UNDERSTANDING THE WORKHOUSE TEST: 
INFORMATION AND POOR RELIEF IN 
NINETEENTH-CENTURY ENGLAND

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Abstract

The Poor Law Reform Act of 1834 sought to change the organization and basis of English poor relief policy. Central to the New Poor Law was the use of the workhouse test to eliminate outdoor relief for the able-bodied. Workhouses were large, centralized institutions for housing and feeding paupers. The workhouse test was a simple administrative device: when an individual applied for poor relief, officials could make relief conditional on entering the workhouse. While the reasons for adoption of the New Poor Law itself have been widely debated, historians have paid little attention to the workhouse test itself. On the face of it the workhouse test seems odd. Authorities could have made relief less attractive in a number of ways; why construct large, new institutions whose cost savings would be realized only in the future, if at all? We show first that the workhouse test played an important informational role, distinguishing between those the Poor Law wanted to support and those it did not. We further argue that the New Poor Law faced great difficulty in convincing the poor that the reforms were real and permanent. Construction of workhouses had two distinct functions: they acted as a signal of toughness, and also credibly committed the relief authorities to a new regime in poor relief.

KEY WORDS: Poor Relief, Information, Welfare Reform
I. Introduction

In 1834 England adopted a set of reforms to its poor-relief system that sought to overturn a system dating back to the time of Elizabeth I. Local parishes under the old system granted outdoor relief to a wide class of persons, including able-bodied workers, and did so in many forms, including in-kind grants, cash, and several forms of wage supplements. The 1834 reforms, collectively referred to as the New Poor Law, established large administrative units beholden to a central authority and attempted to abolish outdoor relief for the able-bodied. Central to the New Poor Law was the infamous workhouse test. Those in the workhouse were maintained in deliberately unpleasant conditions. Relief officials could not refuse to grant relief to a poor person, but they could "offer the house" which meant requiring that the applicant enter the workhouse to obtain relief.

Our objective in this paper is to develop the logic behind this test, trying to understand why the framers of the New Poor Law put so much weight on a particular institutional mechanism. We take as given the Royal Commission’s identification of the problems affecting the Old Poor Law.¹ Our intention is not to explain why England reformed its poor relief system in 1834 rather than earlier or later. We also avoid taking a position on the related and equally complex issue of whether the Old Poor Law was as bad as its critics claimed.² Despite our narrowness of purpose, however, we believe that the question of institutional choice for the framers of the New Poor Law is important and insufficiently appreciated in the considerable literature on this landmark reform.

The adoption of the workhouse test seems often to be viewed as synonymous with hardening attitudes towards the poor which many argue characterize this period of English history. However, it is important to realize that there is no necessary connection between these two. Moreover, there existed alternatives to the workhouse test, discussed below, which on the face of it appeared to achieve many of the same objectives. Our analysis of the adoption of the workhouse test emphasizes the centrality of
information problems in the context of designing an adequate system of poor relief and the importance of establishing credibility in the reform of the system.

Thus the workhouse test was not adopted simply because changes in attitudes led the authorities to prefer a more cruel policy, as some previous historians have suggested. Rather, it could be viewed as a reasonable way to deal with the problems that the Royal Commission identified in the Old Poor Law. The contemporary critique of the Old Poor Law emphasized informational constraints especially; even honest relief officials could not distinguish those who merited relief from those who did not, and the system left considerable scope for corruption. The workhouse test played an important informational role, helping relief officials to distinguish those they wanted to assist from those they did not. In addition, the New Poor Law, like any new policy, faced difficulties in convincing the poor that it was really serious about reform. We argue that workhouse construction helped officials to demonstrate their seriousness about reform.

The next section provides some historical background on the Old and New Poor Laws. Section III "defends" the workhouse test as the most practical way to achieve reformers’ goals of providing relief at reasonable fiscal cost. Section IV considers some of the workhouse test’s drawbacks, and section V provides a brief conclusion.

II. Historical Background

II.1 The Old Poor Law

There were three key features to the Old Poor Law: decentralization, discretion and voluntarism. It was decentralized because relief was administered by some 15,000 parishes ranging in size from 30 acres to 30 square miles, and in population from several dozen to many thousands of persons; over 1900 parishes had fewer than 100 persons in 1831, while 128 parishes had populations of 10,000 or more (Blaug (1963:156-157); Royal Commission (1834:104-5). Poor relief was a statutory right for any pauper
who was deemed to be deserving, but local officials had broad latitude over the amounts and types of relief they granted. Funding for the Old Poor Law was also entirely local, relying on a tax on land and buildings. Through the law of settlement, which made each parish legally responsible for the relief of those "settled" in the parish, every parish bore the burden of support for its poor.

We refer to it as discretionary because of the wide variety of methods parishes used to deal with their paupers. The framers of the New Poor Law objected most to the widespread use of outdoor relief — grants of food or cash to paupers who remained in their own homes — but the parochial system gave free rein to the "obstinate diversity of parochial practice" (Digby (1982:7)). Some parishes had even erected workhouses on their own while others amalgamated for the purpose of constructing a workhouse, taking advantage of provisions in Gilbert's Act (1782). More common, however, were outdoor relief, as well as wage subsidies and employment guarantees. The Speenhamland system common in many southern English parishes during the early nineteenth century used elaborate bread-price scales to determine relief (Blaug (1963:161-2)). Because parishes could decide on the type and generosity of relief they offered, the years prior to the introduction of the New Poor Law saw great local variation in the number of paupers per capita. Southern England, as a rule, was most "pauperized," while northern parishes usually had considerably fewer paupers per capita.

