

From Public Charity to Putting the Poor to Work On the Speenhamland System

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The Speenhamland system, the early 19th-century precursor of guaranteed minimum income wage, still fuels the debate over social protection. This article takes a look back at a controversial episode in British social history.

The Speenhamland experiment (1795–1834) set a famous precedent in economic and social history. It owes much of its fame to Karl Polanyi, who, in his landmark book *The Great Transformation*, ¹ gives prominence to this episode of English history. He presents Speenhamland as a turning point, as the prelude to the upheavals of modern capitalism and the origin of the social problems of our age. Polanyi's thesis is well known: by establishing a living wage of sorts, a "right to live," the English magistrates obstructed for nearly 40 years the advent of a real employment market; they prevented for a while the proletarianization of the masses and the total "de-socialization" of the economy. Except that this initiative turned out to be not such a great idea in practice. Polanyi stresses in particular the effects of this experiment on the economy and society, which were so disastrous that Speenhamland ultimately represented the "snug misery of degradation." This failure eventually ushered in economic modernity in the form of a "self-regulating" market.

However, we must beware of what Paul Ricœur calls the "retrospective illusion of inevitability." The limitations or failings of Speenhamland certainly fostered the rapid growth of a market system freed from all impediments, and yet they do not suffice to account for that profound economic, political and social transformation. The victory of free market fundamentalism also illustrates the role of ideas – and not merely economic interests – in

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¹ Polanyi, K. (1944). The Great Transformation. New York: Farrar & Rinehart.

² The magistrates, or Justices of the Peace, had extensive administrative responsibilities in England at the time. Appointed by the Crown or the local Lord Lieutenant representing the Crown in each county, they were in charge of various aspects of local life: they administered justice, of course, but also oversaw the maintenance of law and order, licensed the opening of inns and taverns, made appointments to certain subordinate posts, and determined and divvied up among the country parishes expenditures for the upkeep of roads, bridges, prisons, almshouses, etc.

interpreting the political changes.³ In the early 19th century, Speenhamland was indeed the focus of a heated – and decisive – debate pitting those who believed poverty resulted from political inaction and from the malfunctioning of existing laws against those who blamed those very laws for the poverty they were supposed to combat. The upshot of this debate was to seal the fate of Speenhamland: in 1834, the lawgivers deprived individuals of the "right to live" they had been previously granted and thenceforth obliged them to react to market signals.

The questions that were raised at the time, and for the first time at that, never ceased to fuel subsequent public debate in one way or another: How do we reconcile economic and social interests? How do we guarantee individual freedom, responsibility and dignity at the same time? To do so, is it necessary to establish a "subsistence income" independent of the market's endorsement? This pioneering experiment also raised in a flagrant manner the question of the construction, in short, of the modern individual: With what "supports" can an individual exist, as such, positively? Consequently, the study of the Speenhamland system is never sealed up in the past, for the stakes involved in rehabilitating or condemning this emblematic experiment go far beyond a mere historical analysis. Regarded by some as a veritable foil and presented by others as a utopian project or a salutary policy, Speenhamland in fact constitutes an evocative episode which the specialized literature has often drawn on in order to close off or – more seldom – to open up the scope of possible policies. Clarifying this experiment itself, as well as the critiques and debates it triggered, is a means of showing that the example – or counter-example – of Speenhamland still sheds light on social policies implemented today.

Origins and originality of the Speenhamland system

From the end of Queen Elizabeth's reign in 1601, England had a more complete and effective system of relief for the destitute than those in effect on the Continent at the time. This system, under the Act for the Relief of the Poor 1601 (popularly known as the "Old Poor Law"), was at once the expression of a certain rural paternalism and a tool for maintaining the existing order. For the first time, it made poor relief a legal obligation and each parish had to levy a specific tax whose revenue was allocated to relieving poverty. However, the law painstakingly distinguished the disabled and orphans from the able-bodied poor: though merciful towards the former, it systematically provided for putting the latter to work in workhouses and dealt severely with "reprobates" who balked at the prospect of physical exertion. The principle of domiciliation underpinned the whole system: since each parish was required to minister to its own poor, the law required every individual to be legally tied to a parish. The principle of domiciliation, an essential but contested regulator of Elizabethan poor relief, was amended several times in the 17th and 18th century in order to contain self-seeking local interests – as parishes objected to the arrival of additional and undesirable poor people – and not to impose excessive impediments on labor mobility.

