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Will The Poor Always Be with You? The Beveridge Plan, the Creation of the Modern British Welfare State, and Its Reception in Europe and Hungary

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Abstract The study evaluates British social policy during the Second World War in view of recent scholarship, exploring the Beveridge Report and its reception in Europe and Hungary. My study covers an uncharted dimension of the Beveridge Report as fundamental research based on archival sources. The British welfare plan, created in 1942 by Beveridge and his colleagues, received an expansive reaction in Europe; therefore, the Hungarian reception fit into the wider international transfer processes of the welfare model, which was supported by the British Labour Party. The question arises as to what extent the Beveridge Plan contributed to and affected various Hungarian endeavours of welfare politics during the war and the Hungarian welfare state based on the conservative Bismarckian model. I argue that the plan was received in an adaptive and selective manner, and its arguments were used in connection to the key issues of Hungarian social policy. The reception of the plan fell in line with the major goals of productive social policy: guaranteeing minimum subsistence and self-supporting living became central elements of both welfare paradigms. Using Beveridge's arguments, one could effectively support various Hungarian welfare ideas. In particular, the wartime discourse of the Hungarian Social Democratic Party and other leftist and Christian-socialist political actors frequently used the notions and arguments of the British plan when arguing for the necessity of universalism in social insurance, especially unemployment insurance in Hungary, which had long-term consequences.

Keywords: Beveridge Plan, welfare state, welfare transfers, Hungarian social policy, Bismarckian model

Introduction

The purpose of this study is twofold: on the one hand, it re-examines British social policy in the Second World War and the early post-war years considering recent scholarship, on the other hand, it explores the Hungarian reception of the welfare plan designed by William Beveridge and his colleagues in 1941–1942, with a focus on its role in shaping Hungarian social policy after 1943. My study covers an uncharted dimension of the Beveridge Report as fundamental research based on archival sources. The British Beveridge Plan (1942) had a wide response in Europe. Thus, the reception in Hungary fitted into the broader international transfer processes of the welfare model supported by the British Labour Party. Accordingly, the paper is designed to provide an answer to the question of how much the Beveridge Plan contributed to, how it influenced and contributed to the Hungarian social policy initiatives born during the war—largely designed for the post-war years—and how much it could have meant the further development for the early Hungarian welfare state built on the conservative Bismarckian model. These questions have been touched upon only by a few studies (Tomka 2003, 2013; Hátori 2006; Cora 2013, 2021). I hypothesise that the Beveridge Plan had been continuously present in Hungarian social policy thinking since 1943, primarily in social policy discourses, and at some points, in political practice too, especially in the Hungarian Social Democratic Party's welfare concept. Thus, an adaptive and selective reception of the

Beveridge Plan took place. In the following, I first present the nature and areas of deficiency of the conservative-dominated Hungarian social policy in the interwar period. Secondly, I investigate the birth of the Beveridge Report and the trajectory of its application in British social policy. Finally, in accordance with the analytical criteria and research questions, I endeavour to evaluate its reception.

Hungarian Social Policy in the Interwar Period

Hungarian social security was built upon the Bismarckian model, and the mandatory form of insurance also draws parallels with Germany. However, in contrast to the development of welfare in Western Europe, in Hungary, the labour protection and workers' insurance laws were not implemented in parallel with each other. Since Hungarian society only arrived at the period of early forms of democracy and employment in the modern sense at the beginning of the 20th century, at the end of the 19th century the political elite accepted the concept of mandatory social insurance based on rights acquired by paying contributions, which was less conducive to the emancipation of lower classes compared to Western European solutions (Szikra 2004, 255–57; Bódy 2004, 5–6; Tálos 2004, 5–7; Tomka 2003, 59–62; Cora 2020, 96–98).

Hungarian welfare institutions were built on the principle of self-government (Bikkal 1943, 44–45). The country's economic development and the elite's need for legitimacy made it possible to expand social spending and social rights, which resulted in the almost complete social security coverage of industrial workers by the end of the period (*A magyar társadalombiztosítás 50 éve: 1892-1942. [50 Years of Hungarian Social Insurance: 1892–1942]* 1943, 51–54, 62–64, 93–94). Although, compared to the Hungarian poor relief policy of the 1870s, the insurance system consolidated by the 1930s was a very significant step forward, it still left many unresolved issues and areas for the social policy of the 1940s, such as the insurance for the agricultural labourers or unemployment insurance. However, the development of government social policy and the social security system was influenced not only by the political structures of the interwar period, but also by various ideological currents and movements related to social issues, as well as by the adoption of foreign models.

The Second World War, which divided the 20th-century development of the Hungarian welfare state, did not only entail the transformation of political structures. An important question in the history of Hungarian social policy is how the pre-war and post-war stages of its 20th-century development relate to each other. Despite research on the Hungarian welfare state has mushroomed recently, several areas have hardly been (or not) examined. Moreover, no convincing scientific debate or consensus has emerged regarding the coherent evaluation of the social policy of the transition period from the end of the 1930s to the beginning of the 1950s, which in turn concerns the relationship between the two eras. Another shortcoming of research into the 20th-century Hungarian welfare state is that Hungarian and Western European social-political relations have so far been examined mainly based on statistical sources. Therefore, it is very important that, in addition to the inclusion of archival sources, the relatively simplistic, diffusion explanations common in the investigation of 20th-century social policy between nation-states and regions are replaced with historical comparisons focusing on cultural transfers. An essential question within this area is the appearance, reception, and impact of certain international welfare models in Hungary.

The outbreak of the war and the transition to war economy were catalysts for the development of a new kind of social policy, for example, through its financial effects or the acceleration of social mobilization. In principle, in addition to the further development of previous welfare

systems, this process could even include the incorporation of a new type of organizing principle. Leading Hungarian social politicians agreed that welfare expansion should take place in parallel with the post-war economic reconstruction. This assumed expansion could have been carried out in several directions and in various ways. In connection with European modernization and diffusion processes, the reception of foreign welfare models undoubtedly occupied a key place among the possibilities of expanding the Hungarian welfare system. Until the war, this was mainly achieved in Hungary through the adoption of Bismarckian-style social insurance. However, the international relations that intensified during the war, as well as the exchange of technological and social information, also widened the space of receptions (Cora 2009).

Among the new social policy approaches born during the war, the welfare program developed by Beveridge and his colleagues in 1941 and 1942 played an eminent role, which was designed to transform Britain's social policy in a profound way and in the long run. Like several other European countries, social politicians in Hungary also studied the Beveridge plan. Therefore, its reception is an integral part of the history of Hungarian wartime welfare policy. At this point, the concept of historical transfer is what can make this process truly tangible. It is not only about how the reception of Beveridge's plan supplemented the Hungarian welfare programs developed from the earlier Bismarckian model, but rather about how the reception itself reshaped the discourses and the process of developing new social policy conceptions (Cora 2010).³⁹ In this study, in the light of the above context, I endeavour to argue that the British Beveridge Plan also had a significant impact on Hungary during the war. It is therefore very important to analyse how this transfer modified the transition of Hungarian social policy in the examined period, and to what extent it may have been connected to social policy directions that developed from the previous "path", such as productive social policy or plans to expand social insurance.

