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**CITIZENSHIP
IN THE SOCIAL DIVISION
OF WELFARE**

**The Case of British and Norwegian
Income Maintenance 1946 to 1966**

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Introduction

A citizenship income, as I see it, starts from legal residence of a nationstate as the basis of entitlement. Starting from this definition, a contributory scheme, where entitlement results from previous contributions paid, represents a negation of the citizenship approach. On this basis I will define all non-contributory income maintenance schemes as sharing *an element* of citizenship rights. The system usually associated with citizenship in welfare, the basic income (BI), thus represents the end of a continuum by giving entitlement to all citizens irrespective of particular needs. A *needs test* therefore represents a first restriction of citizenship. The needs test varies from *categorical* entitlements, e.g. old age pensions to all citizens above a defined age limit, to systems where the specific need of the individual is assessed according to his or her particular circumstances; as practiced in disability schemes. An added restriction is introduced in schemes where, in addition to need, the *means* of the claimant is considered before entitlement has been achieved. Again, the extent to which a means test curtails citizenship varies according to how it is arranged and implemented. In one end of this continuum we find a *standardised* test, perhaps excluding only a small percentage of top earners. In the other end we find a far greater curtailment in schemes where lack of standardisation leaves the assessment to the *discretion* of the people employed to allocate the funds available. As such schemes are often restricted to covering only the poorest segments of the population, I will argue that this form of targeting further adds to the restriction of the citizenship rights found in the particular scheme. Meanstesting, discretion and targeting therefore introduces a second factor influencing the citizenship of the users of a service. When targetted at the poorest this form of selectivity may undermine the status, and thereby the extent of citizenship experienced by the individual claimant.

Two Dimensions of Citizenship in Income Maintenance

On this background we can distinguish between two aspects or dimensions of citizenship in existing income maintenance programs. The first is a *legal dimension* in which the relationship between the individual and the state is fixed. From this perspective both non-contributory social insurance and social assistance are citizenship based as access to the scheme is determined by citizenship, expressed in the form of residence rights.

The second dimension can be described as *moral or ideological*. This comes into into play in schemes where the right to benefit is achieved through citizenship, but where

the receipt of aid involves a subsequent loss of citizenship. The clearest examples are found in the Poor Laws of the 19th century. To take the British example, citizenship rights were lost both through the forced institutionalisation of the workhouse test and through the loss of the right to vote (disenfranchisement) and to take public office. Together with the principle of "less eligibility", these two aspects of the Poor Law moreover combined to attach a *stigma* to the recipient of poor relief. Stigmatisation is one way of depriving a person of his or her citizenship.

In the modern welfare state we can distinguish between two forms of income maintenance where citizenship is the main criteria for inclusion: non-contributory social insurance and social assistance. It can, however, be argued that factors reducing the extent of citizenship in welfare, reminiscent of those of the Poor Law, is partly present in modern income maintenance schemes also. This is particularly true for social assistance. In his seminal article "Citizenship and Social Class", Tom Marshall points to the fact that although the rule of disenfranchisement was abolished in 1918 "the significance of its final removal has, perhaps, not been fully appreciated"¹. This lack of appreciation can be understood as an expression of the prevailing "stigma by association" often attached to reformed versions of its stigma-inducing, and in this case citizenship-removing, predecessors.

One element shared by the Poor Laws and their modern day versions is the test of means in assessing entitlement. In order to assess its potential for reducing citizenship we need to consider both the scope and the nature of the means test employed. A basic income would also involve a means test, but a version whereby its subjects are unlikely to experience a loss of citizenship. Rather than being an infringement on the lives of the poor it is the mark of a wage earner, and thereby strengthens rather than undermines the experience of citizenship. Similarly, a reduction in the citizenship of those found eligible is an unlikely result of a means tested social insurance with a high earnings disregard.

We can therefore argue that, with the exception of contributory insurance, all other forms of public income maintenance share a citizenship approach. They vary, however, with regard to the extent to which this element is reduced or undermined in the process of allocation.

In order to assess the extent to which British and Norwegian income maintenance developed into systems providing "citizenship income", I will discuss the findings of the historical analysis with reference to two sets of analytical models, both developed by Richard Titmuss. The first concerns the *social division of welfare*. Writing in 1955

¹ Marshall 1950 p 24.

Titmuss argues that in addition to the traditional area of public welfare, services and cash were also being increasingly distributed through the alternative channels of occupational and private arrangements². While Titmuss's main concern was the unequal distribution between the three areas of welfare, my emphasis will be on the increasing division *within* the public arena. As income maintenance was extended beyond the relief of destitution, increasing divisions within public welfare can be observed as a process running parallel to that highlighted by Titmuss. Secondly, Titmuss distinguishes between two main *models of welfare*: "The Residual Model" sees the function of welfare as one of dealing only with people who are unable to help themselves. Social services form a safety-net under the economic system, and only when the "natural" channels of welfare -the private market and the family - break down "should welfare come into play, and then only temporarily"³. By contrast, "The Institutional Redistributive Model" "sees social welfare as a major integrated institution in society, providing universalist services outside the market on the principle of need"⁴. In addition to the two main models "The Handmaiden Model" rests on the view that social services are functional to other social institutions, mainly those of the economic market. According to this model social needs are met on the basis of merit, work performance and productivity.

