

The art of medicine

Health, welfare, and the state—the dangers of forgetting history

Recent public policy in the UK has been dominated by a discourse which asserts that public expenditure on universal health coverage and welfare is a burden on the productive economy and unaffordable in what has been deemed a time of austerity. There is a widely held assumption that universal welfare provision, as offered by most modern, welfare states is a luxury, only afforded since the World War 2 by wealthier economies. According to this view, if the productive efficiency of the economy falters, then this luxury should be trimmed back aggressively. Reduction in universal welfare will relieve enterprise, capital, and so-called hard-working families from the burdens of taxation required to fund these unproductive public services and (by implication) those unproductive families—the poor. We argue from history that there should be an end to setting the goal of economic growth against that of welfare provision. A healthy and prospering society needs both. We suggest that they feed each other.

A long-term historical perspective shows how universal benefits funded by progressive taxation can both assure health and welfare and support social cohesion, with concomitant processes and behaviours likely to be important stimulants for a productive economy. Investing in universal health coverage and welfare makes for national prosperity every bit as much as the increasing wealth of an economy provides the funding for enhanced health and social security.

We begin with England's 200-year rise to global economic pre-eminence during the course of the 17th and 18th centuries. This was intimately associated with the innovation, under Elizabeth I's rule, of the Poor Laws. Elizabeth acceded to the throne at a difficult time. The country was at war with France, and was near bankrupt, there were poor harvests, and the dissolution of the monasteries by her father, King Henry VIII, had removed the associated welfare system provided by the Catholic Church. The Elizabethan Poor Laws of 1598 and 1601 were an extraordinary response; pragmatic in origin, but drawing nonetheless on principles of the common good. The laws were based on social relations and mutual rights and responsibilities of local communities caring for all kith and kin. They provided, for the first time, access to support in times of need for all people settled in the parish. They enshrined an absolute "right of relief" for every subject of the Crown. They created a nationwide system of social security through a progressive community tax to fund provision at local level. This was predicated on the assumption that poverty is an unavoidable and common risk, which can be shared and mitigated.

Relief was provided by the Anglican parish (averaging 500 persons each in 1600) as the designated unit of Tudor local government. Each parish was mandated to establish a fund to offer a comprehensive safety net against destitution as required and throughout the year for vulnerable groups, including orphans, widows, older people, individuals with disabilities, the unemployed, and single mothers and their children. The system of progressive taxation that maintained the fund was levied on all occupiers of land in the parish, pro rata to the value of the land occupied. In principle, everyone contributed and everyone was entitled to benefit. In practice, the better-off paid most regularly but there

were many who both paid in, and drew support from, the Poor Law at different stages of their lives. Since there was a statutory compulsion on the prosperous to take financial responsibility for their parish poor, the system also built in a motivation towards the philanthropic development of local schools, alms houses, and also hospitals. Such development was seen as reducing the burden of the poor on the parish funds and was facilitated by Elizabeth I's Charitable Uses Act of 1601. Locally resident Justices of the Peace ensured the system's financial probity and also—crucially—offered the poor accessible justice and a right of appeal.

Poor Laws did exist in many cities in early modern Europe, but the English system was unique in its scale and geographical ubiquity, extending to every small rural parish. By the 1800s, England's Poor Law was transferring about 2% of gross national product in support to the nation's poor in crisis years. Although modest by today's standards, this was the most generous such system in the world at that time.

Between 1600 and 1800, the English economy overtook the world leader in 1600, Holland, as the most urbanised society in the world. London became the world's largest city and the population as a whole was fed by a sustained increase in agricultural productivity despite a shrinking proportion of the workforce on the land. This, in turn, released labour for the economy's manufacturing and commercial trading activities. While her great imperial rival at this time France—lacking a universal poor law—saw social breakdown and revolution, England experienced a comparatively peaceful industrial transition, despite the stresses of economic transformation and rising population. During this time, England's population doubled from about 4 million to over 8.5 million with average life expectancy improving slightly and without associated famine. Since the 1620s, there has been no significant famine in England. The English nation was the first in Europe to be free from this age-old, devastating insecurity, demonstrating the importance of effective social policy in achieving this fundamental freedom.