The Old Poor Law's reliance on unpaid local personnel for its administration marked a third significant feature of the system, its voluntarism. Relief was one of several responsibilities for the parish vestry or church council. The vestry usually selected a local ratepayer to serve as an unpaid "overseer of the poor" to deal with day-to-day matters. Thus the relief system was operated by a semi-voluntary, non-professional corps of locals. Disgruntled relief applicants could always appeal to the local justice of the peace, who could compel the overseer to grant relief.
II.2 The New Poor Law and the Workhouse Test

Complaints about the Old Poor Law led Parliament to appoint several bodies to inquire into its workings during the early nineteenth century. The most famous, the Royal Commission on the Poor Laws, was appointed in 1832 and its recommendations formed the basis for the 1834 Act. The proposed law introduced a system of poor relief that was centralized, based on strict adherence to eligibility rules and run on more professional administration.

The degree of centralization envisaged in the 1834 Act was unprecedented in English local government. A Poor Law Board consisting of three commissioners had the power to compel local relief officials to adhere to their dictates. The local administration of relief was also changed. The Act established Poor Law Unions administered by elected officials called Guardians. Unions were large units formed by combining parishes; eventually the 15,000 parishes of England were combined into some 600 Poor Law Unions. The Unions were at first administrative rather than taxing districts. In 1865 Parliament strengthened the role of the Poor Law Union by introducing Union chargeability, which meant that all poor rates were levied on the Poor Law Union as a whole. Prior to 1865 each parish within a Union paid for the relief of its own paupers plus a share of the workhouse maintenance costs that was based on the number of paupers it had in the past (Brundage (1978:184), MacKinnon (1987)).

The 1832 Commission's primary recommendation was that the able-bodied and their families be henceforth granted poor relief only in workhouses, under conditions "less eligible" than the working poor. Workhouses were large facilities built and maintained by the Poor Law Union and staffed with more or less professional employees. Less eligibility was accomplished not only by making workhouse inmates labor, but by enforcing a strict regime of waking hours, limiting inmates to a monotonous diet, and forbidding small pleasures such as tobacco. The idea was to provide for basic material needs while nonetheless making a self-supporting life outside the workhouse preferable to the working poor. "The cruelty of the workhouse did not reside in its material deprivation but in its psychological harshness.
Indeed, the Poor Law Commissioners themselves appreciated that it was through psychological rather than material deterrence that the workhouse test would operate" (Digby (1982:17)). An important component of workhouse administration, at least as advocated by the Poor Law Board, was the "classification" or separation of paupers by age, sex, and health status. This separation was held to improve workhouse functioning and to reduce the chance of "immoral" behavior within the institution. Separation also advanced the cause of less eligibility by effectively denying family members contact with one another.\(^5\)

Workhouse advocates usually saw labor as part of the discipline of the institution rather than as a means to reduce relief costs, although some Unions made heavy use of inmate labor for running the institution.\(^6\)

The phrase "less eligible" means that paupers would have a level of well-being less than that of the working poor. The effort to distinguish between the poor and the indigent was a central focus of the 1832 report and the New Poor Law itself. Once Unions were created, the Poor Law Commissioners began to negotiate agreements prohibiting outdoor relief for the able-bodied, and other elements of the program. These individual agreements were later consolidated into a general Outdoor Relief Prohibitory Order. As of December 1844, when the order was promulgated, it applied to 465 Unions — nearly 90 percent of all Unions then in existence (DeSchweinitz (1947:134)). Neither the original Poor Law Commission nor its successors, the Poor Law Board (1847) and the Local Government Board (1871), succeeded in gaining full compliance with the edicts of the central authority. Guardians retained sufficient autonomy and knowledge of loopholes to grant outdoor relief when they wished; the Outdoor Relief Prohibitory Order itself allowed exceptions in case of "sudden and urgent necessity."

Per-pauper costs for outdoor relief were much lower than for indoor relief. Outdoor relief grants were normally not given unless the person had other resources; that is, they were not intended to be the pauper's entire support. In addition, the workhouse was a permanent institution, implying construction and maintenance costs as well as a staff. The difference between per-pauper outdoor and indoor relief costs varied over time and from place to place. Rent and wages being large components of workhouse...
costs, they were especially expensive in cities. MacKinnon estimates that outdoor relief costs in the late 1860s averaged £2.5 to £5.5 per pauper per annum, while indoor relief costs averaged £5.5 to £20 per pauper per annum (MacKinnon (1987:608)).

Poor relief became extremely costly during the Napoleonic Wars of the late eighteenth and early nineteenth centuries, and continued to climb even after the peace. Poor rates rose on average by 62 percent from 1802-3 to 1832-3. These tax increases far outstripped the gross rentals from farm land on which poor relief assessments primarily fell; rentals increased by only 25 percent over the same period (Digby (1982:9)). Table 1 summarizes the numbers on relief and costs of relief for the period between 1840 and World War I. The New Poor Law’s immediate fiscal impact is unclear; while total expenditures on poor relief fell by one-third between 1834 and 1837, part of the reduction must be attributed to a combination of strong labor demand and low food prices (DeSchweinitz (1947:130)). In the longer term the New Poor Law did achieve reductions in outdoor relief, although much of the reduction followed the Crusade Against Outrelief of the 1870s (MacKinnon (1985)). Total relief costs grew, but more slowly than national income; income per capita nearly doubled between 1841 and 1901, while poor relief costs per capita increased only about 20 percent. The Poor Law remained in force until the 1940s but it gradually lost its functions to other programs and bodies. During the late nineteenth century medical relief and the care of the insane became increasingly distinct from the Poor Law. Later Acts supplanted parts of the relief system with social insurance schemes.7