Following my definition, only the institutional model is based upon and enhances the citizenship of its target group. While Titmuss stressed the institutional nature of the public sector, my emphasis is upon the continuing residual and increasingly "handmaiden" orientation of this arena of welfare.

² Titmuss 1987.

³ Titmuss 1974 p 30.

⁴ The Institutional and the Residual models were first developed by Wilensky and Lebeaux (1965). They used the models to categorise different approaches to social work. It is the wider usage of the terms that is usually associated with the work of Richard Titmuss. While Titmuss only wrote a few pages outlining the models, they have later been applied and elaborated by for example Pinker (1971) and Mishra (1977).

Historical evidence

At the end of the Second World War the social security schemes were characterised in both nations by, on the one hand an incomplete set of social insurance programs offering far from universal coverage, and on the other hand an extensive Poor Law operating according to principles laid down in the 19th century. Through extensive plans the governments of both countries set out to develop social insurance with the aim of attaining universal coverage and thereby minimising the role of assistance to a residual safety net for a limited number of need situations, for which insurance was either an undesired or insufficient form of support. The means employed to reach this aim were, however, very different.

Social Insurance

The British system of social insurance as laid down in the 1946 National Insurance Act, was based on the Beveridge Plan of 1942. The Labour Government did little to change the main recommendations of the Plan. Most importantly, after having rejected the contributory principle earlier, the Labour Party accepted without debate this most non-socialist of Beveridge's essentially liberal social policies⁵. Since his first involvement with social policy in 1907 Beveridge had rejected non-contributory insurance as inevitably involving means testing. To him, the key aspect of insurance was that the beneficiaries should be able to claim it as a right and he saw the means test as the hallmark of a system which undermined such rights. Following our definition, we can argue that Beveridge rejected the citizenship approach to social insurance as its implementation would undermine the citizenship of its target group through exposing them to the degrading treatment of a means test. Still, he was preoccupied with rights and entitlement and having rejected citizenship it can be argued that these represent his alternative to citizenship income. The means test, according to Beveridge, would be restricted to a small and declining National Assistance.

The test, then, is the extent to which the means test was avoided in British social security. Before we assess this, another aspect of the Beveridge system must be considered. Based on a sense of fairness, and a desire to leave room for the private insurance industry, Beveridge proposed the flat-rate principle: The insured were to pay equal contributions and receive equal benefits in return. As a result of this, British

⁵ See chapter 3 of Lødemel (1989) for a discussion of Labour's gradual acceptance of the contributory principle in social insurance.

social insurance became a convoy where, of course, the speed is that of the slowest ship. In the relative hardship of the early post-war period no minister was willing to pay the political cost of the necessary raising of contributions and the unreasonable burden this would put on the lowest paid. With unexpected inflation the pension benefits, already set very low in 1946, failed to reach subsistence level. A more favourable development of National Assistance in terms of benefit levels contributed to a massive spillover from National Insurance of pensioners in need of assistance for supplementation⁶. Moreover, the contributory approach in itself ensured the continued exclusion of large groups from insurance. For working women participation in the scheme was made optional. Perhaps more importantly, large groups of congenitally disabled were excluded.

While Beveridge envisaged a universal National Insurance, expressed in his "principle of comprehensiveness", we can conclude that the implementation of the contributory flat rate principle proved unsuccessful in providing income maintenance as a right for (large parts of) its target groups. Instead of providing a workable alternative to the non-contributory citizenship approach, the contributory British system caused large scale means testing in the form of supplementary social assistance.

Although with a similar long-term ambitiousness, Norway started out much slower than Britain in its post-war reform of social security. While Britain took a much greater initial leap towards universality with the 1946 National Insurance Act, Norway continued its incremental expansion of insurance based on its first Old Age Pension established in 1937. The major difference between this scheme and its British counterpart is that while Britain adhered to the contributory principle, Norway followed a mainly non-contributory road. That is, the pension was financed on a tri-partite basis, where the state, the employers and the individual all contributed towards the cost of the scheme. The strong dominance of public funds gives, however, reason to describe this as a mainly tax-financed scheme.

The significance of the emphasis on tax-finance became clear when extensions to include groups that had no contributory record were deemed desirable⁷. Of particular importance is the Disability Pension, enacted in 1960. Prior to that year only limited schemes for the blind and the severely disabled were in existence. The 1960 scheme was initially restricted to those who could document a work record. However, with general taxation as the main source of income, the way was opened for the inclusion

⁶ In the period 1946 to 1953 the number of National Assistance Grants in supplementation of Retirement Pension increased from 460 000 to 938 000. (Lødemel 1989 p 112)

⁷ I use the term "extensions" because new programs were largely modelled on the Old Age Pension.

of other groups outside the workforce. It is when such extensions are found desirable that the advantage of the taxation over the insurance principle stands out most clearly.