Productive social policy, a term generally used in contemporary Hungary, meant the reform of social policy and the introduction of new welfare services which result in yielding 'productive' citizens who are mentally and physically fit individuals able to perform useful work and whose social integration is thus possible. This conception was worked out by leading social thinkers and politicians of the period, Ottokár Prohászka, Sándor Giesswein, and Béla Kovrig. This programme of productive social policy also involved the continuation of social policy started by the Darányi Government (1936–1938) during the governments of Béla Imrédy and Pál Teleki (1938–1941)⁴⁰ with new elements. Imrédy wanted to transform Hungarian society and economy so that in the "miraculous revolution" bringing about radical change, social policy was handled as an issue related to technological modernisation (revolutionary model of social policy). Unlike its predecessor, Teleki's social policy direction was less "revolutionary", but rather moderate and became the institutionalised basis of later productive social policy (reformist social policy). However, the fundamental questions of social policy (conservative, Christian-national ideology, compulsory social insurance, expansion towards the poor and unemployed with a paternalistic and statist bias) did not change during the terms of these governments and were continued during the war (Cora 2013, 110–11).⁴¹

³⁹ As for its methodology and source criticism: one must look at which elements were selected from the Beveridge Plan by Hungarian social politicians, and secondly, what kind of constructions they created based on them. Finally, it is essential to understand what conclusions were drawn regarding the possibilities of developing Hungarian social policy.

⁴⁰ Teleki's first government was in office between 1920 and 1921, while he resumed premiership in 1939 and remained PM until his death on April 3, 1941.

⁴¹ For a detailed overview of the sources of productive social policy, see Cora 2013, 110–11.

Social Policy in Britain and the Conception of the Beveridge Report

Due to the unsolved and acceleratingly acerbating social problems in the wake of the Great Economic Depression, it has become inevitable in Great Britain by the end of the 1930s that neither the earlier liberal economic system, nor the quite decentralised social security system can be maintained. In the 1930s, many spoke for a new social policy, the extension and reform of already existing schemes, primarily because middle-class citizens wanted to get access to state-coordinated social policy benefits. In the interwar period, British social policy lacked state coordination, and the benefits of the social security system did not guarantee a minimum standard of living either. Because of this, welfare benefits predominantly remained means tested public assistance, which quite often and in a stigmatizing way yielded allowances that only supplemented weak social benefits or low salaries, thus barely qualifying for meeting the minimum standard of living (Harris 2004, 197–218).

One of the greatest problems was unemployment that stood at the centre of social policy reforms from the beginning. While in 1919 the unemployment rate was only 2%, it increased to 10% by 1927 and further grew to 22% by 1932. It started to subside in the second half of the 1930s, but it only took a dive due to the outbreak of the war in 1939 and Britain's transformation to a war economy. The unemployment rate thus eventually stabilised around 1% (statistically that meant full employment) in 1942 (Davidson 1943, 15; Hill 1986, 244, 260; Wood 1982, 33–35).⁴² Besides benefits granted for sickness, accident, and old age by various private insurance companies, jobseeker's allowance and certain unemployment benefits were also available in Great Britain before 1911, but it was the National Insurance Act of 1911 that unified these services and the state compensated unemployment on condition that the persons concerned regularly paid contributions. This act, however, did not mean an overarching state social security system, so the extension and reform of the social security system remained a central part of political discourses in the 1930s (Wood 1982, 4–32; Harris 2004, 197–245).

The endorsement of Keynesian principles in economy and social policy was ultimately catalysed by the war. The increasing wartime centralisation and consensual political atmosphere to bring about “national unity” gave a new opportunity for realising welfare reforms of full employment, a National Health Service, and universal social security, which had been maturing in the 1930s and had met considerable resistance on the side of the conservatives and liberals (Garrett and Weight 2004, 473–74). According to the well-known thesis of Richard Titmuss, the Second World War created a fundamentally new social policy attitude that was characterised by surfacing social problems and growing social solidarity (Titmuss 1950, 506–16; Titmuss 1958, 75–87). It is also a commonplace thesis that the war led to fundamental structural and functional changes in the British economy, which manifested mostly in the expansion of statism. However, besides rationing and economic planning, a new system of redistributive social policy had to be introduced as well that could be used as a “testing ground” for post-war social policy reforms (Fraser 1992, 207–9; Harris 1990, 89–92).

⁴² After the end of the so-called “restocking boom” in 1921, the number of unemployed was always over 1 million, in certain towns it even reached 60%. Though the burdens of the economic crisis were successfully shifted to the peripheries of the empire in the 1930s and the British economy could be stabilised, yet like in Hungary, unemployment showed great territorial disparities (*North-South divide*). For example, in Jarrow and Merthyr Tydfil, most of the male population could not find any job at all with the decline of staple industries, including coal mining and shipbuilding. The “dole”, that is, the unemployment benefit, was means tested and mostly meant protection against famine and subsequent death.

The ideas of Titmus can be linked to another major social policy thinker of the period, William Temple, the Archbishop of Canterbury. In *Christianity and Social Order* (1941), co-edited with J. M. Keynes, Temple argues that no Christian society can exist without the institutionalisation of granting equal opportunities for people—in other words, without building a modern welfare state (Temple 1942). As opposed to this, in his work, *The Road to Serfdom* (1944), the neoliberal economist, Friedrich Hayek argued that an overexpansive state intervention may suffocate individual initiative and enterprise, and it deprives the state from the advantages of free enterprise market economies (Hayek 1944).⁴³ Eventually, due to the non-negligible presence of the war, Churchill's government decided to support greater state intervention. Besides working on its economic ramifications by Keynes, the milestone of the wartime social policy reform project was the report produced by William Beveridge and his colleagues (Beveridge 1942).

William Beveridge (1879–1963) was perhaps the most influential social politician in the first half of the 20th century, besides Christopher Addison and Neville Chamberlain. Beveridge was an expert in the question of unemployment and the first labour exchange offices had been organised in 1909 under his tutelage. He also participated in the parliamentary preparation of the 1911 Insurance Act. Beveridge's thinking was inspired by Edwardian liberalism, the collectivism of the First World War, and a gradualist conception of social change—these ideas profoundly inspired his programme for reconstruction, too (Harris 1977, 378–418).⁴⁴ He had already worked out his ideas of economic planning and state interventions in the 1930s.⁴⁵ Beveridge considered himself a kind of “crusader” whose mission was to reform British society and economy. In 1939 at the age of 60, he thought that he was experienced enough to unite his knowledge, experience, and future visions in designing a grandiose plan. In 1941 the Reconstruction Secretariat (responsible for wartime and post-war reconstruction) contacted various groups in society who worked on reforms, especially Michael Young and Francois Lafitte, the leaders of the Political and Economic Planning. The secretary also sought out the help of the British Employer's Federation, with William Beveridge among its members (Glennerster 2007, 23–4).