III. Understanding the Workhouse Test

To understand the appeal of the workhouse to the framers of the New Poor Law we must appreciate their critique of the Old Poor Law. The new system’s advocates clearly wanted to reduce costs by reducing generosity of relief. Yet the Royal Commission identified two constraints on any relief system. First, few serious people advocated abolishing relief altogether.8 The New Poor Law had to
assist all who were truly destitute. Second, the new system had to find a way to overcome the administrative deficiencies of the Old Poor Law. We shall see that, in reformer's eyes, the workhouse test offered a way to reduce pauperism, and costs, without violating either constraint.

III.1 Problems with the Old Poor Law

The Royal Commission's critique of the pauperized parishes under the Old Poor Law had at its heart two problems: many of those who received relief were not really destitute, and many who were destitute had become so by their own fault — by failing to work and save, by drinking, etc. The Royal Commission's complaint can be made more concrete by adopting some terminology and ideas from Besley and Coate (1992b). Those who are poor at any point in time can be divided into two categories: the needy and the non-needy. The needy require public support in order to achieve an acceptable minimum standard of living; their current assets and work opportunities are not enough. The non-needy are those who, due to labor market opportunities, more savings, wealthier families, etc., have access to sufficient resources to be self-supporting. The needy can be divided into two further types, the deserving and undeserving. The deserving are needy through no fault of their own. The undeserving, on the other hand, could have avoided their predicament by working harder, saving more, avoiding drink, etc.

The Royal Commission claimed that under the Old Poor Law many relief recipients were not needy, and that many of those who were needy were undeserving. Most of what the Royal Commission viewed as the Old Poor Law's ills amount to this leakage of benefits from the deserving to those who were either non-needy or undeserving. In her influential history of thought Himmelfarb has argued the desire to distinguish those who should get relief from those who should not underlay the entire reform effort:

To this end, the 'dispauperizing' of the poor, the commission sought to create a 'broad line of distinction between the class of independent labourers and the class of paupers.' The whole of the report was, in effect, an exercise in definition and distinction, an attempt to establish that line theoretically and to maintain it institutionally. Each of the 'remedial measures' was intended to
make the social reality accord with the principle, to separate pauper and poor in practice just as they were separated by definition. Contemporaries quarreled about the justice and wisdom of these measures, and historians have quarreled about the evidence upon which the theory was based. To a certain extent both issues are beside the point. The heart of the matter was in the distinction between pauper and poor. Once that was conceded, the rest fell into place (Himmelfarb (1985:163)).

The Old Poor Law's over-generosity was undesirable on several grounds. Obviously, extending benefits to those who did not need or deserve them raised the system's cost. Other complaints about the Old Poor Law can be traced to the same source. Consider Malthus' complaint that the Poor Law encouraged "early and improvident marriages" among the poor because they knew they if they ever could not support their families, the Poor Law would. This complaint amounts to saying that the Poor Law supported the undeserving, people who could have avoided poverty by not marrying and having children. Another widespread complaint was that poor relief reduced labor supply by discouraging work effort. Again, this complaint amounts to saying that the Poor Law was relieving the non-needey. Finally, the Royal Commission seemed quite bothered by the idea that the Poor Law discouraged the respect and deference that the poor should have for the wealthy. That, too, amounts to granting relief to an overbroad class of people. 

The Royal Commission emphasized the problem of information in restricting relief to the right people: information on relief applicants was either unavailable at all, costly to acquire and use, or not trustworthy when available. Investigating applications to identify who was needy under the Old Poor Law was often a thankless task. Applicants resented intruding questions and the official knew that in most cases the applicant did his or her best to hide some assets or other important details. And, explicitly or implicitly, the time spent on investigating relief claims was costly. Just how costly depended on the social context of the relief apparatus. In a parish of several hundred people the poor were likely to be well-known to those in charge of the relief system; members of the vestry knew who did and did not have employment, who was unable to work, etc. In other contexts — a larger parish, more immigration, etc.
— gathering information could be more costly. Some information, furthermore, was in principal not available unless the applicant and the relief official had lived in the same place all their lives.

The information available might also be suspect, as the Royal Commission emphasized. Since parish relief officials were unpaid, one need not be entirely cynical to suspect that those who were willing to do the job had ulterior motives. One writer noted that overseers were "taken from the shopkeeping or farming class, and served not even for a year but for six, three, or even two months... The office was disagreeable, unpopular, and unpaid, and specially obnoxious to busy men" (Fowle (1898:77)). Those who knew the poor well could profit from abuse of the Poor Law.\textsuperscript{10}

What our evidence does show is, that where the administration of relief is brought nearer to the door of the pauper, little advantage arises from increasing knowledge on the part of the distributors, and great evil from their increased liability to every sort of pernicious influence. It brings tradesmen within the influence of their customers, small farmers within that of their relations and connexions, and not infrequently of those who have been their fellow workmen... (Royal Commission (1834:276-77)).

The information required to prevent leakage under a system such as the Old Poor Law was either costly or not available at all; and even when available, that information brought with it the distinct possibility of corruption.