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³ Campbell J. L., 1998, "Institutional Analysis and the Role of Ideas in Political Economy", *Theory and Society*, Vol. 27, No. 3, p. 377–409; Somers M. R., Block F., 2005, "From Perversity to Poverty: Ideas, Market and Institutions over 200 Years of Welfare Debate", *American Sociological Review*, Vol. 70, No. 2, p. 260–287.

⁴ Castel R., Haroche C., 2001, *Propriété privée, propriété sociale, propriété de soi*, Paris, Fayard.

⁵ Tawney R. H., [1922] 1969, Religion and the Rise of Capitalism, Harmondsworth, Penguin Books.

⁶ Leonard E. M., [1900] 1965, The Early History of English Poor Relief, London, Frank Cass.

⁷ Taylor, J. S., 1976, "The Impact of Pauper Settlement, 1691-1834", Past and Present, No.73, p. 42-74.

The Old Poor Law was rarely applied to the letter in England's 15,000 parishes: "the Old Poor Law was profoundly adaptable," points out Michael Rose, underscoring the variety of relief measures and the autonomy of local authorities in coping with the vicissitudes of the economy and the vagaries of the climate. From 1750 on, however, the system tended to become increasingly chaotic, for the parishes had to react swiftly to the rapid deterioration of the economic and social situation. On the one hand, population growth, which was particularly pronounced in the second half of the 18th century, made for more and more idle hands in the countryside. On the other hand, the modernization of farming and the fencing off of the commons to create enclosures, which were necessary for the development of the textile industry, deprived many peasants of a not inconsiderable source of income. The ensuring pauperization of village communities was further aggravated by the gradual disappearance of cottage industries, which little by little gave way to factories. It is in this context that certain counties decided to accord wage supplements to laborers. Others chose to facilitate "outdoor relief' (i.e. assistance in the form of money, food, clothing or goods provided to those who still resided in their own homes), and still others implemented specific relief measures for large families. In Dorset and Oxfordshire, for example, from the early 1790s the parish authorities began drawing up sophisticated mechanisms designed to augment the peasants' resources. 10

In this light, the system imagined by the local magistrates who assembled in Speenhamland, Berkshire, in May 1795 was by no means a daring innovation. Here again, the object was to alleviate the distress of the most destitute amid a rapidly deteriorating economic situation due to Britain's involvement in the war against France and due to the poor harvests of the previous years, which had increased the prices of food staples. But their object was also to curb social unrest by preventing the food riots that were breaking out in various locations from spilling over into the political realm. 11 So the Speenhamland system was designed to ward off this twofold risk of famine and civil unrest. To this end, the Berkshire magistrates decided to use the poor rates (taxes levied on property in each parish) to fund a supplement to top up earned income for the working poor. They did innovate, though, in graduating the amounts of this supplement according to a detailed scale, allowing at once for the size of each family and the price of grain. In deciding that every rise in grain prices had to be accompanied by a corresponding increase in relief according to the number of children in each family, the English magistrates thus established a sort of minimum income index-linked to the cost of living. From then on, what was called the Speenhamland or "allowance" system came to mean relief allotted in cash indiscriminately, even to gainfully employed laborers. This was no longer a conditional payment granted to a specific segment of the public: the guaranteed income system reversed the logic of poor relief, establishing a right to relief based on economic and demographic parameters wholly irrespective of persons. In the years following its implementation in Berkshire, this system was to spread progressively to several other counties in the south and, to a lesser extent, in the north of England.

Thus, Speenhamland constitutes a remarkable example of the creation of a new legal space, a legitimate alternative to the existing legal order. Following E.P. Thompson, historiography

⁸ Rose M., 1971, *The English Poor Law 1780-1930*, Newton Abbot, David & Charles, p. 13.

