and unification of existing social insurance schemes—an administrative “streamlining”; and (2) an extension of the scope of social insurance, a removal of some but not all anomalies, and an adjustment of contributions and benefits. The plan entails an appreciable redistribution of income; but it does not entail any change in the ownership of property or in the organisation of the national economy. In the second place, the Report was written in and for another country; its proposals are obviously designed to meet the needs of a highly industrialised and urbanised country the great majority of the people of which depend for their livelihood on wages or salaries. The presumption is therefore that they will *not* suit us rather than that they will do so.

I do not think, however, that we here should be obliged to rule out a plan of the kind merely on the ground that we cannot afford what Great Britain can. Professor Shields calculates (p. 135) that the Beveridge Plan would absorb 29 per cent. of our national income as compared with 11-15 per cent. of the British income, and says that this would be an “insupportable liability”. By the same reasoning, the war must be an insupportable liability for the British people, yet they are supporting it and think it worth while to do so. The analysis we have been given is useful, particularly in calling attention to some of the important differences between British and Irish conditions; but it does not seem to me to show that we could not afford a Beveridge Plan *if* we thought it worth while. Professor Shields also examines possible modifications of the Beveridge Plan, but, within the scope of his paper, he has confined himself to their financial results. This again is useful, but we need to probe deeper. For example—and I am surprised that this point has not been made in any of the papers—it might contribute more effectively to solve our population problem if, instead of paying allowances for all children after the first on the Beveridge Plan, we were to pay allowances only for children born before their mothers reached the age of thirty or thirty-five.

That we need an administrative streamlining, more or less on Beveridge lines, is very well shown by Mr. O'Brolchain's account (p. 128) of our existing higgledy-piggledy arrangements on the insurance side, and by Dr. Catherine O'Brien's paper on Irish medical services. As Mr. O'Brolchain points out, our unification of sixty-five approved societies into a single society in 1933 effected a very considerable simplification, and I believe it was not without influence on the views of some of the British experts who helped to shape the Beveridge proposals. Whether we should go a step further in the same direction and replace the single society by direct State adminis-

tration, as Sir William Beveridge proposes (except for the payment of certain benefits by trade unions), or whether we should move in a different direction is a problem raising moral as well as administrative problems. As regards medical services, there is a clear case for co-ordination. It is strange that neither Dr. O'Brien nor Mr. Collins makes any reference to the report of the Viceregal Commission on public medical services, issued over twenty years ago. If someone were to brush the dust off a copy of that Irish report of long ago we might, I suspect, find it at least as suggestive and useful as this recent British report.

The statistics brought together by Mr. Lyon again emphasise the difference between British conditions and ours. In the matter of unemployment insurance, I confess I do not find Sir William Beveridge's arguments against separate funds for particular industries very convincing. Certain industries have problems calling for special treatment, such as is given by our Act of 1942, providing insurance against intermittent unemployment in the building industry due to bad weather. In general, the risk of unemployment (as also of industrial accident) is controllable by measures which can be taken within an industry to a far greater extent than is possible for the risk of sickness. It is true that there are also causes of unemployment beyond the control of any industry, and this fact would justify a generalised backing or arrangement for re-insurance of separate funds by State action. But would not separate funds be useful to discourage "spunging"? Employers as well as workers can be guilty of that offence; I could give details about a seaman who worked for the same employers on the same run virtually without interruption for twenty years, and yet was "on the dole" for one week in every eight throughout the whole period. In effect, the shipping company was using unemployment insurance to avoid paying wages; and apparently it would be able to go on doing so under the Beveridge Plan. If it be desirable to encourage industries to arrange their affairs so as to ensure the maximum continuity of work and pay, it would seem to be indispensable to have some system of unemployment insurance by industry.

This problem of the kind of machinery to be used is discussed by Father Coyne on moral grounds. We may agree that a hungry child should be fed even if that should involve a possible risk of undermining the responsibility of the child's parents. But the problem of maintaining moral stamina does exist. Father Coyne and Mr. Honohan attach importance to the maintenance of the "insurance" as against the "dole" system. Personally, I doubt if the distinction is as real as it seems. An individual or group can save in the sense of accumulating demands on the community to be presented at a later date; but when the group becomes practically co-extensive with the community, it cannot either save anything or draw upon past savings, but can only decide the use to be made of current income—whether for direct consumption or as capital for further production. The Beveridge Plan accords with the tendency in all countries to extend insurance until the group does become virtually the whole community. The result is that what are nominally insurance contributions are in fact only a special form of taxation; their moral effect on the contributor is no different from that of taxes and, in so far as they are flat-rate contributions and not adjusted to wages or capacity to pay, the contributory basis is less just than a taxation basis would be.

There is much to be said for making contributions vary with earnings and benefits vary with contributions, but administratively this leads to great complications, and there is a risk that benefits will fall short of need, with innocent dependents as the real sufferers. Since contributions in practice have to be obligatory, their moral value is small, and if they are not to determine benefits their moral value is still further diminished. If, therefore, we want to avoid demoralisation, I think we can only do so in another way, by making the administration of benefit schemes a real demonstration of self-reliance and mutual help. I do not believe that a prudential approved society or even our unified society can do this; they are artificial creations and their democracy is only formal. Social insurance does not of itself stimulate a continuing keen interest among rank and file members, and to maintain such an interest I think its administration must be combined with some other more stimulating function. That can easily be done by using trade unions or industrial guilds or corporations for unemployment benefit, but I should like to see a further discussion of the possibilities and advantages of such a scheme over administration through public bodies (assuming these are really democratic) for other benefits such as sickness, old-age and survivors' insurance, children's allowances and medical services.

The analysis of the Beveridge Plan that has been made for us demonstrates, I think, that we in this country cannot simply imitate these British proposals, but must make our own investigation and frame our own plans. But I think we shall need to investigate and plan in a wider field than social insurance. Sir William Beveridge had to report within his terms of reference, but he recognised that his scope was too limited; in what is perhaps the wisest sentence in his whole report he says, "Income security, which is all that can be given by social insurance, is so inadequate a provision for human happiness that to put it forward by itself as a sole or principal measure of reconstruction hardly seems worth doing". He goes on to speak of the need for ensuring to all "a reasonable chance of productive employment". I would go farther still. Sir William implicitly assumes that if purchasing power is sufficiently widely and well distributed it will stimulate a sufficient production of goods. I doubt if that 19th century liberal assumption is sound; if you give people more money, you may get more cinemas when what you really need is more milk. At present, we do not—even in this dairying country—produce enough milk to meet our needs, and we ought, I suggest, to plan not only for distribution but also for production, to ensure that we produce enough to give us, either directly or by exchange for imports, sufficient goods of the right kinds. By so planning we could secure not only the full employment that Sir William Beveridge postulates, but full employment directed to proper ends. And finally, I think we should have regard to another matter which is outside the scope of the Beveridge Report and not even mentioned in it—the desirability of ensuring that productive activity will be not only continuous, not only productive of the right kind of goods in sufficient quantity, but also morally and psychologically satisfying to those engaged in it. But there we leave the sphere of social security, with its suggestion of the servile state, for that of social justice, which is the ideal of free men.