The Old Age pension had set the standard whereby need became the central element in the test of eligibility. It was, however, both more difficult and more challenging to general notions of "deservingness" to implement an equivalent standard in the Disability Pension. This is the background to the stronger contributory element in this scheme compared to the Old Age Pension ⁸. The years after the 1960 enactment saw an extension of the groups covered through a gradual shift in the view of what constitutes need. The resulting liberalization of the test of eligibility took three forms. First, the degree of disability required was lowered from 2/3 in the 1960 Act to 50% with the introduction of National Insurance in 1967. Secondly, there was a widening of the kinds of symptoms that could create entitlement. In particular this extended the pension beyond physical disability towards an increasing acceptance of mental and social disabilities. Third, the requirement to establish "objectively registerable symptoms" was abandoned⁹.

In addition to the expanding of the Disability Pension, Norway witnessed in this period a development whereby a range of need categories found their way into the bosom of National Insurance. In part these were groups already demarcated and covered by specific schemes, and in part newly established need categories defined and lifted out of social assistance and/or family dependency. While the widows and unwed mothers exemplify the former, surviving unmarried persons forced to live at home ("Family Nurses") represent an example of the latter.

When National Insurance was introduced in 1967 the numbers covered had quadrupled in the thirty years following the enactment of the first Old Age pension.

An element that both influenced the coverage, and also further distinguishes the Norwegian approach from that of Britain, is the continued presence of means testing after the war. Although the 1937 OAP entailed a test of means, the earnings disregard was set relatively high, and only the top twenty-five percent of the over-seventies were

⁸ This must also be understood in light of the nature of the groups first covered. They were predominantly suffering from disabilities that it would otherwise be natural for the individual to seek some form of insurance against.

⁹ The liberalizations cannot be fully understood with reference to a more liberal social policy alone. In many areas of health and welfare the 1960s represent the zenith of the belief in the value and results of *treatment*. Simultaneously with the enactment of the 1960 DP, a law introducing Rehabilitation benefits came into being. This offered income maintenance for people undergoing medical treatment and occupational training. The government expected this program to gradually restrain the trickle of new clients into the DP. When this optimism eventually proved wrong it was difficult, even if desirable, to reverse the trend and introduce stricter tests of entitlement.

excluded. The post-war Labour Government was in principle in favour of abolishing the means test, arguing that doing so would both stress the character of the pension as a right for all, and enable big administrative savings, as well as encouraging savings and work. But, the Government gave priority to the extension to the inclusion of benefits for widows and the disabled over the inclusion of the top earners through the abolition of the means test. Another area given priority by the Government was the elevation of the level of existing pensions. In 1948 this was also given priority over universality. The non-socialists were divided over the issue. The Christian Party followed the socialists in giving priority to the disabled. The three other non-socialist parties all wanted to abolish the means test before pensions were extended to cover new groups.

In the years leading up to the abolition of the means test in 1957 we can observe a tug-of-war which proved favourable for the development of National Insurance in the long run. The Labour Government now favoured higher pensions together with elevated earnings disregard, arguing that this combination would gradually bring about a decrease in the number of people being excluded from eligibility after being means tested. Hence the role of the means test would diminish. Against this background the Storting (Parliament) established a twofold goal: by 1957 the basic pension was to be elevated to 1/3 of average earnings in industry, and the means test to be abolished.

With a substantial elevation of the basic pension the Government saw its main objective fulfilled. The Old Age Pension now set the standard from which social security could be extended. The groups included in the 1960's thus benefited from the struggle over the means test in the 1950's. Moreover, contrary to what one might expect, the benefit rates rose even more sharply in the years after the inclusion of new groups through the abolition of the means test and subsequent extension to cover other groups ¹⁰.

The divergent development in social insurance in Britain and Norway can be summed up by reference to the three key variables of finance, coverage and level of benefits. Of these, the choice of method of finance proved to have a decisive impact on the divergent development of coverage and benefits experienced in the two nations. In Britain the contributory flat-rate approach impeded the achievement of full universality, first through the exclusion of non-contributors and later through increasing spill-over to social assistance due to the inability to raise the level of benefits.

¹⁰ Although there exists no cast-iron explanation for this, some tentative reasons can be suggested. In contrast to the situation immediately after the war, the economy allowed for growth in welfare spending in this period. Furthermore, the new groups to be included with the introduction of the universal OAP now had objective interests in exercising political pressure towards the elevation of benefits. Before 1957 such pressure would have brought about higher taxes and no gain either to groups excluded from benefits by the means test or to their political representatives.