Soon, Beveridge's expertise convinced many people in the government that he was the most suitable person to coordinate reconstruction efforts with other leading experts, including Keynes. With the consent of Winston Churchill, who was neither well-versed, nor very much interested in social and economic reconstruction, Arthur Greenwood, Minister without Portfolio in the wartime coalition government, appointed William Beveridge as Head of the Intergovernmental Committee on Social Insurance and Allied Services in June 1941 (Glennerster 2007, 24–6). The primary objective of the committee was to recommend possible ways of post-war reconstruction (Harris 2004, 289).

The recommendation of the committee (report) was published in December 1942, and in his lecture at the joint meeting of professors at the University of Oxford, Beveridge outlined the aims of his plan, that is, the eradication of the five “giant evils of want”: disease, ignorance, squalor, idleness, and poverty. He added that more joy should be introduced into labourers' lives and work, because the contemporary mode of production kills people's initiative and

⁴³ Due to the limitations of this paper, the various theological, economic, and intellectual sources of modern social policy in Britain cannot be discussed, so hereby only the most virulent standpoints can be indicated.

⁴⁴ At the early stage of his career, he worked as a lawyer in East End, London's most infamous eastern slum. The poverty and squalor he experienced there made such an enormous impact on him that eradicating poverty and want became a life goal for him.

⁴⁵ Cf. Beveridge, William 1936. “Soviet Communism.” *Political Quarterly* 2: 346–67.

creativity, renders work monotonous, and thus, the life of labourers would become entirely drab (Beveridge 1942, 1–20).

Even before its publication, the report induced great hope in governmental circles and beyond (Harris 1983, 253).⁴⁶ Expectations towards it and thus its importance increased as the Churchill Government refused all steps to improve health care fees but introduced several new elements of social policy during 1940 and 1941 (Fraser 1992, 210–13; Glennerster 2007, 25; Wood 1982, 36–41). The plan outlined a new social security system that rests on universality (the idea of citizenship as the basis of security), is financed by contributions, and provides protection against all risks of life. Moreover, through its financial and in-kind benefits, the new system was designed to realise “a minimum standard of living below which no one should be allowed to fall” (Beveridge 1942, 9–17; 141–45).⁴⁷ The unified minimum standard of living benefit was set at 24 shillings (40 shillings for married couples). According to various contemporary sources, a weekly minimum standard of living comprised 15–20 shillings on average per person, so the Beveridge Plan indeed seemed to guarantee this level (Routledge 1943, 85–6; Davison 1943, 28–47).

The plan was also set out to unite the decentralised system of social security in Britain after the war by maintaining the autonomous self-government of private insurance companies, so no entirely new entitlements had to be created; instead, state coordination was to be placed over this system. In the new social security system available to every British citizen who wished to participate, means tested benefits were exchanged for universal social rights. This meant that, for example, in the United Kingdom health insurance with 32% coverage and accident insurance with 29% coverage would have increased to more than 90% coverage after the introduction of the plan (Beveridge 1942, 25–36). However, the Beveridge Plan was neither “revolutionary”, nor “socialist”, as one of its key features and virtues was the rationalisation of an otherwise decentralised system, and the joint fulfilment of earlier demands made by numerous social politicians in Britain in the 1920s and 1930s (Hill 1986, 281–2; Fraser 1992, 215–6). Glennerster points out that one instance of the latter is that in line with the Beveridge scheme, family allowances were introduced in the summer of 1945 (Family Allowances Act) (2007, 41–2).

In line with the principle of rationalisation, the Beveridge Plan would have placed the new system under the aegis of the newly established Ministry of Social Security, where private insurance companies would have functioned as public institutions. Beveridge essentially argued that unification yields a simpler, more efficient, and more economical institution (Davison 1943, 50–3). The argumentation of Beveridge, as will be shown below, showed similarities in this regard with Hungarian wartime reform plans. Although the Beveridge Plan did not go into details about the reconfiguration of the health care system, yet it stood for the establishment of a National Health Service offering free-of-charge service to insured citizens (Beveridge 1942, 48–54). In other words, Beveridge thought about health care as subsidised and supervised by the state that seemed to be substantiated by looking at the status of health care before the war.

⁴⁶ Beveridge had expounded his plan on post-war reforms already in the spring of 1942 at one of the meetings of the *Advisory Panel on Home Affairs* led by Sir William Jowitt. Many other conservative and liberal MPs gave lectures, too, at this meeting and criticised the expected high welfare expenses and the restrictions of individual rights.

⁴⁷ The budget incremented by social contributions was enlarged by tax revenues. To alleviate the burdens of the employee, the state and the employer were also obliged to participate in financing social security contributions. The benefits at the minimum standard of living were thought to guarantee that social insurance did not hinder workers’ free choice of employment.

The social and territorial disparities in terms of the availability of health care services and education were enormous in the interwar period (Glennerster 2007, 46–7), even though the so-called Emergency Medical Service (EMS) was organised in 1939 through which many less developed hospitals were modernised with state subsidies. Within the framework of the EMS covering two-thirds of all British hospitals, patients of both public and private hospitals were treated free of charge. The government significantly extended the service by 1944, so it established an early form of state hospital system (Glennerster 2007, 48–50; Fraser 1992, 213–4; Harris 2004, 286–8). Therefore, because of the expansion of the EMS between 1939 and 1944, inequalities of health care services available for British people of various social and income standing lessened tremendously. Beveridge thought that a better health care system with more equal distribution would yield higher-level services and cost less. This form of collectivism showed that the original liberal concepts of solidarity and egalitarianism altered; however, it did not foresee the considerable increase of costs due to systems offering extended services (Johnson–Cullen 2000, 228–9).

Irrespective the above-outlined differences in their economic philosophies, political parties had agreed already at the beginning of the 1940s that it was necessary to establish the National Health Service; however, they did not specify the form and authority of the new institution. It has not been unprecedented as the issue of health care reform had been addressed many times in British social policy in the 1930s. Most of the proposals discarded free-market solutions because the major problems of British health care originated from difficulties of redistribution, access, and funding. In 1939 National Health Insurance covered only less than 50% of the population. Family members of those having insurance did not have free-of-charge hospital care, while the fees of voluntary insurance were too high. There was a lack of specialists in hospitals, and the social and regional distribution of doctors and hospitals was also very unequal (Harris 2004, 242).⁴⁸ The oftentimes low-quality hospital care was aggravated by the fact that private hospitals continuously struggled with financial deficit, whereas relatively little amounts of capital was invested into public hospitals in the interwar period (Berridge 1990, 225–36; Harris 2004, 219–42; Harris 1983, 247–62). In this respect, British and Hungarian social policy showed great similarities (Cora 2021).

