Funding the Future

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*This is one of a series of posts that will ask what the most pertinent question raised by a prominent influencer of political economy might have been, and what the relevance of that question might be today. There is a list of all posts in the series at the end of each entry. The origin of this series is noted here.*

*After the first two posts in this series, the topics have been chosen by me, and this is one of those. This series has been produced using what I describe as directed AI searches to establish positions with which I agree, followed by final editing before publication.*

*William Beveridge (1st Baron Beveridge) was a British economist, civil servant, academic and Liberal politician best known as the architect of the UK welfare state despite his eugenicist views, which he shared with another Liberal peer, (Lord) John Maynard Keynes. I might not share some of his views, but it is indisputable that William Beveridge changed the UK for the better and helped prevent the country from returning to the horrors of the pre-war economy. For that reason, he deserves to be in his series of major economic thinkers.*

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William Beveridge was not a revolutionary. He was a careful civil servant, a statistician, an academic, a liberal reformer and a Liberal politician. Yet the impact of his 1942 report, *Social Insurance and Allied Services*, was revolutionary nonetheless. In the midst of war, with Britain exhausted, indebted and under bombardment, Beveridge articulated a vision of social security so comprehensive and so morally compelling that it reshaped the British state for a generation.

Beveridge identified five "Giant Evils" that modern society must confront if it is to be just, describing them as:

* Want

* Disease

* Ignorance

* Squalor, and
* Idleness.

His argument was not abstract. It was practical, administrative and rooted in lived experience. Poverty, he argued, was not a moral failing but a systemic risk. Insecurity, he argued, was not inevitable; it was a consequence of policy choices.

The Beveridge Report promised something radical in its simplicity: that a wealthy society could guarantee its citizens freedom from fear of:

* hunger,
* illness,
* unemployment,
* old age, and
* destitution.

Hence the William Beveridge question: ***If a society knows how to abolish want, why does it repeatedly choose to tolerate insecurity, inequality and preventable hardship instead?***

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***Security as the foundation of freedom***

Beveridge rejected the idea that freedom exists in the absence of state support. On the contrary, he argued that true freedom depends on security. A person constantly at risk of poverty cannot plan, participate or flourish. Insecurity narrows horizons and corrodes civic life.

Social insurance was, therefore, not charity. It was a collective investment in freedom. By pooling risk across society and across the life course, the state could ensure that misfortune did not become catastrophe. This insight remains foundational, and routinely ignored by those who equate freedom with the absence of government.

***Universality, not stigma***

One of Beveridge’s most important design principles was universality. Benefits should be available to all as a right, not dispensed selectively as a favour. This was not just administrative efficiency; he made it clear that it was a moral necessity.

Means-testing, Beveridge knew and so asserted, creates stigma, complexity and exclusion. In contrast, universal systems create solidarity. They embed the idea that social security is something we all contribute to and may all need. The post-war welfare state drew its legitimacy from this principle, and its erosion has tracked the erosion of trust ever since.

### ***The post-war settlement — and its unravelling***

For a time, Beveridge's vision worked. The welfare state dramatically reduced poverty, improved health outcomes, expanded education and stabilised society. It underpinned decades of rising living standards and social cohesion. In doing so, it provided something else: a sense of social stability and cohesion that the UK had never previously enjoyed.

However, from the late 1970s onward, this settlement was dismantled. Social security was reframed as dependency. Public provision was cast as inefficiency. Collective risk-sharing was replaced with individual responsibility, regardless of circumstance.

The result was predictable: rising insecurity, widening inequality, and the return of the poverty that Beveridge thought had been banished.

### ***Beveridge versus austerity***

Beveridge believed the state had a duty to maintain full employment. Work was not just income; as far as he was concerned, it was also about dignity, participation and purpose. Austerity policies that tolerate mass unemployment would have been anathema to him.

Yet modern governments routinely accept unemployment, underemployment and precarity as usual, and even necessary. Simultaneously, they treat social security as a cost to be minimised rather than a stabiliser to be strengthened. In doing so, they recreate the very conditions Beveridge sought to eliminate.

### ***The moral failure of "we cannot afford it"***

Perhaps the most pernicious modern argument against Beveridge's vision is that it is unaffordable. This claim collapses under scrutiny. Wealth has grown enormously since 1942. Productivity has soared. Resources exist.

What has changed is the distribution of wealth and the political will to use it for public purposes. The refusal to fund social security adequately is not an economic necessity but a choice: to prioritise low taxes on wealth, permissive corporate regulation, and financial accumulation over social protection.

Beveridge would have recognised this immediately. Want persists not because it is unavoidable, but because it is tolerated.

### ***What answering the William Beveridge Question would require***

To take Beveridge seriously today would require more than nostalgia. It would require rebuilding the social foundations he believed essential to freedom. That would mean:

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Restoring universality, moving away from punitive means-testing toward rights-based provision.

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Guaranteeing income security, ensuring that no one falls below a socially acceptable standard of living.

*
Recommitting to full employment, using fiscal policy to ensure work is available for all who want it.

*
Investing in public services, health, education, housing and care as social infrastructure, not market commodities.

*
Reframing welfare as collective insurance, not as failure, but as mutual protection across the life cycle.

These are not radical demands. They are the logical extension of a society that claims to value dignity.

### ***Inference***

The William Beveridge Question exposes one of the deepest hypocrisies of modern political economy. We live in societies far richer than the one Beveridge addressed, yet we tolerate levels of insecurity he would have found morally indefensible. We possess the knowledge, institutions and resources to abolish want, and yet choose not to.

Beveridge reminds us that poverty is not a natural condition. It is a policy outcome. Social security is not a burden on society but a precondition for its health.

To answer his question is to accept a simple truth we once understood: a civilised society does not ask whether it can afford to protect its people; it asks whether it can afford not to.

***Previous posts in this series:***

* ***The economic questions***
* ***Economic questions: The Henry Ford Question***
* ***Economic questions: The Mark Carney Question***
* ***Economics questions: The Keynes question***
* ***Economics questions: The Karl Marx question***
* ***Economics questions: the Milton Friedman question***
* ***Economic questions: The Hayek question***
* ***Economic questions: The James Buchanan question***
* ***Economic questions: The J K Galbraith question***
* ***Economic questions: the Hyman Minsky question***
* ***Economic questions: the Joseph Schumpeter question***
* ***Economic questions: The E F Schumacher question***
* ***Economics questions: the John Rawls question***
* ***Economic questions: the Thomas Piketty question***
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* ***Economic questions: The Nancy MacLean question***
* ***Economic questions: The David Graeber question***
* ***The economic questions: the Amartya Sen question***
* ***Economic questions: the Jesus of Nazareth question***
* ***Economic questions: the Adam Smith question***
* ***Economic questions: (one of) the Steve Keen question(s)***
* ***Economic questions: the Stephanie Kelton question***
* ***Economic questions: the Thomas Paine question***
* ***Economic questions: the John Christensen question***
* ***Economic questions: the Eugene Fama question***

* ***Economic questions: the Thomas Hobbes Question***
* ***Economic questions: the James Tobin question***

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