⁹ Marshall D., [1926] 1969, *The English Poor in the Eighteenth Century*, London, Routledge & Kegan Paul, p. 104-107; Laybourn K., 1995, *The Evolution of British Social Policy and the Welfare State*, Keele, Keele University Press, p. 17-20.

¹⁰ Neuman M. B., 1969, "A suggestion regarding the origins of the Speenhamland plan", *The English Historical Review*, Vol. 84, No. 331, p. 317-322.

¹¹ Booth A., 1977, "Food Riots in the North-West of England 1790-1801", Past and Present, No. 77, p. 84-107.

often interprets this gap between the imposition of norms on the one hand and social responses on the other, as the sign of the population's rejection of the market and its attachment to the old "moral and paternalistic economy." This "moral economy" is said to be embodied in a set of social norms that appeared to the majority of the population as inherited rights to be passed on to subsequent generations: the right to parish relief, the right to regular access to food supplies, the right to fair dealing, even a right for each person's earnings to be determined according to their needs, a right that materialized namely at Speenhamland. To be sure, this interpretation can be challenged by insisting, in the wake of Samuel Popkin and Dale Williams, on the constraints that paternalistic traditions imposed on the peasants, and on the strategies the latter employed to divest themselves thereof. The theory of the "moral economy," however, points up a crucial aspect of the Speenhamland system: the parishes reinserted a whole set of traditional rules and values into the existing legislative framework, with the consequence of substituting need for merit as the standard of fairness governing relief practices.

Critiques of the critiques

It is in this light that one can understand the English Liberals' dogged opposition to this "system of relief." Speenhamland nestled the individual in the folds of the social sphere, with all its rules, norms and institutions. Under the principle of domiciliation, the individual was taken in hand by the community, which employed him if there was work, fed him if he was hungry, and helped him raise his children, if he had any. This was the exact antithesis of the model of the independent and responsible individual, therefore concerned about his respectability. And this explains why criticism addressed against Speenhamland was moral as well as economic in nature. Eden (1797), Bentham (1797) and Malthus (1798) argued that the wage supplements disbursed by the parishes induced employers not to remunerate labor at a level commensurate with its true value, and they deplored the inconsistencies of a system that forced taxpayers to subsidize landowners employing local laborers. These arguments were reiterated in the Royal Commission's famous 1834 report on the Poor Laws, which prefigured the New Poor Law. Most of the criticism, however, focused on other aspects.

"Weeds increase in the fields, and vices in the population," says the 1834 report. To the detractors of the Speenhamland system, it was inconceivable to combine work and relief without denaturing the former and perverting the latter, and it was unreasonable to endow poverty with a status that would compete with hunger as a means of mobilizing men. The consequences, they explain, are dire in the extreme. On the one hand, the certainty of obtaining relief creates an impediment to the spirit of emulation and effort; worse still, it tends to make relief look like a solution that is preferable to work. This is how they account, incidentally, for the growing numbers of indigents living off the parishes and the immoderate increase in relief spending which, they warned, threatened to ruin the country. "[...] in every part of England, (I had almost said every parish,) instances may be found of persons preferring a pension from the parish, and a life of idleness, to hard work and good wages,"

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¹² Thompson E. P., 1971, "The Moral Economy of the English Crowd in the Eighteenth Century", *Past and Present*, No. 50.

¹³ Thompson E. P., 1963, *The Making of the English Working Class*, London, Victor Gollancz.

¹⁴ Popkin S., 1979, *The Rational Peasant. The Political Economy of Rural Society in Vietnam*, Berkeley, University of California Press; William D., 1984, "Morals, Markets and the English Crowd in 1766", *Past and Present*, No. 104.