Beveridge envisioned public health care coordinated by the state as the only rentable and socially solidaristic solution within a universal and overarching state economic planning and political system realising full employment, which could increase the competitiveness of British industry as well (Beveridge 1945). In this regard, both Glennerster and Harris point out that Beveridge suggested an even broader and more profound state intervention than Keynes (2007, 22–3; 1983, 250–3). Besides reforms of social insurance, Beveridge planned to introduce controls on prices and wages, community house and property ownership, and the democratisation and extension of the education system.

Although at this point Keynes expressed his concerns about the possibility of successfully realising these plans, yet he also regarded bringing about full employment as the primary objective. According to Keynes, building a new system of increased state economic planning rapidly was strongly hindered by traditional British liberal economic policy scheme. The orthodox liberal economic policy, represented by theoreticians of the Manchester School of Economics, who believed in no or minimal state intervention and the self-regulation of the free market, was criticised and opposed by Keynes. In his work, *The General Theory of*

⁴⁸ However, in the interwar period the range of those covered in health insurance significantly grew. In 1922 only 10% of the total population had access to health insurance, while in 1938 more than 40% of them had been insured.

Employment, Interest, and Money (1936), Keynes argued for an economic policy stimulated by the state (1936). Beyond the financial and economic invigorating effect of workplaces, commissions and public works established and funded by the state, Keynes lucidly pointed out that the business sector would invest into new branches of industry to a greater extent, which in turn would enhance the rising levels of wages and consumption (Harris 1990, 85–9).

Because of these similarities between Keynes and Beveridge, Keynes became one of the most ardent supporters of the Beveridge Plan. He participated in the debate of the 1941 national budget in His Majesty's Treasury, where he successfully campaigned and managed to extend taxation to all British citizens, thus providing a firm ground for post-war financial reconstruction (Gardiner and Wenborn 1995, 77–8). And even if Keynes had qualms about the financial rentability of the plan and if it could be financed at all, other economists and politicians criticised the Beveridge Plan far more severely, primarily because of its “too broad” spectrum, “overarching” rationalisation, and the expected increase of budget costs. The most important forum of critiques—beyond parliamentary debates—was the so-called civil service committee (with a conservative–liberal majority) led by Sir Philip Thomas (Harris 1977, 422–6).

The debate of the plan (to be expected as a very savvy one) was scheduled for February 1943 in the House of Commons. Most of the criticism came from liberal and conservative MPs: they argued that the realisation of the plan would have meant a significant burden on the national budget, and it would have hurt British citizens' right to freedom on many points (Glennerster 2007, 9–11; Fraser 1992, 218–9; Harris 2004, 290–2; Harris 1977, 385–6). After the tough session of interpellations, however, the plan was accepted on February 19, and Churchill appointed the Sheepshanks Committee in April 1943 to investigate the rentability and feasibility of the plan. The committee generally accepted the suggestions of Beveridge and his colleagues, but it refused the idea of services based on the minimum standard of living, while it maintained the means test in British poor relief system and benefits. In the meantime, the Treasury wanted to keep Beveridge as far as possible from the negotiations on the budget, as the ministry devised its own economic and employment programme, which, however, would have introduced far more modest changes in the post-war years (especially with regard to the health care system and related costs) than the Beveridge Plan (Harris 2004, 428, 434–41; Harris 1977, 382–3).

The so-called Government' Social Security White Paper, published in 1944, basically accepted the suggestions of the Sheepshanks Committee (Harris 2004, 292; Harris 1977, 434–41; Fraser 1992, 220–1). At the same time, Keynes managed to convince the Treasury that universal social security is vital in the new system. Keynes's attempt was facilitated by the fact that during the Second World War, Great Britain gained access to considerable financial and material sources mostly due to the economic policy of deflation, foreign loans, and mainly the American Lend-Lease programme (Hill 1986, 271–3).⁴⁹ Albeit wartime welfare policy⁵⁰ focused on social groups mostly affected by warfare, yet it resulted in several novelties, including the wide-scale use of penicillin or canteen meals subsidised by the state. These measures impacted very positively on the assessment of the welfare state.

⁴⁹ The economic boom was enhanced by the quick expansion of war economy and defence industry. Moreover, the City of London received 27 billion USD between 1941 and 1945.

⁵⁰ The concept of the *welfare state* was born during the Second World War, when state plans worked out for reconstruction were contrasted with the *warfare* economy of Nazi Germany. Thus, the Archbishop of Canterbury, William Temple, used the term *welfare state* pinned against the Nazi *warfare state* (Flora and Heidenheimer 1981, 17–8).

According to Bernard Harris, the Titmuss-thesis can be verified in the sense that there was indeed a political consensus about the extension of welfare (Harris 2004). However, on the one hand, this consensus was mostly a result of the reaction to the wartime menace and action against the potential rise of extremist political forces. On the other hand, the ‘perseverance’ of this consensus was greatly facilitated by interlocking interests of joint endeavours of private branches of business and state companies from the 1930s. Therefore, the establishment of wide-ranging social security was linked to private business interests, too. Harris thinks that at the end of the 1930s even the idea of the corporatist state was begun to be supported in Great Britain (Harris 1983, 255–60). Nevertheless, the 1944 White Paper was cancelled after the landslide victory of Labour in July 1945, and the original propositions of the Beveridge Plan, far closer to the Labour Party, were foregrounded again.

The Birth of the Modern British Welfare State

The Labour Government led by Clement Attlee (Prime Minister from 1945 to 1951) built up the fundamental institutions, competences, and operation of the modern British welfare state between 1946 and 1948 based on the conception of Beveridge with only minor modifications (Berridge 1990, 237–41; Harris 2004, 289–90; Fraser 1992, 223–39). After the war, the government’s primary task was to maintain full employment, restore housing, and nationalise “key branches” of the economy and industry. However, because of the spiral of inflation and the crisis of the British national budget, they only managed to stabilise the economy only by the early 1950s, so the key branches of industry had to be nationalised (Garnett and Weight 2004, 367–8). It did not lead to the decrease of competitiveness nonetheless, because experienced businessmen were appointed as heads of leading state branches of economy and industry. To a certain extent, nationalisations helped the private sector as well: the state-owned subsidising of raw materials and energy meant an advantage for individual producers as opposed to foreign competition (Hill 1986, 288–90). In 1949, nevertheless, the pound sterling was devalued, as Britain’s dollar and gold reserves were depleted. The austere financial policy of the Chancellor of Exchequer, Stafford Cripps, the Marshall Aid (*European Recovery Program*), and foreign loans saved Great Britain from state bankruptcy eventually (Tomlinson 1998, 63–77).

