

Commentary

THE BUFFIN FOUNDATION

SOCIAL AND ECONOMIC DEVELOPMENT ISSUES

Britain's Post WW2 Economic Recovery Profiles in Leadership: Clement Attlee

Clement Attlee became British Prime Minister in 1945. During the ensuing six years under his leadership, the nation was transformed from a wartime economy on the brink of bankruptcy to a prosperous and more egalitarian society. A serious, modest, and patriotic man, Attlee is heralded as one of the greatest Prime Ministers of the 20th century for his economic and social reforms, creation of the modern welfare state, and effective style of leadership. Attlee's socialist policies focused on the fundamental needs of society, delivered by a supportive government where Attlee played the role of leader of a diversified and representative cabinet.

Attlee served as the leader of the Labour Party from 1935, culminating in his appointment as Prime Minister in 1945. Attlee's Labour Party won the 1945 general election in a landslide with a record 12% swing in votes from the Conservative Party. The Labour Party's push for public ownership and equal income distribution proved a sharp contrast to the policies espoused by the Conservative Party, providing significant changes in social and economic policy. The 1942 Beveridge Report outlined five major challenges "*Want, Disease, Ignorance, Squalor, and Idleness*" for restructuring post-war British society, proposing full employment as a key factor for the economy. The overwhelming support of the Beveridge Report's findings by the public allowed Attlee's Labour Party to capitalize on these points in their "*Let us Face the Future*" campaign. Attlee's Keynesian approach to reconstructing the economy appealed to the war-torn nation by advocating employment for all, controlled prices, and improved social services, promising peace and prosperity, and rebuilding Britain as an ethical commonwealth.

Attlee's Labour government targeted under-consumption, rather than over-production, as the source of the economy's past failure, and introduced a number of Acts reforming pensions, unemployment benefits, worker's

compensation, sick leave, and workers' wages, so as to facilitate employment and stimulate public consumption, while restricting prices and rent. The Attlee government's commitment to reducing income inequality and controlling industry was reflected in the public ownership of an estimated 20% of British industries by 1951, including coal mines, electricity, gas, iron, steel, railways, and the Bank of England. Attlee's stances on public well-being and government assistance were framed by the hardships of poverty he witnessed as a young politician. Attlee's government raised the cap on housing loans for the general public, established subsidies for public housing, provided emergency housing for the homeless, and introduced the New Towns Act of 1946, which fostered the development of new towns. Although not all of Attlee's housing reform goals were fully met, his policies rehabilitated areas affected by the war, constructing one million new homes during 1945-1951. The Attlee government also produced an array of education reforms, including the establishment of new nursery schools, university scholarships, free school meals, free secondary education, free county colleges, and higher wages for teachers. Government spending on education increased by 50%, and Attlee's education policies became the building blocks for a comprehensive education system. Attlee's administration dramatically changed the face of welfare in Britain by creating universal social security with the National Insurance Act in 1946. The National Assistance Act followed in 1948, abolishing the pre-existing Poor Law system and ensuring welfare assistance to the homeless, the physically and mentally handicapped, and others unable to contribute to national insurance. The most notable accomplishment of the Attlee years was the introduction of the National Health Service (NHS) in 1948, a publicly funded system providing comprehensive, universal, and free healthcare to citizens of England, Northern Ireland, Wales, and Scotland. In its first year, the NHS tackled

the snowballing needs resulting from the war, treating over 8 million patients. It is highly praised by the population of Britain today.

While internal reform remained paramount to the reconstruction of Britain, the nation also needed to consider its place as a colonial power in the post-war environment. Attlee's foreign policy prioritized decolonization and retreat from empire, including achieving independence for India and Pakistan in 1947. Attlee supported these movements prior to his election as a member of the Indian Statutory Commission and the Labour Party's leading expert on India. Despite facing resistance to his foreign and domestic social and economic policies from the Conservative Party, Attlee's prioritization of public well-being proved to be a success. His healthcare, education, and employment reforms made Britain the best performing economy in Europe during 1946-1951 with a 3% annual growth rate and production outpacing the United States. Inflation was capped, and unemployment remained under 2% for most of Attlee's tenure. Import limitations reduced the consumption of foreign goods, and together with increased exports, allowed sterling to stabilize its value as a global currency. Attlee's personal experiences as a youth shaped his tenure as Prime Minister, molding him as an advocate for public wellbeing and equality. His leadership made room for the public to stake their claim and provided the foundation for a democratic socialist government with the needs of its citizens at its heart.

Summer R. Buffin, Assistant Editor

The Buffin Foundation

1629 K Street, NW
Suite 300
Washington, DC 20006

Email: info@buffinfoundation.org
www.buffinfoundation.org