In Norway the choice of the taxation principle allowed for the incorporation of new groups regardless of their ability to contribute towards the cost of the programs. The extension of social insurance was therefore a political rather than a practical question. While Britain and Norway shared the ultimate aim of universality, Britain took a much greater initial leap towards that aim with the introduction of National Insurance in 1946. In the long run the British universality proved to be limited to a very low level of benefits, thereby causing increased selectivity.

This latter point points brings us to the extent of means testing in the two systems. While National Insurance from the outset offered a non-means-tested service, the Norwegian means test in the case of Old Age Pensions was not abolished until ten years later. In Britain the emphasis on means testing must be understood as a reaction to the particular means test of the Poor Law in the 1930's. Beveridge saw it as a main objective to avoid all forms of means testing, thereby stressing the right to social insurance. A comparison must therefore include a consideration of the nature of the means test and the groups subjected to it. In Norway only the top earners (20-25%) were excluded after a test of means. From the perspective of this paper it can hardly be argued that the specific test undermined the citizenship of either those excluded or those who were found to be entitled to benefits,- the former group because their sense of citizenship was not vulnerable, and the latter because entitlement put them in a majority rather than a small group singled out as needy. Adding to this, it must be noted that the Norwegian test was uniform rather than discretionary and individual rather than based on the household.

Of social insurance we can thus conclude that the British rights-oriented alternative to citizenship proved unsuccessful and that it fostered more selectivity and means testing in the long run than the Norwegian approach. Yet, although Britain found herself forced to rely on social assistance to a much larger extent than Norway, we must look at the *nature* of this area of income maintenance in order to assess the extent to which citizenship was achieved in the social security of the two nations.

Social Assistance

In both nations the social assistance schemes of the post-war period replaced the administrative structure of the Poor Law. Of the two countries Britain proved to be the most radical in this area also. The 1948 National Assistance Act represents a unique piece of welfare legislation in that it both made assistance a national responsibility and also separated income maintenance from the personal social services. With this step Britain went further than any other nation in its reform of assistance. Before we give

attention to the background to these achievements, let us first briefly present the scheme.

Like most of the post war welfare legislation in Britain, the new assistance scheme was very dependent on the recommendations of the Beveridge Report. While Beveridge stressed the role of assistance as a "part of social security"¹¹ by proposing a joint department to administer the two schemes, he also built in incentives for the growth of insurance into the assistance scheme: "It must be felt to be something less desirable than insurance benefits; otherwise the insured persons get nothing for their contributions. Assistance will therefore always be given subject to proof of needs and examination of means"¹².

Although Beveridge recognised a permanent need for assistance, it was only during the period of build-up towards subsistence level insurance benefits that he envisaged assistance to be needed in a considerable number of cases. In the long run he expected assistance to be needed only for persons belonging to four different categories or "classes", all of whom were excluded from insurance coverage¹³. Although the scheme was based on a test of means, it should be noted that this was uniform, leaving little scope for discretion.

Although unique in an international perspective, the nationalisation of assistance was not a radical departure from the past. Dating back to the new Poor Law of 1834, the British system featured strong national control of poor relief. This was further strengthened in the 1930's with attempts to control high-spending local authorities in times of large-scale unemployment. As a result a national Unemployment Assistance Board was established. During the late thirties the poor relief clientele changed from being dominated by unemployed persons to increasingly covering old age pensioners. As a result the UAB dropped its association with unemployment and became the Assistance Board. With the 1940 Old Age and Widow's Pension Act these groups were freed from local poor relief and their supplementary pension was administered by the new national scheme. One year later the household means test was abolished, and this reform added to the popularity of the Assistance Board. The 1948 nationalisation of assistance was therefore limited to the inclusion of the last 1/3 of the poor relief clientele still covered by the local Public Assistance Committees. It was for these

¹¹ Cmnd 6404 (Beveridge Report) para 369.

¹² Ibid

¹³ These were: persons failing to fulfil insurance contributions, those failing to fulfil conditions for insurance benefits, those with abnormal needs in respect of diet, care and other matters, and, lastly, persons in needs through cases not suitable for insurance, e.g. some form of desertion or separation. (ibid. para 371)

marginal groups that the uniform means test of the 1948 National Assistance Act involved an enhancement of welfare. Similarly these groups profited the most from the separation of income maintenance from the still local personal social services, which followed as a natural consequence of the nationalisation of assistance.

Contrary to Beveridge's expectations, the assistance clientele continued to grow in the 1950's and early 1960's. Between 1948 and 1962 the number of claimants increased from one and a half to two and a half million¹⁴. Also, because the growth followed as a consequence of the failure of social insurance, the clientele was increasingly dominated by groups which, according to Beveridge, should have been sufficiently covered by insurance. While recipients of old age pensions from National Insurance constituted 48.2% of the clientele in 1949, this percentage had increased to 59.9 in 1965.