Two essential achievements in the development of welfare institutions and social rights were the creation of the *National Health Service* and the codification of the *National Insurance Act*. Both were conceived based on the recommendations of the Beveridge Plan. The term “welfare state” gained positive connotation in this period, because the earlier *poor laws* which had stigmatising connotations were eradicated (Glennerster 2007, 2–4).⁵¹ In the short period of reconstruction after the war, the British welfare state developed in a quicker pace than other welfare regimes of continental Europe, especially the French or West German welfare state. This was mainly due to the consistent application of the six fundamental principles forged during the war and in the spirit of the Beveridge Plan: maintaining full employment, national minimum, equal and free access to health care and education, central state supervision, universal state subsidised benefits, and continuity (Garnett and Weight 2004, 506; Glennerster 2007, 3).

In line with the National Insurance Act accepted in 1946, the Minister of National Insurance, James Griffith worked out conditions which were more favourable even than those proposed by the Beveridge Plan. Griffith started out from the calculations made by Beveridge and

⁵¹ The term “social welfare” had existed in the 19th century, and it had had a positive connotation for John Ruskin, too, although it was related to a project to renew a preindustrial social ideal.

adjusted the benefits to the 1946 level (in terms of the real value of the pound sterling): weekly allowances were set to 26 and 42 shillings respectively, and in the case of old age pension insurance, the originally planned 20 years of waiting time was deleted and it came into effect immediately after the introduction of the law (Fraser 1992, 227–31; Hess 1983, 303–7).⁵²

However, unlike outlined in the Beveridge Plan, the new act established a less favourable situation for insurances, because it did not nationalise industrial insurances, and under the pressure of liberal demands, *friendly societies* were left out from state administration. Another problem was posed by inflation, as at the start of the new system in 1948, the real values of allowances and benefits, introduced in 1946, were low (Glennerster 2007, 12–3). Accordingly, it was specified that the level of allowances must be reviewed in every five years. Furthermore, in the new social security, the contributions at their 1948 level proved to be too high for those people with low incomes. The government compensated this with introducing the gradual payment of contributions (Hess 1983, 303, 305–6, 309–10; Glennerster 2007, 20–1).

In line with the new regulation of social security, poor relief was redressed by the 1948 National Assistance Act, which deleted earlier poor laws, left poor relief in the hands of local councils funded by the state, but maintained the *needs test* (Fraser 1992, 229–31, 271–2). However, the needs test was less strict and severe than the earlier means test. As the successive raising of allowances and benefits could not keep pace with increasing prices, thus many British citizens, mainly pensioners among them, also fell back upon poor relief as supplementary allowances (Hess 1983, 307–9). Therefore, the (partly) stigmatising effect of poor relief did not disappear from British social policy after the war.

The *National Health Service* introduced in 1948 established a universal, overarching, and free-of-charge health care system and services in Great Britain that was in no small measure the result of the meticulous work of the Minister of Health, Aneurin Bevan (Wood 1982, 44). Although the act had been passed already in November 1946, its introduction took two years because it met considerable resistance, primarily on the part of the doctors and medical societies. Hospital directors quite soon accepted the idea of state control, as it was only the British state that possessed the necessary resources after the war to carry out essential improvements in hospitals. As opposed to this, general practitioners and the *British Medical Association* started a campaign against the NHS and Bevan. The BMA intended the develop the already existing system to almost 90% of the population keeping the absolute independence of doctors that would have entailed the continuity of doctors' remunerations (Berridge 1990, 237–8; Harris 2004, 294–7). The campaign failed eventually because most of the British people supported the establishment of national health care, and the Head of the Royal College of Physicians, Lord Moran, ultimately decided to support Bevan in the spring of 1948 (Harris 1990, 102–3). Doctors became state employees but were paid head quotas based on the number of their patients. Furthermore, Bevan established a fund of 66 million pounds for retired doctors to supplement the surplus incomes they had gained from their previous practice.

The NHS provided a full health care and rehabilitation system for British citizens. However, several negative features of the pre-war health care system prevailed in the NHS. During the

⁵² The Act was supplemented by the *Industrial Injuries Act* which provided very favourable accident sick pay: 42 shillings for the insured every week, 16 shillings after the wife, and a weekly 7 shillings 6 dimes after every child.

improvements carried out in the 1950s, it became clear that health care service remained fragmented, with many territorial disparities. In the meantime, democratic control could only be realised in a relatively small radius, and contrary to earlier calculations, hospital costs increased “too rapidly” that further enhanced austerity measures (Berridge 1990, 239–41; Glennerster 2007, 14–5; Fraser 1992, 232–4; Harris 2004, 295–6; Hill 1986, 290).

The complete British welfare system was launched quite early, just 3 years after the end of the Second World War, on July 5, 1948. Howard Glennerster’s research, however, debunked several myths regarding the post-war development of British welfare (Glennerster 2007, *passim*). For this period Glennerster pointed out that one cannot describe the 1950s and 1960s as a “real golden age”, because both Conservative and Labour governments had to spend on significant welfare improvements. The second half of the 1940s cannot be regarded as an entire consensual period either, as the approval of main social policy goals masked a series of political conflicts. Therefore, modifying Titmuss’ thesis of wartime solidarity, Glennerster concludes that the Labour Party discarded radical, revolutionary change after the war, and in exchange, the conservative elite accepted the policy of extending social rights (2007, 55–66).

I agree with the criticism of Glennerster, however, I think building the modern welfare state in Britain along with post-war reconstruction was a tremendous historical effort. The Labour Party actualised Beveridge’s ideas that stood for a successful alternative of moderate socialist transformation of society. In accordance with this, such social groups, including poor people in need, women, and children, gained access to free-of-charge social security and health care services, who could get these only in exchange for fees. The success of the Attlee Government is further substantiated by the fact that the conservatives continued the social policy reforms of the Labour in the 1950s (Flora and Heidenheimer 1981, 20–2; Fraser 1992, 238; Harris 2004, 299–300).⁵³

In Great Britain, a trend similar to post-war Hungarian social policy and health care development emerged: inequalities were reproduced in the distribution of resources and costs. At the same time, based on the examination of the implementation of the Beveridge Plan in Great Britain, many similarities can be found in relation to Hungarian social-political development. The war also acted as a catalyst for Great Britain. Although the Beveridge system developed from the British liberal social policy traditions, yet during and after the Second World War there was continuity with the programs that had already started like in the case of the Hungarian Bismarckian model. Churchill’s Conservative and then Attlee’s Labour Governments basically built the modern British welfare state based on Beveridge’s proposals. This draws attention to another similarity: behind the political consensus regarding the main welfare issues of the 1940s, there were several conceptual differences and political confrontations. Beyond the greater structural similarities between British and Hungarian wartime social policy, however, it was questionable which ideas of the Beveridge Plan the Hungarian social politicians of the time wanted to use.

The Reception of the Beveridge Plan in Europe and Hungary

The Beveridge Plan was widely accepted in the European states in 1943, in the year of the debate in the British House of Commons (Jones 1992). On the one hand, this resulted from the openness towards universalism and wartime social policy innovations. On the other hand, those social political transformations similar to those of Britain, also started in other European

⁵³ The new conservative party platform accepted in March 1947 (the so-called *Industrial Charter*) made it clear that the conservatives interiorised the idea of welfare expansion and greater state intervention.

countries. The social politicians of the Axis countries—opposed to the British primarily for ideological reasons—emphasized the belatedness of the English plan and that it lagged behind the German and Italian social reforms. The National Socialist German Labour Front also promised a universal system, but at the same time, referring to the war, did not realise it (Hámori 2006, 99–101; Cora 2013, 115–6).