Parochial administration created another set of problems. Property holders liable to pay rates in more than one parish found it difficult to exercise any voice in the way their tax monies were used. The huge disparities in taxable property and in poverty among the several parishes often resulted in situations in which the near-poor in one poor parish were taxed heavily to support their poor neighbors, while in a nearby parish the near-absence of paupers meant very light poor relief taxes on the wealthy. The system of settlement was also exacerbated by the small parish sizes. To the extent settlement laws deterred migration, as many critics argued, the small sizes of parishes discouraged even very short moves. And the parochial system offered relatively wealthy parishes the opportunity to employ workers settled in a neighboring parish, but then force that parish to support the worker in case of illness or injury. Fowle noted that the "larger and wealthier parishes, on the one hand, the landowners on the
other, reaped the advantage of the labour of workpeople, and then devised the law of settlement as an excuse for passing them back to their own parishes in age or sickness" (Fowle (1898:45)). The Royal Commission found that rates could vary widely across parishes within the same county. For example, in Buckinghamshire in 1831, twelve small parishes had an average rate of £1.2 per head of population, while the twelve largest had a rate of £.58 per head (Royal Commission (1834:316)).

III.2 Was the Workhouse Test a Natural Response?

The workhouse test could directly address many of the concerns of would-be reformers and as such appeared like a natural response to information problems.11 The test could distinguish between the needy and non-needy, and with time would reduce the proportion of needy paupers who could have avoided their situation. The workhouse test distinguished the needy from the non-needy by screening. If the applicant really was needy, then he or she would accept the offer of a place in the workhouse; otherwise not. Screening is essentially static; it distinguishes those who are needy from those who are not at a point in time and does not, therefore, pertain to the Poor Law’s efforts to alter the characteristics of relief recipients. In the first few years after the New Poor Law’s enactment, most of the reduction in applications should be traced to the screening function, since the non-needy now knew they stood no chance of outdoor relief.

Screening was necessary only because obtaining information on the state of the poor required costly and potentially acrimonious and fraudulent investigation. The workhouse test dispensed with all investigation. By accepting or declining the workhouse, the applicant in effect told the Guardians whether he or she was needy:

The offer of relief on the principle suggested by us would be a self-acting test of the claim of the applicant… By the means which we propose, the line between those who do, and those who do not, need relief is drawn, and drawn perfectly. If the claimant does not comply with the terms on which relief is given to the destitute, he gets nothing; and if he does comply, the compliance proves the truth of the claim namely, his destitution (Royal Commission (1834:264)).
Polanyi agreed with this interpretation, although he viewed its operation as less benign: "It was now left to the applicant to decide whether he was so utterly destitute of all means that he would voluntarily repair to a shelter which was deliberately made into a place of horror" (Polanyi (1944:101-2)). Screening even worked in cases where the relevant information was beyond the applicant’s knowledge. Reluctant relatives were always a problem. Asking a pauper’s relatives whether they were willing to support him or her might bring a predictable response; but putting such a person in the workhouse would bring forth a more honest reply:

It is, I believe, within the experience of many Boards of Guardians, that there are persons who, while in prosperous circumstances, readily permit their aged relatives to receive out-relief, an offer of in-door relief is frequently found to put pressure upon them to rescue themselves, if not their relatives, from the discredit incident to the residence of the latter in the Workhouse (Royal Commission (1834:188)).

The workhouse’s deterrent function was not to distinguish the deserving from the undeserving — the workhouse was open to all, deserving or not — but to change poor people’s incentives so that in the future, fewer would require relief. In using the phrase "deterrent workhouse" the historiography of the New Poor Law usually means that a more harsh poor relief system would lead to fewer applicants for relief. We use the term here in a narrower sense. Deterrence refers here only to the effect on behavior of potential paupers who increase their attempts to avoid poverty because of the workhouse test. The difference in the well-being of an independent laborer and an indoor pauper is a measure of the incentive to avoid ending up in the position of the latter. This use of the term accords with that of the authors of the 1832 Report: if individuals become poor at least in part because of decisions they make with respect to poverty-reducing investments (savings, work skills, etc.) — and the Royal Commission clearly thought so — then the number of paupers at any one time reflects, in part, the generosity of relief:

Wherever inquiries have been made as to the previous condition of the able-bodied individuals who live in such numbers on the town parishes, it has been found that the pauperism of the greatest number has originated in indolence, improvidence, or vice, and might have been averted by ordinary care and industry (Royal Commission (1834:264)).
By tailoring relief to give the poor better incentives to avoid poverty, the New Poor Law could actually reduce the incidence of poverty. Deterrence is a dynamic concept: the workhouse test would reduce pauperism only by inducing the poor to change their behavior and so reduce their future dependence on the poor relief system. Thus to the extent the New Poor Law reduced pauperism in its first few years, the reduction had little to do with deterrence in our sense.

Central to the deterrent function of the test was the idea that relief officials could not know with certainty whether a given applicant had tried to avoid poverty. Distinguishing the deserving from the undeserving applicant required knowing whether he or she had in the past exercised ordinary care and industry. Rather than attempt complete life histories of each applicant the workhouse test simply gave the working poor a strong incentive to increase their efforts to avoid poverty.