¹⁵ Royal Commission, 1834, Report from his Majesty's Commissioners for Inquiring into the Administration and Practical Operation of the Poor Laws, London, B. Fellowes.

wrote Frederick Morton Eden back in 1797.¹⁶ In other words, one is better off remaining idle when relief mechanisms are organizing, in Bentham's words, an equivalence between "idleness" and "industry". Indigence is presented here as a choice, even a rational choice, where the able-bodied poor willingly give up the advantages of independent work because they do not constitute a sufficiently appealing alternative to relief.¹⁷

Furthermore, opponents of the Speenhamland system emphasized that relief, if granted indiscriminately, spoils the moral condition of the poor, who, along with their dignity as independent laborers, lose their sense of duty, solidarity and responsibility. "The certainty of legal provision," writes Eden, "weakens the principles of natural affection, and destroys one of the strongest ties of society, by rendering the exercise of domestic and social duties less necessary." In this view, the increase in relief spending is construed as an irrefutable sign of moral decline and a loosening of social discipline. Thomas Malthus shored up this indictment by adroitly underscoring the perverse effects of the system: "It should be recollected that a compulsory provision for the poor is almost peculiar to England," he writes, "and that there are many parts of the continent without such a provision,[...] where the condition of the lower classes is better." Thus, the remedy is accused of aggravating the evil: by alleviating poverty, the government is actually creating the conditions that exacerbate it. So, runs the argument, abolishing all forms of relief is not cruel at all, but necessary, even beneficial.

In a word, its opponents felt that Speenhamland depreciated work, obliterating any distinction between the assiduous laborer and the loafer, that it sustained the most despicable habits in the population and mutilated freedom, the quality that defines the very nature of man. From this perspective, pauperism was not the result of ongoing economic and social transformations, as claimed amongst the ranks of the Tories, but rather the result of the slow pace of their progress and the resistance of an outmoded form of social organization, in which the price of protection is servitude. It is easy to guess what their conclusion was: "Progress demands," wrote Thomas Mackay, "that, even at the cost of some individual suffering and hardship, the dependent population which still lingers among the flesh-pots of a condition of status shall be gradually but firmly detached from their present mode of life, and exposed to the bracing and emancipating influence of economic freedom." 20

This critique of English "legal charity," forged during the first decades of the 19th century, has been frequently reiterated ever since. We find traces of it in the writings of Marx, the Webbs²¹ and Karl Polanyi, none of whom can be suspected of having much affinity for free-market thought. This critique has in fact long imposed a sort of "intellectual orthodoxy" on the subject, as subsequently decried by many critics. Following Mark Blaug in 1963 and 1964,²² a number of historians have pointed out the shortcomings of this view of Speenhamland and, in particular, the dogmatic nature of the 1834 report. These authors feel that several points merit elucidation. For one thing, how do we explain that the Speenhamland system lasted for nearly 40 years, although fiercely reviled from the outset and challenged by parliamentary

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¹⁶ Eden F. M., [1797] 1966, The State of the Poor, Vol. 1, London, Frank Cass, p. 446.

¹⁷ Merrien F.-X. (ed.), 1994, *Face à la pauvreté*, Paris, éd. de l'Atelier / éd. ouvrières.

¹⁸ Eden F. M., op. cit., p. 467.

¹⁹ Malthus T., 1807, A Letter to Samuel Whitbread on his Proposed Bill for the Amendment of the Poor Laws, in Glass D., 1959, Introduction to Malthus, London, Frank Cass, p. 188.

²⁰ Mackay T., [1900] 1967, A History of the English Poor Law, Vol. 3, London, Frank Cass, p. 230.

²¹ Webb B., Webb S., [1927] 1963, *English Poor Law History. Part I: The Old Poor Law*, London, Frank Cass. ²² Blaug M., 1963, "The Myth of the Old Poor Law and the Making of the New", *The Journal of Economic History*, Vol. 23, No. 2, p. 151-184; 1964, "The Poor Law Report Reexamined", *The Journal of Economic History*, Vol. 24, No. 1, p. 229-245.

committees in 1817 and then again in 1824? Does the balance of power in parliament prior to the 1830s suffice to explain this wait-and-see policy on the part of the authorities? Furthermore, how are we to understand that "indoor relief" continued to be accorded more or less generously even after 1834, despite its interdiction under the New Poor Law?