Although it was also widely received in East-Central Europe, these standpoints mostly focus on the analysis of the Beveridge Plan's shortcomings. The echoes were particularly unfavourable in Slovakia and in the Croatian press. Furthermore, the Soviets also refuted the plan arguing that the proposed reforms by Beveridge had already been exceeded (Hámori 2006, 101, 106–7).

“Neutral countries” were generally the exception to the above-mentioned, biased evaluations. Economics professors G. Cassel in Sweden and A. Bohren in Switzerland evaluated the plan and the potential reception of its ideas. Cassel's opinion was that the plan would only be successful if the given country were able to produce stable economic growth, keep unemployment under control, and were also able to guarantee the stability of its currency, i.e. the low level of inflation. In his view, it was also questionable whether the population and the active “spirit of entrepreneurship” would bear the increased burdens of progressive taxation, which is the key to maintaining the health care system. According to Bohren, the plan could be applied in Switzerland, but at the same time, full employment cannot be maintained, and due to the strong autogenous traditions of Swiss social policy, private insurance companies cannot be nationalized either. The agricultural sector cannot be insured in Switzerland, as it is far less developed than in England, and would not be able to bear the burden of contributions (Mihelics 1943, 175–7). Among the European welfare states after 1945, the principle of citizenship formulated in the plan prevailed the most in Sweden, Denmark, and Finland (Ritter 1991, 151–2).⁵⁴

The reception of the Beveridge Plan also appeared in Nazi-occupied France, as due to traditionally strong union and employer opposition, the mandatory social security system in France only came into effect in the years after the Great Depression (Schmid 1996, 74–6). After 1940, the spirit of the *résistance* and the war itself catalysed welfare reforms, so the resistance movement included the idea of building a comprehensive social security system in its social program. In 1944, the National Council of Resistance formulated its proposal for the expansion of social security in the spirit of the Beveridge Plan. According to this, a strong redistribution function would have been enforced in post-war French social security: the benefits of socially disadvantaged workers and their family members would have been supplemented from the payments taken from the more affluent groups (Ritter 1991, 154–5; Castel 1998, 338–9).

As in Great Britain, after 1945 the establishment of the modern welfare state started in France based on the reform proposals adopted during the war. Pursuant to the decree of October 4, 1945, the purpose of general social insurance was the social protection of employees (45-2258. nr. Gov. reg. *Journal Officiel*, 1946/6280). In fact, this universalistic principle was also implemented in the new social security law adopted on May 22, 1946, which introduced accident insurance in addition to mandatory pension and sickness insurance. The welfare system created with the intention of “social equalization” guaranteed a minimum subsistence level, and integrated private insurance companies into the state system, similar to the British

⁵⁴ In Scandinavian countries, the means-tested allowances were exchanged for universal social security based on citizenship.

National Insurance Act (Castel 1998, 340–1; Ritter 1991, 155–6). However, due to the expressed social resistance to centralization, social insurance provided by several insurers, providing services in different forms of benefits and according to varying entitlements, remained in force (Schmid 1996, 76–7). Due to its exclusivity, the French system remained more decentralized than the British and operated a much smaller bureaucracy. Although it was not received without criticism in almost any country, Beveridge’s reception was in line with the catalysing processes induced in social policies by the war (Ritter 1991, 107–8).⁵⁵

In line with the Swiss, Swedish, and French examples, the Hungarian reception was wide-ranging as well. As early as 1943, numerous newspaper articles and publications dealt with the Beveridge Plan.⁵⁶ It is typical of the Hungarian reception that it tried to emphasize the positive and innovative aspects of the plan. This is partly because in the second half of the 1930s, a generational and conceptual change took place in Hungarian social policy. As a result of this, a more decisive and active social policy became generally accepted, which included the need for productive social policy and conscious state reform. The main social politicians of the “new generation” also defined their tasks in this context. One of the leading social politicians of the era, Béla Kovrig, explained that a wider and more inclusive social insurance is not only a national problem, but also a challenge to the existing political authority. In addition to this, I think that another reason for the wider Hungarian reception is that the universalistic approach of the Beveridge Plan coincided with many previous Hungarian social policy initiatives (Kovrig 1936, 51–55). The plan primarily showed parallels with the proposals made by the social democrats in the 1930s. However, it could also be brought into line with concrete expansion ideas, such as Béla Kovrig’s 1940 idea of compulsory social security for small capital holders.⁵⁷ In its broader context, with the intended improvement of the living standards of the poor, productive social policy also aimed to guarantee the minimum subsistence level. However, productive social policy was not implemented within the social security system. Antal Mihálffy highlighted the completely new approach to general public welfare, while Béla Kovrig considered effective protection against full employment and unemployment to be the most important part of the plan

⁵⁵ During the war, the pursuit of a more equal distribution of income and social benefits, playing down poor relief, the idea of a national minimum wage, a health care system financed by state taxes, and an economic policy oriented towards full employment became generally accepted. It was also at this time that the juridical connection of social and citizen rights, the new idea of *citizenship*, which the conservatives connected more to work, while the social democrats more to the right of the subject, spread as a general argument.

⁵⁶ Just to mention the most important ones: Kicsoda Beveridge? [Who is Beveridge?] *Magyar Nemzet*, 1943. június 27.; Ajtay János: Küzdelem a nyomor ellen. Az erőhatalom korszakát az igazságosság korszakának kell felváltania. [Struggle Against Want. The Era of Power Policy must be followed by the Era of Justice] *Magyar Nemzet*, 1943. július 23.; Balla Antal: A Beveridge-terv. [The Beveridge Plan] *Pesti Hírlap*, 1943. március 20.; Bornemisza Géza: Ungarische Sozialpolitik und Beveridge-Plan. *Pester Lloyd*, 1943. január 1.; Kovrig Béla: A Beveridge-javaslat. Az angliai szociális átalakulás törvénye. [The Beveridge Report. The Law of Social Transformation in England] *Nemzeti Újság*, 1943. március. 7., 10., 11.; Mihálffy Antal: A biztosítás eszméje a Beveridge-tervezetben. [The Idea of Security in the Beveridge Plan] *Szociális Szemle* 1943. 5. évf. 2.sz. 5-6.; Pulay Gábor: A Beveridge-terv. [The Beveridge Plan] *Külügyi Szemle* 1943. 20. évf. 3. sz. 218-224.; Tóth Béla: A Beveridge-terv. [The Beveridge Plan] *Szociális Szemle* 1943(a). 5. évf. 3. sz. 7-8. In the following, translations, if not indicated otherwise, are made by the author of this paper from the original Hungarian.