Although National Assistance represented a relatively advanced social assistance scheme, it was now offering a service designed to be "felt to be something less desirable than insurance" to a clientele increasingly dominated by groups for which insurance and not assistance was the target scheme. Given that a service better than that of the NA was desired for these groups, policy makers were in principle left with the choice between two alternative options for action. The first involved a singling out of groups for which an improved income maintenance service could be provided. Alternatively, a less targeted approach would involve the improvement of the entire assistance scheme.

The Labour Government of Harold Wilson first tried to implement a scheme on the lines of the first option when it took office in 1964. The proposed Income Guarantee would single out the elderly and give them a better service which was neither assistance nor social insurance. In this scheme the marginal groups for which assistance was originally intended would remain in the existing scheme, which in turn would be better targeted at their specific needs ¹⁵. In a situation where the government was pressurised to implement the long awaited reform of assistance the Income Guarantee was, however, abandoned, and the second option proved to be the only practicable solution. Again, therefore, as had happened in 1948, the marginal groups benefited from a reform not primarily targeted at them.

The resulting Supplementary Benefit scheme involved an enhancement of welfare for all the assistance clientele, but particularly this was true for the traditional assistance claimants . With this scheme Beveridge's idea of a unified social security department

¹⁴ Glennerster 1962 p 2.

¹⁵ See chapter 7 of Lødemel 1989 for an analysis of these events.

was finally implemented. For the individual assistance claimant the change meant that there were no longer separate offices for social assistance and insurance. For the assistance clientele as a whole this implied an enhancement of welfare because they were no longer forced to approach a separate office in order to claim their means tested benefits. In the terminology of Jones, this reform therefore brought about a reduction in the "stigma by association" attached to the administrative unit through which a stigmatised service had been administered¹⁶.

Unlike Britain, Norway did not abolish her Poor Law soon after the War. Instead, the approach of breaking it down "from without" through the extension of social insurance coverage continued for another two decades. While the British reform involved the setting up of a national scheme, the Norwegian equivalent continued to be financed, as well as administered, by the local authorities. Moreover, the enactment of a national scheme in Britain resulted in a separation of income maintenance services from those of other social services. In Norway, the combined social service and last resort income maintenance continued in the tradition shared by both nations in their respective poor laws.

The three points of divergence become important, not only because they represent the most important differences between the two countries, but also because they represent the three most important variables along which social assistance/social services differ between welfare states in general. In the words of Catherine Jones: "Remembering that all assistance systems are descended from nineteenth century poor relief arrangements, the obvious distinction to draw here is between those systems which have remained localized (*and* cash/care multifunctional) and those (i.e. the British) which have been centralized and divorced from anything other than a cash relief function"¹⁷

Still, although slower off the starting blocks, the Norwegian policy makers expressed greater long-term ambitions than their British counterparts in this area of income maintenance also. While Beveridge saw a long term role for assistance, the Norwegian policy documents of the time go further and express as an aim the rendering of the Poor law *superfluous* as a result of an eventually universal social insurance ¹⁸. With greater ambitions in the area of social insurance, there was less urgency felt about changing the Poor Law in Norway. Rather than being a continuing element of social security it was expected to wither away. If this was not to succeed, Norway would

¹⁶ C Jones 1985 p 109.

¹⁷ Ibid. p 113.

¹⁸ Fellesprogrammet 1945.

therefore continue to feature an assistance scheme more in line with traditions of poor relief compared to the situation in Britain.

By 1948 it was decided, however, that the 1900 Poor law bore too strong a resemblance to a social policy from which the government of the day wished to distance itself. It was felt that the word "poor" in the existing legislation was "incongruous with prevailing opinion"¹⁹. With the legislation that year, "poor" (fattig) was replaced with "assistance" (forsorg) throughout the 1900 Poor Law. Similarly, a changing attitude towards the Poor Law was evident in the blueprint for social insurance also published in 1948:

"The Department (of Social Affairs) will later consider the question of establishing a form of social assistance covering cases which fall outside the boundaries of social insurance, but where the help ought not to bring about the legal effects of receiving assistance"²⁰.

While the 1948 reform was only cosmetic, a committee was appointed in 1950 to "review existing assistance legislation and bring forward proposals for a new act"²¹. The recommendations of the committee, presented in 1953, mark a major departure from the policies of the existing assistance legislation. The major objective pervading the report was that of making assistance more equal to social insurance than was the case at the time. In doing so it goes further than the Beveridge proposals, where the emphasis was still on maintaining the different status of the two forms of income maintenance. In order to establish equality, a key principle was that of awarding assistance as a right by reducing the scope of discretion. Similarly, benefits were to be awarded mainly in the form of cash rather than, in the tradition of the Poor Law, as benefits in kind. Another area where the proposals diverge from existing legislation is that of mutual obligation of maintenance between family members. Arguing on the basis of civil law, the Committee stresses that obligations should not extend beyond those between parents and children and those between spouses.