The workhouse test, then, arose as a method for contending with the twin constraints of imperfect information and the need to provide basic survival to all. The workhouse met the constraint of offering relief to all, even the undeserving, while still offering relief officials an effective way to distinguish the needy from the non-needy, and to encourage the poor to avoid destitution. In this "self-acting test" the Royal Commission saw something approaching a panacea, a simple way to meet the Poor Law's basic goals while avoiding all contaminants of corruption and administrative inefficiency:

If, then, regulations were established and enforced with the degree of strictness that has been attained in the dispauperized parishes, the workhouse doors might be thrown open to all who would enter them, and conform to the regulations... no agency for contending against fraudulent rapacity and perjury, no stages of appeal, (vexatious to the appellants and painful to the magistrates,) [would] be requisite to keep the able-bodied from the parish (Royal Commission (1834:264)).

III.3 Possible Alternatives to the Workhouse Test

On the face of it the workhouse test appears to be a rather cumbersome instrument for accomplishing the twin objectives of reducing leakage to the non-needy and reducing the number of undeserving paupers. The workhouse test required a huge investment in infrastructure before the program
could be properly implemented. Indeed, as Mackinnon (1987) has shown, indoor relief was more expensive (per pauper) than outdoor relief. To illustrate why workhouses would still be worthwhile, we consider the workhouse test in comparison with two alternatives. One alternative was actually used in British Colonial relief systems and by some Unions under the New Poor Law. The second alternative amounted to a tightening of the rules under the Old Poor Law.

The workhouse was not the only way to make receiving poor relief unpleasant. British colonial administrators relied on rural public works without the formal structure of workhouses to provide famine relief. The basis of this system was a labor test similar to the workhouse test; applicants could receive relief only if they agreed to work. Even after the promulgation of the Outdoor Relief Prohibitory Order, several Poor Law Unions relied on a labor test rather than a workhouse test.13 Some of the New Poor Law’s opponents noted that a labor test had some of the desirable effects attributed to the workhouse, but did not require shutting people up in prison-like institutions (Edsall (1971:18-19)). Why did Poor Law reformers in England prefer the workhouse test to labor tests?

While a labor test was necessarily consistent with the twin objectives of the New Poor Law: to screen and deter while still providing the necessities of life to those willing to take them on the Poor Law’s terms, it might not be sufficiently unpleasant to fulfill this function effectively. Even the most intense labor as the price of relief would not be so effective as the workhouse. The workhouse’s peculiar genius was that it was both extremely unpleasant (because of the loss of liberty and the separation from loved ones) while providing adequate material comforts.

Second, a labor test was likely to be effective for the wrong type of person; the test drew a line not between the needy and the non-needy, but between those who could and could not do labor. Some of the needy would not be able to work because of age or affliction. Moreover, the workhouse test worked through primarily psychological means and thus did not screen such individuals out. Indeed, the costs of entering the workhouse were smallest for precisely this class of paupers.” One of the Royal
Commission's informants claimed that after introducing a workhouse system in one parish pauperism dropped to a small number of "old, idiots, or infirm, and to whom a workhouse is really a place of comfort." Those who should not be receiving poor relief were least likely to accept the workhouse, but perhaps most likely accept a labor test.

A third set of reasons for preferring the workhouse to a labor test stems from the reformers' need to convince the population that relief policy really had changed: the credibility problem. Much of deterrence's benefit would come in the future, if at all, and depended on the poor believing that outdoor relief for the able-bodied really was a thing of the past. Here reformers faced a time-consistency problem: the government might find it worthwhile to threaten a future draconian policy toward the poor in order to reap the advantages of deterrence today, but then not actually implement the program and so save the additional cost of that program. Workhouse construction could aid credibility through two distinct mechanisms: by signalling to the poor that this reform was real and permanent, and by actually altering the relief system's incentives to give outdoor relief in the future.

Workhouse construction could be viewed as part of a signalling strategy on behalf of reformers. By building a workhouse the government could demonstrate to the poor that it was serious about a new regime in poor relief. Tough governments that are really committed to reform of the poor law find it worthwhile to offer the house; weak governments do not. Tough governments distinguish themselves from weak governments through constructing workhouses. For workhouse construction to serve as a signalling device, it must be true that weak governments find their construction costlier at the margin than tough ones. This might be true because workhouse construction crowds out other government programs, for a given budget, that are valued more by the weak governments. Apfel and Dunkley make precisely this argument in their study of the Poor Law in Bedfordshire:

... Bedfordshire's spanking-new workhouses, dotting the landscape with their 'immense size,' stood as highly visible monuments to the frustrations of ratepayers with the social-legal obligation of public charity and to the resolve of authority (in its various forms) to maintain social discipline... (Apfel and Dunkley (1985:53)).
The signalling argument also may explain why reformers rejected the use of buildings that existed prior to the implementation of the New Poor law. Many Poor Law Unions had at their disposal, after amalgamation of parishes, several older institutions that could have served as buildings for housing the poor. But the Poor Law Commissioners, after some initial indecision, insisted on construction of a large, new, central workhouse that would house all indoor paupers in the Union. The central institution was at some level counter-productive, since the Poor Law also wanted to physically separate different classes of persons within the institution. Yet a new edifice would more effectively signal the government’s toughness:

It was plain that one building would be a more potent symbol of the new law than a series of familiar parish poorhouses. The essence of the single workhouse was its novelty, its mystery, and its formidable appearance... This new construction, which in many rural unions would be the largest public building, was bound to have a powerful effect on the local population. Thus the Commissioners accepted that the large single building was itself an essential part of deterrence (Crowther (1981:40)) (emphasis original).

Some Poor Law officials were quite explicit about this role of workhouse construction:

...the forbidding look of the new workhouses was intended as a ‘terror to the able-bodied population;’ yet another remarked in 1836 that ‘their prison-like appearance ... inspires a salutary dread of them’ (Driver 1993:59).