An historical analysis suggests that the criticisms of the Speenhamland system were excessive or erroneous – whether concerning its supposed impact on birth rates²³ or on work incentive.²⁴ It even shows that the Speenhamland system was consistent with the local economies of rural counties. George Boyer, for instance, shows that relief spending increased starting even before 1795 and actually enabled employers – particularly in wheat-growing regions – to retain the laborers for whom they had only seasonal employment. In other words, the "relief system" apparently reduced the uncertainty that characterized the situation of both the laborer, who was likely to lose his employment, and the landowner, who had to find sufficient manpower on a seasonal basis.²⁵ In his two pioneering articles, Blaug insists on the utility of parish relief within the framework of a still largely "underdeveloped" economy in which wages were sometimes below subsistence level. There was no way to lower wages there to absorb surplus manpower, he explains, and the automatic mechanisms of the market were inoperative. In these conditions, wage supplements and subsidized jobs made it possible to sustain the workers' productivity somewhat and then to share the work out among a larger number of workers incapable of maximum exertion.

And it is doubtless no coincidence that these various studies were carried out from the 1960s, at a time when the welfare state, already firmly established, was becoming a target of criticism, and when "free market fundamentalism" was resurfacing as a credible alternative to political reason. The expressions used by these authors to characterize Speenhamland are quite telling: they call it a veritable "social security" system (Hobsbawm²⁶), an early form of "unemployment insurance" (Boyer) or a "welfare state in miniature,' combining elements of wage-escalation, family allowances, unemployment compensation, and public works, all of which were administered and financed on a local level" (Blaug).²⁷ Thus, Speenhamland no longer appears here as the cumbersome legacy of a bygone era or as an obstacle to economic progress: on the contrary, it prefigures the institutional mechanisms subsequently implemented to protect individuals from a "self-regulating" market. So in a certain sense this rereading of Speenhamland sounds like a warning against the abstract ideas and rationales underlying a (hardcore) free-market vision of the economy.

A Change of focus

One of the arguments formerly adduced by free-market apologists is that there is all the more poverty wherever it is relieved and all the more dependence wherever it is maintained. It is therefore by limiting access to relief and furthering labor mobility that we may hope to ward off the specter of pauperism. In this view, the labor market does not appear to be a threat, but

²³ Huzel J. P., 1969, "Malthus, the Poor Law and Population in Early Nineteenth Century England", *The* Economic History Review, New Series, Vol. 22, No. 3, p. 430-452.

²⁴ Baugh D. A., 1975, "The Cost of Poor Relief in South East England", The *Economic History Review*, New Series, Vol. 28, No. 1, p. 50-68.

⁵ Boyer G. R., 1985, An Economic History of the English Poor Law 1750-1850, Cambridge, Cambridge University Press.

²⁶ Hobsbawm E. J., 1969, *Industry and Empire. From 1750 to the Present Day*, Harmondsworth, Penguin Books, p. 104. ²⁷ Blaug M., 1964, "The Poor Law Report Reexamined", *op. cit.*, p. 229.

a resounding promise, so it is in the interest of the poor themselves to break free from the clutches of "parochial servitude." In 1834, the New Poor Law brutally implemented this very agenda by organizing what William Cobbett called the theft of the Poor Law. On the one hand, the law abolished the "relief system" that had previously impeded the "commodification" of labor by allowing each person to "make a living by doing nothing." On the other hand, it replaced the "right to live" established in Speenhamland with a "negative right" to relief. Henceforth, the poor man's indebtedness in effect meant subjection to the penitentiary order of the workhouse, where he had to renounce his freedom and independence, where he would be relieved in such conditions that he must earn the bread he eats and work inside a shop. This "made the condition of the pauper on the whole less eligible than that of the independent labourer of the lowest class." Thus, the lawgivers had ingeniously turned relief into a foil pushing the poor back into the factories. As the noted Fabian George Bernard Shaw was to write later, "in 1834, the middle class had swept away the last economic refuge of the workers, the Old Poor Law, and delivered them naked to the furies of competition" – and of the market.