It is interesting to note also, that accompanying the rights orientation for the majority, the proposals entail harsh treatment for the most marginal of claimants; vagrants would be referred to workfarms. The distinction between "deserving and "undeserving" is reminiscent of similar attitudes found among British policy makers on the left at the time. While the Webbs in the Minority Report to the 1909 Poor Law Commission

¹⁹ Ot.prp.24 1945. Referred to in 1953 Proposal.

²⁰ St.melding nr. 58 1948.

²¹ 1953 Proposal p 5.

proposed the setting up of "punitive labour colonies" for the "heterogenous residuum",²² similar, although less draconian views were expressed by the Fabians in the 1950s: "The social casualties and the old must have financial help with no slur attached, but we should not hesitate to use strong curative measures against any shirkers and slackers in the community"²³ These views are to a large extent representative of those found among the advocates of the aforementioned scheme accompanying the proposed Income Guarantee.

Like the Income Guarantee, the Norwegian proposal for a new assistance scheme was shelved. Ten years after the first proposal the proposal upon which the 1964 legislation was based was put forward to the parliament. A first indication of the radical change of emphasis in the latter proposal is found in the choice of the name of the scheme. In the 1963 response to this proposal the term "social assistance" was replaced with "social care". The reasoning behind this change was closely tied to the greater emphasis on advice and counselling in the latter scheme. While the first plan was heavily influenced by "insurance thinking", giving the clients extensive rights to a service exclusively aimed at securing their income maintenance, financial aid was in the latter proposal a means to achieve the changes in the clients ability to be self-reliant in the long run. Social case-work therefore came to play a central role in the implementation of the scheme.

There were three main reasons for this stress on "social treatment". Firstly, the period was characterised by strong optimism regarding the possibilities of rehabilitating into the workforce people suffering from various problems preventing them from maintaining themselves. This was an international trend which we also find in Britain at the time. The important difference, though, is that in Britain, the case work of the personal social services was separated from assistance. This is important because in Norway the willingness to accept social work treatment was more or less explicitly made a condition for receiving financial aid. This can be viewed as a way to maintain the principles of the Poor Law, however, in the disguise of modern caring instead of punitive measures. Secondly, the development of social case work made it more possible to rehabilitate people suffering from social problems. Finally, the proposed rehabilitation measures were supported by what I believe to be the mistaken view that all clients were in need of social treatment.

This latter point brings us to a comparison of the changes in the assistance clientele in the two countries during the first two post-war decades. In Britain we saw that the numbers of recipients had increased, and that the main cause of the increase was the

²² Thane 1982 p 90.

²³ Abel-Smith 1953 p 15.

inability of social insurance to give sufficient maintenance to its target groups. As a result the composition of the British clientele changed towards increasingly being dominated by the elderly and other typical "insurance cases". In Norway we witness a contrasting development. During the 1946 to 1964 period the number of people receiving assistance in Norway fell from 50 000 to 32 000 ²⁴. As this decrease, in addition to full employment, was largely caused by the successful extension of social insurance coverage, a contrastive development in the composition of the clientele in the two countries also emerges. Although less conclusive evidence is available for Norway than for Britain, available statistics suggest that the clientele was less dominated by "insurance cases" in the early 1960s than was the case when the first proposal for reform was presented ten years earlier ²⁵.

In combination the actual changes in the composition of the clientele and the changing *perception* of the clients and their needs made those receiving assistance a target group for the techniques of social casework. While it is likely that a large proportion was in genuine need of help beyond that of income maintenance alone, the false generalisation was based on the understanding that the expressed need for assistance was understood as an expression of an inability to cope. In social work terminology, the financial need was labelled a "presented problem" behind which could be found the client's "real problems".

The scheme was enacted in 1964. After a transitional period all local authorities were obliged to establish social service departments. While professional social workers played an increasing role in the day-to-day running of the service, the Poor Law tradition of a strong influence by lay persons was continued with the decisive role played by politically elected lay-boards.

The historical evidence presented can be summed up briefly. First, Norwegian social insurance experienced a more favourable development in terms of coverage and level of benefits. Second, in the case of assistance the Norwegian scheme covered a decreasing proportion of the population with a service bearing strong resemblance to those of the Poor Law. Britain, by contrast, experienced a growth in the coverage of assistance, in terms of numbers as well as need categories. The services obtained bear, however, less resemblance to the Poor Law than do their Norwegian counterparts. For both nations the scope and nature of assistance was largely determined by the development of social insurance.

²⁴ Lødemel 1989 p 147.

²⁵ Ibid p 150.

Conclusion

Let us first consider the unequal developments in the social division of welfare in the two countries. Titmuss' seminal paper from 1955 highlighted the unique British experience where, indeed, the division was increasingly between public welfare on the one hand and occupational and fiscal welfare on the other. Within British public income maintenance we find a convergence of assistance and social insurance, both in terms of groups covered as well as with regard to the nature and level of services provided. Although Beveridge foresaw a stronger division between assistance and insurance, what proved to be the main division in the British system was expected and desired: In addition to representing a "floor" below which no one should fall, Beveridge's notion of a "subsistence level" of social insurance benefits can equally well be described as a "ceiling" above which public welfare had no role to play. By keeping benefits to a minimum Beveridge intended to secure room for the continued growth of private insurance.