Forcing paupers to pick oakum or break stones to receive their relief was a form of less eligibility, but it did not involve any large, obvious expenditures that enabled the government to signal a regime change.

The workhouse might also have aided credibility by altering government incentives ex post, i.e. to choose to offer the house for a particular poor individual. Workhouse construction entailed a sunk cost; each building was designed specially for this use, and would require substantial modification to be used for commercial, industrial, or residential purposes should the Poor Law authorities decide to sell it. If incurring this sunk cost made the marginal cost of indoor relief less than the marginal cost of outdoor relief, then workhouse construction itself would have made the New Poor Law credible simply by changing the Poor Law officials’ ex post incentives to grant indoor relief. Perhaps this is what D.G. Adey, the first assistant Poor Law commissioner for the county of Bedfordshire, had in mind when he
claimed in 1835 that "the 'mere extent' of accommodation in union workhouses was sufficient to intimidate the labouring poor." The historical evidence on this point is somewhat equivocal. MacKinnon's estimates, cited earlier, imply that each indoor pauper cost two to four times as much as each outdoor pauper, even excluding the costs of the structure and its staff. Yet MacKinnon's estimates are not, strictly, the marginal cost of a workhouse inmate; several important fixed costs (such as heating and lighting) cannot be excluded from her estimates given the available information, and some other costs (such as medical and burial expenses) are included in those figures but clearly would not apply to all indoor paupers.¹⁶

The introduction of the New Poor Law was greeted by significant and sometimes violent popular opposition in much of England. Efforts to burn the new workhouse were a common form of anti-Poor Law protest (Snell 1985:135-136); often the Poor Law Guardians had to provide guards for the structure both during and after construction Digby (1978:220). Mobs had several reasons to attack the workhouse structure, including its convenience as a target. But the focus on the workhouse also suggests some understanding of the structure's significance as the government's visible statement that the regime had changed.

A second way to reform the Old Poor Law without relying on workhouses would be to tighten up the administration of the existing system. Much of what the Royal Commission complained about amounted either to gross inattention or outright fraud. Some of the New Poor Law's critics advocated reforming the Old Poor Law rather than introducing a new system.¹⁷ Why not address these problems through standard bureaucratic means — perhaps additional staff at the parish level to undertake more thorough inquiries, and national inspectors to investigate possible fraud? The Royal Commission considered this possibility and explicitly rejected it. The problem with administrative means goes back to the basic problem of information. Acquiring and using information is expensive; George Huish, an assistant overseer in the parish of St. George's, told the Royal Commission that in his parish, with over

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2000 paupers, "it is utterly impossible to prevent considerable fraud, whatever vigilance is exercised." Huish further claimed that proper oversight would require at least one inspector for every 100 paupers — a cost no parish could bear.\textsuperscript{18} We should also recall the Royal Commission’s basic suspicion about information and corruption, noted above; how long could professional overseers last without becoming corrupted by the paupers they were intended to supervise?

The Royal Commission did not specifically claim that gathering information on the poor had recently become more difficult. But the social and economic changes of the early nineteenth century probably did make gathering information on the poor more problematic, and may help to explain why the issue came to a head in the early 1830s. This is one way to interpret Karl Polanyi’s famous account of the Great Transformation. Polanyi argued that paternal relations between master and servant, farmer and laborer, were replaced by the impersonal market relations of capitalist and wage-laborer during the late eighteenth and early nineteenth centuries. Society underwent "the displacement of ‘moral economy’ by political economy. The traditional rights of the poor were being eroded, and a humane relationship between men of different status and income was often replace by a narrower cash nexus" (Digby (1982:10)). Polanyi and most historians interpret this transformation as a change in attitudes; but without really stressing it, Polanyi was describing a change in the information environment. The Elizabethan system of poor relief was based on localized, discretionary relief, and presupposed that the relief applicant’s circumstances and past were well-known to the locals who ran the parish relief system. As society became increasingly anonymous and market relations supplanted personal relations, the Elizabethan system became increasingly impractical.\textsuperscript{19}

\textbf{IV. Drawbacks to the Workhouse Test}

Much of the New Poor Law’s reputation for cruelty, especially in contrast to the Old Poor Law, amounts to the undeniable observation that the workhouse test reduced the well-being of \textit{deserving}
paupers. That is, reliance on the workhouse test would make life harder for many who received relief under the Old Poor Law, and who even the Royal Commission would agree should have received that relief. Curiously, the historical literature on the New Poor Law has missed the important point that the reduction of well-being for the deserving was a necessary consequence of using the workhouse test for its intended aims; its advocates can be condemned for their willingness to countenance those harsh consequences without being accused of the perversity of valuing the workhouse simply because it was cruel. There are three analytically distinct features of the issue. One problem arose because the reform could not grandfather individuals raised under the old system. A second problem reflected the blanket application of the workhouse test. The third problem turns on the balance between the cost — the reduced well-being for the deserving — and the benefits of reduced expenditures. We discuss each of these problems in turn.