Elizabeth I's Poor Law released the populace from over-attachment to the family's land patrimony as the only source of security, and offered a collective alternative support in old age, so older people were less reliant on children. Consequently, labour, the most crucial variable factor of production, was highly mobile with young adults regularly moving for work. England's rate of provincial and metropolitan urban growth was exceptional. The Poor Law also underpinned a buoyant level of effective demand for consumption of basic goods, even in times of dearth, by maintaining the purchasing power of the poorer section of society when food prices rose. Overall, it facilitated the most sustained period of rising economic prosperity in the nation's history. By the first half of the 19th century England had become the most dynamic economy in the world, underpinned by its social security system.

This all seems to have been thoroughly forgotten. Modern welfare states since 1945 have been seen as something completely new. This amnesia is perhaps due to the radical reforms of the Poor Laws in 1834. These reforms dramatically altered their character from a universal system to one based on utilitarianism. The 1834 "New" Poor Laws were premised on ideas of individual self-interest, choice, and responsibility—ideas that had gained ground during the 18th century. They led away from an attitude of shared risk mitigated by contribution to a welfare safety net, to a harshly deterrent system, all but criminalising the

poor, who were treated as work-shy moral delinquents. The corrosive social and moral consequences of the 1834 Poor Laws have been imprinted in the nation's consciousness from Charles Dickens' *Oliver Twist* of 1838 to George Orwell's *The Road to Wigan Pier* of 1937. The Victorians' new zero-sum belief system saw any penny given to the idle poor as a penny lost to the productive rich. However, there is no evidence that this changed approach improved the economy's productivity. In fact, annual growth rates of Britain's gross domestic product (GDP) fell behind those of its main rivals during the decades after 1870.

Not until after 1945 did the economy return to sustained high GDP growth rates during the following three decades. Universalist principles of progressively funded health and welfare provision were reinstated and became stimulants of a dynamic period of per capita economic growth, widely spread prosperity, and upward mobility in Britain. All, including the poorest, again enjoyed a measure of security and opportunity, and differences between the wealth of rich and poor reached an all-time low in the 1970s.

The UK must now consider how best to govern itself outside the European Union. After more than three decades of lower economic growth rates and rising domestic inequality, the rhetoric is about the necessity of governing for the wellbeing of all, and confronting these inequalities. This will not be best realised by policy that depends on further reducing taxation and welfare at the cost of social cohesion. Through a historical lens we can see how universal public services are not dependent on achievement of economic growth alone, but rather have themselves provided a crucial institutional context facilitating growth and sustained prosperity. In current attempts to reintegrate health and welfare provision for the common good, we would do well to reflect on the positive lessons of the long-enduring universalist Elizabethan Poor Laws. In his closing speech to the Conservative Party conference in 2014, the then Prime Minister David Cameron said that "you can only have a strong NHS if you have a strong economy". The narrow view that spending on the National Health Service and social care is largely a burden on the economy is blind to the large national return to prosperity that comes from all citizens benefiting from a true sense of social security. There are signs that Theresa May subscribes to the same historically obsolete view. Despite her inaugural statement as Prime Minister on the steps of Downing Street, her Chancellor's autumn statement signals continuing austerity with further cuts inflicted on the poor and their children, the vulnerable, and infirm older people. This country's history shows that long-term prosperity has been served best when the interests of the poor and the wealthy are not mutually opposed in a zero sum game. Investment in policies that develop human and social capital will underpin economic opportunities and security for the whole population.

*Simon Szreter, Ann Louise Kinmonth, *Natasha M Kriznik, Michael P Kelly*

Faculty of History, University of Cambridge, Cambridge, UK (SS); Primary Care Unit, Institute of Public Health, University of Cambridge, Cambridge, UK (ALK, NMK, MPK); and St John's College, University of Cambridge, Cambridge CB2 1TP, UK (SS, ALK, MPK)

nmk33@medschl.cam.ac.uk