⁵⁷ Before 1940, artisans in Hungary did not have compulsory social insurance. They did not have to pay contributions, which significantly increased their competitiveness against the manufacturing industry burdened with numerous social policy obligations. Motorization, which began to spread in Hungary in the first half of the 20th century, also enhanced the success of small industrial enterprises. This was further guaranteed by the “joint sales and purchasing offices” organized in the interwar period. These offices provided their members with cheaper raw material procurement and better sales conditions. Kovrig 1940, 88–90.

(Mihálffy 1943, 5–6). Kovrig used the analysis of the plan to shed new light on the shortcomings of the social policy of the Horthy era.⁵⁸

The main exponent of the plan in Hungary was Vid Mihelics. The prominent contemporary representative of Hungarian Christian Socialism also pointed out in relation to unemployment insurance that it should become a basic principle in post-war Hungarian social policy that where the real wage cannot guarantee minimum subsistence, social insurance should supplement it (Mihelics 1943, 184–5).⁵⁹ However, for Mihelics, the right to a minimum subsistence level is not only a peculiarity arising from the development of civil rights, but a category of Christian natural law. Mihelics refers to Thomas Aquinas when explaining this category: the neo-Thomist concept does allow the restriction on other people's property—in this case the introduction of state redistribution systems—but only to the point that this does not conflict with the person's right to subsistence (Mihelics 1943, 190–3). Kovrig linked this thought to the role of war as a catalyst.⁶⁰

In the Hungarian reception of the Beveridge Plan, very important references are made to the fact that the welfare transition must be connected to the larger-scale reorganization of the world economy. The economic policy that replaces the liberal concept with full employment and prioritizing state intervention may use national risk sharing and even wealth redistribution to create the social foundations of subsistence. In this regard, in my view, the conclusions drawn following the reception of the Beveridge Plan and the ideas behind productive social policy could have been aligned. Social politician, Béla Tóth also emphasizes this in relation to the Beveridge Plan.⁶¹ In connection with this, however, Tóth also voiced his critical comments: by guaranteeing the national minimum wage, it is questionable whether the new social policy would not hinder the desire to work and find employment. Although the Beveridge Plan stipulates universal entitlement, services in the planned social insurance are still linked to the payment of contributions, so those social groups that are unable to pay contributions regularly will have to rely on poor assistance in the future, too (Tóth 1943b, 259–60). However, this function can also be positive. In this regard, Vid Mihelics explained that where the wage is not sufficient to reach the minimum subsistence, the social insurance is supposed to make up for it (Mihelics 1943, 185).

⁵⁸ “Beveridge's plan is not egalitarian in spirit at all, it is not an idea that strives for unanimity at all costs. In terms of its essence, it can be said to be rather conservative: it has a strong family protection attitude, it serves the unity of the family, keeping the wife at home, allowing for the possibility of this, it wants to promote capital accumulation and thrift; where it would be forced to take away rights, such as in connection with the nationalization of the national insurance for average people, it plans full compensation for shareholders, companies, and private economic agents and fights institutionally against evasion and laxity of labour. Point by point, it proclaims the importance of private initiative, the entrepreneurial spirit, the principle of civil liberty and protects its validity with a multitude of planned measures.” (Kovrig 1943).

⁵⁹ Here, Mihelics prefaces the theory of the development of civil rights developed by T. H. Marshall, insofar as, after human and civil rights, social rights must also form a fundamental part of modern civil rights by the 20th century. Cf. Marshall 1965, 78–90.

⁶⁰ “War causes such profound transformations that no warring society can survive without significant deviations from previous social life. Therefore, reform and social reformation necessarily follow from war.” Kovrig 1943b. Similar ideas were professed by Béla Tóth as well. Cf. Tóth 1943a, 7.

⁶¹ “Since labour is, on the other hand, capital that citizens consume during a life of work in such a way that the public also benefits from it, it should be considered a natural task of society to help its members who are out of work because of old age. However, it must also be of assistance when, following the instinct to maintain the race, it founds a family and raises children, because by creating new subjects of the social economy, it renews the stock of society itself and renders a service to the public far exceeding its own interests. Therefore, all the most important aspects of this social cell formation can rightfully be of interest to the state, and those who take on its burdens can legitimately demand that the public make it easier for them to bear it.” (Tóth 1943b, 258).

Another important aspect of reception related to the national minimum wage and national redistribution is the question of financing. For the Hungarian welfare system to be able to finance the allowances of the numerous legal insurance relationships arising due to the expansion, it must switch from the capital coverage system to a pay-as-you-go system, at least partially, because this is the only way to guarantee the continuous services for all the newly insured. This step would mean a heavy financial burden, but at the same time, after the war, all resources would have to be used to restock the national wealth (Mihelics 1943, 180–2). The Hungarian reception of the Beveridge Plan thus provided novel arguments for the supporters of the pay-as-you-go system.

However, in addition to the positive reactions of the politicians, there were also Hungarian echoes very similar to the German and Italian rejectionist positions. Trade Minister Géza Bornemisza condemned the plan in her New Year's speech in 1944.⁶² In relation to Bornemisza's criticism, Mihelics noted that the form of legislation *per se* does not mean a lower level of services, since private or organizational assistance can provide higher benefits than social insurance. Gábor Pulay, the foreign policy commentator of the plan, was somewhat more restrained than Bornemisza's biased criticism (Pulay 1943, 218–24). Pulay's criticism actually represented the evolution of Hungarian wartime social policy after 1942: from 1943, as a result of the wartime priorities, the issue of social insurance was pushed into the background compared to the government's social policy, as the main budget support was focused on the National Fund for the Protection of People and Families (*Országos Nép- és Családvédelmi Alap* [ONCSA, National Fund for the Protection of Families]) (Hámori 2006, 104).⁶³

At the same time, the reception of the Beveridge Plan by the social democrats in Hungary was very diverse. The details of the Beveridge Plan had already been published in the program statement of the party congress of the Hungarian Social Democratic Party (MSZDP) in 1943 (Petrák 1978, 339–42). Although the Congress wanted to keep the entire social security administration and self-government, Károly Peyer and his supporters envisioned a unified system subordinated to a Ministry of Labor (*Az MSZDP Szociálpolitikai Osztályának iratai*, [Documents of the Social Policy Department of the Hungarian Social Democratic Party] (PIL), 658. f. 13. cs. 151. ö.e.). The opinion of social democrats on unification was in agreement with several other contemporary conceptions. However, the debates about a unified ministry had been continuously present in various forums dealing with social policy since 1932 (Varga 1943). During the implementation of ONCSA's program in 1943, László Tegzes also raised the plan of a unified ministry. The concept of an independent Ministry of Social Affairs and the unified public health and social insurance subordinated to it was supported by most of the civil servants and trade unions, because this conception also included the nationalization of public health care and the merger of private insurance companies (*Az MSZDP Szociálpolitikai Osztályának iratai*, [Documents of the Social Policy Department of

⁶² “The plan did not bring anything new, and essentially follows the paths already trodden in Hungary. At most, its content shows differences that inevitably arise from the different opportunities of richer and poorer nations. For us, Hungarians, who—at least in terms of industrial social policy—have surpassed the country from which Europe has only learned industrially, it is a special satisfaction that such a plan could even arise in England.” Bonemisza was a former “Gömbös nestling”, and during the war he became an ardent supporter of Hungary's alliance with Nazi Germany (Hámori 2006, 101).