The working classes argued in effect that the old system was one of their rights, and they resisted the deprivation they saw in the new system. The violent reaction to this change reflects one of the dynamic problems inherent in the workhouse’s deterrent function. Some aspects of deterrence could take effect quickly; there is no reason why a lazy man cannot commence work upon denial of outdoor relief. But much of the behavior the workhouse test sought to deter was, by the admission of even the new system’s advocates, life-long. Consider Malthus’ complaint that the Old Poor Law encourage laborers to marry before they could support a family. One can perhaps deter a twenty year-old from marrying young, and from not saving; but for a fifty year-old the change in rules amounts to punishment for behavior he cannot now change. Thus much of the deterrent function was lost on those beyond early adulthood at the time of the New Poor Law’s introduction. What these older people experienced, instead, was a pure reduction in their well-being without the opportunity to make the changes in behavior the New Poor Law sought to encourage. Once again we see the commitment problem: the authorities could hardly
treat the middle-age worker in 1834 with relative kindness and still expect that the younger workers, whose behavior they hoped to alter, would really believe that the system had changed.

A related problem concerns the identity of those whose behavior the Poor Law sought to change versus those who would suffer because of the new policy. Consider the children of the laborers Malthus was complaining about; should the Poor Law force the children into workhouses because of their parents’ unwise marriage? At one level this is a thorny moral question; at another, it concerns how much one can affect a man by reducing the well-being of his children. Deterrence related to families and family-formation behavior can amount to punishment of some who have no say in the behavior of those whose behavior is supposedly subject to deterrence. James McKay, an assistant Poor Law Commissioner in 1838, advocated separate treatment for children on precisely these grounds (Driver (1993:96)).

The workhouse test was also inferior to a hypothetical test that was sensitive to the attempts individuals made to avoid destitution. After all, some relief applicants were simple victims of bad luck; they had lived lives the Royal Commission would admire only to have their means taken by accident or illness that could not be demonstrated to the authorities. A better system would use information on the applicant’s past behavior to determine whether he really had made any effort to avoid poverty, reserving the test for cases in doubt. Blanket application of the workhouse test makes sense only when such information is not available. The New Poor Law recognized this fact when it initially spared widows and the infirm from the workhouse test, recognizing that poverty in this case was unlikely to be related to past failure to undertake some investment.

A third feature of this drawback to the workhouse test is clearest if we adopt a more purely utilitarian perspective. Few opponents doubted the workhouse test’s ability to screen the needy from the non-needy or to encourage people to avoid poverty in theory. Much debate over the workhouse focused on whether the costs of reducing the well-being of the deserving poor was going to be offset by reductions in pauperism in general. How much could any Poor Law affect savings behavior, or drinking?
If the Poor Law could not have much effect on such behaviors, then the workhouse system forced some paupers to bear the cost of the reduction in well-being without there being any reduction in pauperism overall. The deterrent abilities of poor relief programs are an inherently empirical question, one that lies at the heart of many efforts to reform welfare programs even today.21

The effectiveness of deterrence was a central issue of contention during the New Poor Law's early years. Many Poor Law Unions refused to build workhouses at all, often claiming that in their region all applicants for relief were deserving, and so the workhouse test was superfluous. This claim was particularly common in northern industrial regions:

... less eligibility enforced through the workhouse system could not be sensibly applied to the North, however beneficial it might prove to be in the South. When trade was good the workhouse would be empty apart from the aged, the sick and children; when times were bad no reasonable workhouse would be large enough to hold the mass of able-bodied factory workers which the application of a workhouse test would bring in (Edsall 1971:48)).

Deterrence was simply ineffective for the poverty that brought relief applicants to the Poor Law in the North. Since the workhouse could not pay any benefits in reducing the number of undeserving paupers, it was only churlish to inflict its cost on the deserving paupers.

V. Conclusions

The framers of the New Poor Law placed great faith in the workhouse test. Many contemporaries and modern historians, however, view the workhouse test as a cruel instrument of policy that reflected dogmatic judgements and harsh attitudes towards the poor. This view is correct in the sense that the workhouse test clearly reduced the well-being of deserving paupers. The Royal Commission's enthusiasm for the test reflects their willingness to countenance this "cruelty." Nonetheless, if we adopt the viewpoint of those who wanted to reform the administration of poor relief in England in the 1830s, the workhouse test has a certain logic. Targeting relief to the needy and reducing the fraction of undeserving paupers required accurate information on who was poor and why they were poor. The Royal
Commission thought that information on the poor was expensive to gather and often unreliable anyway. In these circumstances, it made sense to move to an administrative system that required less information on the poor. The workhouse test forced applicants to reveal whether they were truly needy and gave everyone stronger incentives to avoid poverty. Construction of workhouses also convinced the poor that the reforms were real and permanent.
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Endnotes

1. Thus we do not pretend to explain the historical facts of the Poor Law's crisis, amendment, and subsequent development so much as the intellectual arguments made by the Royal Commission and other enthusiasts of the workhouse test. The literature on the New Poor Law is vast; we do not pretend to survey it completely. Thompson (1963) and Snell (1985) see in the New Poor Law a combination of changing attitudes toward the poor. Mandler (1987, 1990) stresses the political role of landlords. Polanyi (1944) uses the New Poor Law as evidence for the new primacy of the market in human relations. Himmelfarb (1984) places the New Poor Law in the context of intellectual developments. Thompson's famous condemnation speaks for much of the literature: "The Act of 1834, and its subsequent administration by men like Chadwick and Kay, was perhaps the most sustained attempt to impose an ideological dogma, in defiance of the evidence of human need, in English history" (Thompson (1963:295)).