In Norway occupational and fiscal welfare played a less dominant role. Instead the main division took place *within* public welfare. While the majority of recipients benefited from an advanced national insurance scheme, a small minority depended on assistance offered at a level and of a nature that made it greatly inferior to social insurance.

The nature of the various schemes is best described with reference to the different models of welfare. In Norway we find a social insurance with strong institutional traits: A high degree of universality was achieved in a system where benefits were awarded on the basis of need ²⁶. The British system, by contrast, features residual traits when the level of benefits as well as when the selectivity resulting from the contributory approach is considered. The latter element furthermore gives even the basic benefit a "handmaiden" character, as it ties the right to benefits to previous work-record.

Against this background we can conclude that the particular citizenship approach followed in Norwegian insurance proved successful for the groups included. In Britain, citizenship was rejected as inevitably causing means testing and thereby undermining the over-riding objective of awarding benefits on the basis of rights. As this proved to be a right to inferior benefits from which large sections of those in need were

²⁶ In this article I have not discussed the earningsrelated addition in the Norwegian national insurance. This does not weaken the universal nature of the scheme. While need is the central criterion for the right to basic benefits, the ERS introduces an element of the handmaiden model.

excluded, rights orientation in its particular British form failed to provide a successful alternative to the citizenship approach.

When the assistance schemes are evaluated according to the models, both aspects of citizenship must be considered. First, the legal aspect differs in that Britain achieved a higher degree of national responsibility for assistance than Norway. This entailed nationally established benefit levels, as well as national responsibility for the finance and the administration of the scheme. In Norway the continued local responsibility ensured continued local variation in terms of benefits provided, as well as with regard to procedures of assessment²⁷. Moreover, during our period of analysis, the responsibility for clients moving from one local authority to another continued to be a central area of conflict. In this situation the citizenship of the individual client was hardly a major concern among the contesting authorities. National legislation, as Marshall emphasises, is therefore not a sufficient condition for achieving full citizenship in assistance.

The picture becomes more complex when the moral or ideological dimension of citizenship in assistance is considered. While the loss of citizenship was an explicit and intended feature of the residual services of the poor laws, the citizenship-loss caused by the receipt of assistance must be understood as a function of the continuation of certain features of the poor law. This "stigma by association" results from a combination of the nature of the target group with the nature of the actual service.

In Norway assistance remained more or less unchanged until 1964. When the time finally came to reform the scheme, the size and the composition of the clientele was seen to favour a continued cash/care multifunctional localised service. Furthermore the stress on social control was continued, now under the guise of care and "social treatment". This moreover favoured a strong emphasis on discretion exercised through the continued influence of lay-persons (the modern day "Poor Law guardians") in the assessment of applications for aid. Pinker argues that "if we are genuinely concerned to reduce the incidence of stigma in social welfare, we ought to give much more serious consideration to the proposition that the most anonymous forms of social provision tend to be the least stigmatising, and the most personal forms of social service are likely to be the most humiliating for the beneficiary"²⁸. The continued "personal" nature of Norwegian assistance in the tradition of the Poor Law is the single factor that contributes most to (its lack of accessibility and the resulting) undermining of citizenship. Discretion, means testing and personal interrogation do not in themselves, however, reduce the citizenship of the applicant. A service that boosts the recipient's status, such as a competitive scholarship, is enhanced by its selective nature. It is when

²⁷ Terum 1986.

²⁸ Pinker 1971 p 151.

the service itself is traditionally associated with stigma that such a personal interrogation further strengthens the feeling of stigma and subsequent loss of citizenship.

Adding to this was the fact that with the departure of the "deserving" clients, assistance was increasingly a system targeted at, and thereby associated with, the poor. These groups often suffered from problems not easily identifiable as justifying help, and when identified often considered self-induced and thereby not deserving of aid from the public purse.

By contrast British assistance was increasingly allocated according to nationally established rules that gave claimants access to non-discretionary benefits awarded after a test of *need*. Even though this scheme also featured elements of discretion, I find it important that this was not carried out by social workers with additional powers to provide services for, and impose sanctions on the clients. Moreover, the greater scope of British assistance, including large numbers of "deserving" clients (the elderly and the disabled) made it more accessible than the Norwegian equivalent.

An apparently paradoxical configuration thus emerges: While Norwegian income maintenance as a whole is allocated more in line with an institutional model of welfare, a more residual and citizenship-undermining service by comparison to equivalent schemes in Britain, is offered to the small minority still covered by social assistance. The paradox is, however, only apparent, as it can be argued that the exclusion of the most marginal groups from social insurance (and the continued presence of a residual scheme for these groups) has facilitated the political support for and development of a high level tax-financed social insurance with extensive coverage.