⁶³ The National Fund for the Protection of People and Families (Act XXIII of 1940) was a national social policy programme in the framework of which the fund gave loans to poor families from which they could build houses between 1941 and 1944. According to various estimations, the number of houses completed by 1944 was between 12000 and 15000 (Hámori 2006, 104; Ferge 1986, 100–1).

the Hungarian Social Democratic Party] (PIL), 658. f. 13. cs. 151. ö.e.). The idea of creating an independent ministry was therefore confirmed by the reception of the Beveridge plan.

During 1943, the plan appeared in the social democratic press and in propaganda materials. The articles published in *Népszava* linked the presentation of the plan to the old demands of socialist movements.⁶⁴ The Beveridge reception did not mean the development of a completely new concept for the social democrats either, as some of the ideas expressed during the discussion of the plan were already elaborated in detail by the party's medical group in 1939. The more important related points of the 1939 proposal were the extension of health insurance to village workers; insuring the disabled, the unemployed, orphans and the elderly on the basis of citizenship; improving health care and making it freely accessible; the introduction of a secret election system at all insurance companies; introduction of free choice of doctor in social insurance; provision of doctors; the state subsidisation of the OTI (National Institute of Social Security) and the distribution of the insurance deficit over several years (*Az MSZDP orvoscsoportjának programja* (1939). [*The Programme of the Group of Doctors of the Hungarian Social Democratic Party*] SOL 306. f.)

The 1943 draft of the MSZDP was eventually based on these earlier demands of the social democrats and now on the reception of the Beveridge Plan. In addition to self-government and democracy, the social democrats wanted to reduce the social security and health bureaucracy as an important objective (*Az MSZDP Szociálpolitikai Osztályának iratai* [*Documents of the Social Policy Department of the Hungarian Social Democratic Party*]). However, in contrast to the conservative and Christian-democratic ideas, the idea of a universalistic extension of social security was much more prominently accentuated among the social democrats. According to the party's experts, this could have only been achieved with greater state intervention. Therefore, in addition to the employer and the employee, the state must also take a significant part in bearing the costs of the new system.

These aspects can no longer be fully explained by the influence of the ideology of the labour movement. When presenting his arguments and counterarguments in favour of expanding the social security system, Sándor Propper, one of the leading social politicians of the party, already refers to the Beveridge Plan when justifying his findings.⁶⁵ So, work and its provision came into the focus: primarily through guaranteeing the right to work or, in the absence of it, unemployment insurance.

In Propper's interpretation, full employment and unemployment insurance can eliminate the most serious risks of the labour market. In this regard, Propper also identified five sources of want, precisely in the order in which they can be read in the Beveridge Plan: disease, ignorance, squalor, unemployment, and poverty (*Propper Sándor szociálpolitikai iratai* [*Social Policy Papers of Sándor Propper*]). The writers of the 1943 draft of the MSZDP argued that all citizens must be insured—universal social insurance is needed. The allowances cover all risks and include unemployment benefits. The social democratic proposal intended

⁶⁴ *A Beveridge-terv előzményei*. [The Antecedents of the Beveridge Plan] *Népszava*, April 11, 1943; *A szociális olajcsepp a szociális biztosításig*. [From Social Oil Drops to Social Security] *Népszava*, May 8, 1943; *Szociálpolitikus: Munkásság és munkásvédelem. A Beveridge-terv. A Szociáldemokrata Párt kiadása*. [Social Politician: Labour Class and Labour Protection. The Beveridge Plan. The Publication of the Social Democratic Party] Budapest, 1943, MSZDP; The articles which appeared in propaganda materials are analysed in detail by Katalin Petrák. Cf. Petrák 1978, 340–342.

⁶⁵ “[...] social security [...] is the most perfect social security network plan so far. [According to the Beveridge Plan]: every worker has the right to a workplace, if the state cannot provide it, it must take care of it through insurance.” (*Propper Sándor szociálpolitikai iratai* [Social Policy Papers of Sándor Propper]).

to introduce the latter as an income supplement, which would have guaranteed the subsistence minimum and, at the same time, would have provided financial assistance for retraining in case of long-term unemployment.

However, in the face of this broad reception, several political forces that formulated social programs either rejected the plan or lacked any reflection. The assessment of the Arrow Cross Part [Nyilaskeresztes Párt] reflected the approach of the German National Socialist movement: for the Hungarian social policy, which was developing on separate paths, the German model was much more forward-looking and more ambitious. As has been mentioned above, the social policy of Hitler's wartime Germany also advocated a universalistic expansion of social security, but at the same time, the investments of the Third Reich's war economy were given priority. Due to the total war, the Hitlerite government envisioned the implementation of this for the post-war period. Like the Arrow Cross Party, the Communist Party of Hungary did not deal with the Beveridge Plan either, because they considered the social policy of the Soviet Union to be more progressive in spirit.

The most comprehensive refutation of the plan, based on economic arguments, was formulated only by Hungarian liberal economic theoreticians, just like the British liberals. According to them, if the Hungarian social policy were reformed in the spirit of the plan, it would put an excessive burden on the budget and reduce the willingness to work, since unemployment benefits would not only be served in the form of labour for the destitute but would be paid to the non-destitute as well (Hámori 2006, 103–4).

All in all, it can be concluded that the Beveridge Plan was received adaptively and selectively in Hungarian social policy. The Beveridge Plan was present in Hungarian social political thinking and discourse from 1943. The evaluation of the plan and the exploitation of its arguments were from the outset linked to the key issues of Hungarian social policy—unemployment, the unification of social security, and the method of financing the programs. This is supported by the fact that the reception of the plan also coincided with the objectives of productive social policy, one of the major welfare programmes of the late 1930s, early 1940: guaranteeing the subsistence minimum and independent existence became a central element of both welfare paradigms. By using Beveridge's arguments, certain social political ideas may have been more effectively justified in Hungary. This was clearly seen in the social policy discourse of the MSZDP during the Second World War: the conceptual toolbar and system of arguments of the British plan became a recurring element in the justification for universalism and unemployment insurance for the Hungarian social democrats. It is further substantiated by the fact that the reception also appeared in connection with the reform of the agricultural labourers' social insurance, and that the plan also received a positive reception in Hungarian social policy between 1945 and 1948 in general.⁶⁶

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⁶⁶ Due to limitations of this study, the reception of the plan in post-war Hungarian social policy could not be discussed in detail, which will be the topic of a future essay.

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