Our present-day interest in systems based on a minimum wage or guaranteed income of some kind is worth examining in the light of this historical sequence of events. In a depressed recessionary economic context of persistently high unemployment and mounting job insecurity, new types of benefits have been created in France – along the lines of the RSA (revenu minimum d'insertion – jobseeker's allowance), API (allocation de parent isolé – single parent's allowance) or RMA (revenu minimum d'activité – wage paid to unemployed persons taking part in a back-to-work program). These allowances are intended to address both situations of marginalization or "social alienation" and the limitations of traditional welfare state intervention. They appear to be ways of grappling with what Robert Castel calls "the crumbling of wage-earning society," that social form that has been patiently built up over time by giving workers, in addition to their earned wages and salaries, a set of collective rights and a status.³¹ In this context, some have once again taken up "the torch of the magistrates of Speen," as Vanderborght and Van Parijs put it,³² though with the benefit of hindsight, intent on avoiding the shortcomings of the system. This is the task undertaken by advocates of a universal minimum or subsistence income. Unlike the Speenhamland mechanism, which supplemented working income up to a certain ceiling, the object here is to establish a lower limit on income: not a yardstick, then, but an inalienable and unconditional "base," adjusted to a society of job insecurity and mobility. Its advocates stress that this system would help fight effectively against exclusion and the phenomena of "poverty traps," whilst constituting an alternative to more "repressive" workfare-type mechanisms. As Philippe Van Parijs explains it, this "right not to work" in effect also guarantees that "work pays" since other forms of income can supplement the basic income. 33 This proposition has a "mirror image", as Bernard Gazier calls it, in that it firmly links employment and guaranteed income by granting assistance (only) to those who hold – or return to – low-paid jobs. ³⁴ The point here is to combine, in a certain sense, the Speenhamland mechanism - a wage

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²⁸ Polanyi K., op. cit.

²⁹ Royal Commission, 1834, *op. cit.*, p. 262.

Shaw G. B., [1889] 1962, "Transition", in *Fabian Essays*, London, George Allen & Unwin, p. 218.

³¹ Castel R., 1995, Les métamorphoses de la question sociale. Une chronique du salariat, Paris, Fayard (English translation 2002: From Manual Workers to Wage Laborers: Transformation of the Social Question, New Brunswick, New Jersey: Transaction Publishers).

³² Vanderborght Y., Van Parijs P., 2005, *L'allocation universelle*, Paris, La Découverte.

³³ Van Parijs P., 1995, *Sauver la solidarité*, Paris, Les Éditions du Cerf.

³⁴ Gazier B., 2005, Vers un nouveau modèle social, Paris, Flammarion, p. 102-108.

supplement – with the philosophy of the New Poor Law – the obligation to work in order to obtain relief.

This conception of individual social protection brings up an important debate, inextricably technical and political, that was recently sparked by proposed legislation to establish tax credits for the poor, or revenu de solidarité active (RSA for short). Without going into the details of this debate, we have to wonder about the rationale underlying such proposals. Both of the aforementioned ideas are based on a pessimistic forecast as to the future of our "wageearning society." To the propagandists of universal benefits, in particular, it is precisely because work is growing scarce and less secure that it cannot continue to serve as the principal basis of the individual's social rights. In other words, we need to come up with a new system of guarantees for the "post-wage-earning age." But to the opponents of these mechanisms, reasoning along these lines is more of a self-fulfilling prophecy, since benefits of this kind would very likely increase the number of poorly-paid jobs, exacerbate job insecurity, reinforce labor market flexibility – in a word, further erode the edifice of the "wage-earning society." And by the same token, they would further divorce the economic from the social realm, chipping away at solidarity a little more – occupational solidarity for some, national solidarity for others –, thereby weakening the institutions of the welfare state.³⁶ Thus, the guaranteed income system which, in Speenhamland, impeded the rapid development of the labor market would, in the present day and age, prove an instrument of increased labor "commodification" and worker mobility; back then it was the target of the champions of the free-market political economy, now it could become a catalyzer for unfettered free-market liberalism. But this only seems a paradox: what Robert Castel might have called "post-protection" protection cannot be considered in the same terms as "preprotection" protection.³⁷

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³⁵ Bresson Y., 1993, L'Après-salariat: une nouvelle approche de l'économie, Paris, Economica.

³⁶ Rosanvallon P., 1995, La nouvelle question sociale. Repenser l'État-providence, Paris, Seuil.

³⁷ Castel R., Haroche C., op. cit., p. 110.