Compared to its Norwegian equivalent the only citizenship-based income maintenance scheme in the UK therefore appears to offer a service where the process of allocation is less detrimental to the (experience of) citizenship for its claimant.

If we put the comparison to the utilitarian test and look for "the greatest happiness for the greatest number", the conclusion is twofold. In the area of assistance the more residual welfare in Norway does "less harm", as it covers only a small minority of the population. In public income maintenance as a whole the Norwegian experience has also proved more successful in providing welfare on a high level to the vast majority of those depending on the state for their maintenance. If we compare groups of recipients rather than services we therefore find that citizenship plays a more prominent role in Norwegian income maintenance.

The most striking difference is found when we compare groups which in Norway are incorporated into insurance to equivalent groups in Britain still depending on assistance.

One example are the congenitally disabled. In Britain these groups were excluded from social insurance and left in a service shared with, and probably for these groups "tainted by" the presence of more marginal and "undeserving" groups. In Norway, by contrast, they were both separated from these latter groups and awarded benefits following the doctrines of the institutional model on the basis of their particular need and their status as citizens of the nation. Conversely, the losers in this welfare market were the Norwegian marginal groups. This is true when the comparison is limited to the national context as well as when we compare them to equivalent groups in the UK.

Postscript: Lessons for the Europe of the 90's

The "social dimension" of the EC does not represent an attempt to create a "European welfare state". As outlined in the Social Charter it is a mainly a dimension designed to facilitate the free movement of *labour*. While mainly residual in scope, it is best labelled under Titmuss' category "handmaiden" welfare ²⁹. Together with the strong continental dominance in EC policy this explains the stress on *contributory* insurance in Community documents on social insurance. The emphasis is on merit (related to work) rather than need alone.

Unless a contributory insurance is coupled with citizens' rights as in West Germany, a likely outcome of a shift towards the contributory principle in countries such as the Nordic nations and the Netherlands will be an increasing role for social assistance. (Adding to this is the probability of continued large scale unemployment and other factors causing exclusion and marginalisation.)

A large assistance clientele with a strong presence of "deserving" recipients faces policymakers throughout Europe with a choice similar to that facing the UK Labour government in the mid-60's: enhance assistance for all or create a further social division of welfare by singling out the "deserving " for better treatment. While administrative expedience forced the British to follow the former route, I agree with Stephan Leibfried when he outlines a "Europeanization" of assistance for the elderly and thereby a further residualisation of the remaining local (national) relief for the remaining groups ³⁰.

A harmonisation of assistance entails even greater problems than is the case for insurance, as these schemes by their nature are based on citizenship. The Norwegian example highlights the problem of achieving national standardisation through legislation alone. The only solution to this problem was that implemented in Britain: the state took over the responsibility for the financing as well as for the administration of the scheme. If the move from local to national responsibility has proved difficult, attempts to move to a European level will involve far greater problems. In a heterogenous Europe it will be difficult to find political support for the extension of rights to assistance for migrants coming from other countries. As the problem can be solved only through EC

²⁹ Titmuss 1974 p 30.

³⁰ S Leibfried 1990.

responsibility for the finance of benefits, at least for the migrants, a harmonised European assistance for all groups will remain a distant prospect.

All assistance schemes are descended from nineteenth century poor relief. The tradition of "educating the poor" (first through force and later increasingly through "social rehabilitation") has been most fully maintained in those schemes where services are targeted at the very poorest. Most successful in escaping the Poor Law have been those countries with a large and multi-faceted assistance population. In later years we have also seen that changes in the size and composition of the assistance clientele in this direction have brought about changes towards greater standardisation and more rights-oriented systems (e.g. the Scandinavian countries and West Germany). If a "division of assistance" as described above can be avoided, a coordination towards a European system of assistance *could* bring about (as an unintended by-product) a further move away from localised discretionary relief systems.

It follows from my reasoning that I am highly sceptical of assistance schemes where attempts to integrate the recipient are tied to, and even made a condition for, the receipt of cash and services. Large scale social assistance ought to be an income maintenance scheme and should not involve a system of social rehabilitation. The latter should, in my view, be implemented through separate social service departments at the local level. The new French Revenu Minimum d'Insertion (RMI) appears to represent a return to integrative measures reminiscent of the poor laws and their closest descendants³¹. Jordi Estiwill points out that there are two generations of assistance schemes. While the first, Northern European systems, represent a "passive character of Social Security", he argues that the developing Southern schemes have a more far-reaching aim, towards a "second generation" of minimum income schemes with a strong emphasis on integration (or insertion)³². While Estiwill describes this development as a form of "cutting corners" by avoiding the mistakes of the "first generation", an "insertion development" along the lines of the RMI could equally well be described as a return to the principles of the deterrent, non-integrative ancestors of the "first generation".

³¹ I am using the term "appears" because as of yet very little information about the nature and the functioning of the scheme is available in english.

³² Estiwill 1990 p 12.

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