2. Several modern scholars have contended that the Old Poor Law came under attack not because of its "abuses," but because its critics either misunderstood or objected to its central function (Blaug (1963); McCloskey (1973); Boyer (1985, 1990); Snell (1985)). We should also note — although the New Poor Law's implementation is not our point — that the New Poor Law's framers were not able to put their vision into practice for many years. Outdoor relief in particular remained common in cities and in some rural regions (Boyer (1985), MacKinnon (1987)). For our purposes, however, the difficulty of implementing the New Poor Law is distinct from the problem of why its framers sought to reduce relief by adopting particular institutions.

3. Gilbert's Act permitted parishes to form unions for the purpose of constructing a workhouse, bearing obvious resemblance to the 1834 reform.

4. This legislation did not extend to Scotland or Ireland, although Ireland's Poor Law, first established in 1838, was very similar to England's New Poor Law. Guinnane (1993) discusses the Irish Poor Law.
The Webbs note that little of the changes actually enacted were written into statutes; rather, "...it was assumed that the Central Authority would put into execution the proposals of the Report of 1834. Parliament contented itself with giving the Central Authority wide powers and almost unfettered discretion in the use of them" (Webbs (1910:11-12)).

5. Day (1982:17) quotes a petition presented to Parliament in 1836 by laborers who were "dismayed and disgusted beyond anything they can describe, with the idea of being shut up in one part of a prison and their wives and children in other separate parts because they are poor through no fault of their own."

6. The Poor Law Commissioners were ambivalent about inmate labor; using labor as punishment for workhouse inmates would inculcate the wrong attitude toward work in those who, after all, were supposed to one day leave the institution and become self-supporting workers (Crowther (1981:196-7)).

7. Relief costs per capita actually fell from 1816-19 to the early 1830s (Digby (1982:9)). The rough estimates of income per capita were computed using Deane and Coale's estimates of the gross national income of Great Britain and the population estimates reported in Mitchell (1962:6,366). Social-insurance innovations included the Workmen's Compensations Acts (1897 and 1906); the Unemployed Workmen Act (1905); the Old Age Pensions Act (1908 and 1911); and health insurance (1911).

8. Opponents of reform sometimes charged that the workhouse system was simply a prelude to the abolition of relief altogether, but this was for most part false (Edsall (1971:20)).

9. Snell's (1985) discussion of the New Poor Law emphasizes this restoration of proper "social relations" between the classes. In discussing the deleterious effects of the old system on farm laborers, the Royal Commission claimed that "...the very labourers among whom the farmer has to live, upon whose merits as workmen, and upon whose affection as friends, he ought to depend, are becoming not merely idle and ignorant and dishonest, but positively hostile; not merely unfit for his service and indifferent to his welfare, but actually desirous to injure him" (Royal Commission (1834:68)).
10. This same sentiment is echoed later in connection with the Crusade Against Outrelief (Chance (1895:21-23)).

11. See Besley and Coate (1992a) for a formal development of some of these ideas.

12. The shift to the larger Poor Law Unions, another feature of the New Poor Law, made the information problem if anything worse. Recall, however, that at first parishes retained all control over relief decisions.

13. The Webbs present a list of Poor Law Unions with an outdoor labor test as of 1847 (Webb (1910:322-41)). In most of these cases the Poor Law Board had agreed to the labor test because of insufficient workhouse facilities.


15. See, for example, Kreps (1990) chapter 17 for an account of the formal structure of such models.

16. This idea of capital as commitment underlies some models of entry deterrence. See, for example, Dixit (1979). The cost ambiguity applies to marginal cost. Observers were perfectly clear on the point that the average cost of relief was greater for indoor relief.

17. See Edsall (1971:14-15). William Cobbett, one of the New Poor Law’s most influential critics, took this view.

18. Quoted in DeSchweinitz (1947:120). Fowl (1898:50-52) discusses the very thorough investigation system in some German cities, and comments that although the system involves an inquiry which "seems in our English eyes a kind of instrument of mental torture" the system had not succeeded well in keeping down the rate of pauperism.

19. Mary MacKinnon has pointed out that the areas with the most immigration and in which market relations had made the greatest inroads — the industrial North — also had the lowest levels of pauperism. A simple cross-section comparison does not support the notion that the New Poor Law was introduced
to contend with information problems in the most rapidly-changing regions of England. Our suggestion in the text is not so much that changes in the information environment brought about the New Poor Law as an observation that the Elizabethan system was no longer practical in the nineteenth century.

20. Part of the Crusade Against Outrelief was an effort to extend the prohibition on outdoor relief to larger classes of paupers. Henry Longley, an inspector for the Poor Law Board, advocated the workhouse test for nearly everyone. Consider his opposition to outdoor relief for widows with children. The widows themselves could be prodded to work, he claimed; and if married men knew the Poor Law would provide for their families, they would be less likely to buy insurance, join benefit societies, etc. (Longley (1874:183,185)). He made a similar argument against outdoor relief for deserted wives: "The habitual grant of out-relief to applicants of this class, especially among the Irish residents in London, is very generally believed to encourage and facilitate the desertion of their wives and families by husbands" (Longley (1874:187)).

21. This is equally true in modern debates about the reform of welfare programs. See, for example, the discussion of the impact of workfare programs on teenage child bearing in Kaus (1986).
<table>
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<tr>
<th>Year</th>
<th>Indoor Relief</th>
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<td>82.63</td>
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*Source:* Official sources, after Williams (1981: Appendix A, B)

*Notes:* Indoor relief expenditures exclude construction costs and staff salaries. Williams emphasizes a number of definitional ambiguities and inconsistencies. See MacKinnon (1988) for detailed discussion of Poor Law statistics.
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