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0521303613 - Inventing Retirement: The Development of Occupational Pensions in Britain

Leslie Hannah

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## *Inventing retirement*

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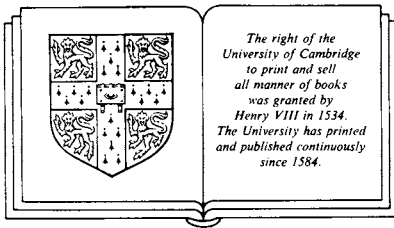
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Leslie Hannah

*Professor of Business History, London School of Economics*



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## *Preface*

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Retirement was not invented in the twentieth century; but it did then become the eventual lot of the majority of British employees and its terms were then fundamentally rewritten. This book is about the way that occupational pension schemes have shaped these profound changes. In recent years, economists and others have come to appreciate the important role of pension schemes in employment contracts, in the distribution of wealth, in social welfare policy, and in the capital markets; but historians have not explicitly addressed their studies to the origins and purpose of our pensioning system. Why do employers, rather than individuals, or, as was once the case, trade unions, now organize old age saving? Why do employees have less control of the resulting pension funds than they used to? Why do most people now retire, often compulsorily at a fixed age? Why has Britain paid such poor state pensions and depended so heavily on occupational pensions? Why are pension rights protected well against inflation for workers who remain with one employer but miserably for those who change jobs or for most occupational pensioners after retirement? These questions address issues which in one way or another have concerned employers and employees for a century or more. I hope that the historical perspective provided by this book will enable those who are attempting to answer them now to understand better the constraints and opportunities which the legacy of the past provides.

This work was commissioned by the Legal & General Group, the market leader in private occupational pension provision for the last fifty years.

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Their gift to the Business History Unit of the London School of Economics which supported the research was part of a programme designed to celebrate their 150th anniversary in 1986. It was agreed that the author would be completely free to publish his own conclusions without any strings. In acknowledging this support, I have to acknowledge more than financial sponsorship. The managers of the Legal & General were generous with their own time and helpful in introducing me to many organizations and individuals in the pension industry. Without this help, the task of writing this book, based as it is on private archive material much of which is not in the public domain, would have been difficult if not impossible. I am particularly grateful to Sir James Ball, Alan Bland, C. S. S. Lyon, John MacCarthy, T. J. Palmer, P. W. Simon and J. M. Skae of the Legal & General for their support and encouragement as the work progressed, and also to a number of former Legal & General staff: P. Cahill, the late T. A. E. Layborn, G. W. Pingstone and R. H. Peet. I am also grateful to the staff of: Bacon & Woodrow, the Chartered Insurance Institute, Clerical, Medical & General Assurance, the Department of Health and Social Security, the Eagle Star Group, the Industrial Society, the Institute of Actuaries, the Labour Party, the Life Offices' Association, the National Association of Pension Funds, the Occupational Pensions Board, the Prudential Group, the Registry of Friendly Societies, the Superannuation Funds Office of the Inland Revenue, and the Trades Union Congress, as well as to the staff of the many self-administered pension funds listed in the note on sources at the end of the book. Their generous gift of time as well as access to material was a useful aid to abstracting the relevant information from the large quantities of documentation in their possession, and their patience at what must often have seemed rather bizarre questions about the distant past was particularly appreciated. Archivists, pension managers, and other practitioners in the field who generously gave their time to discuss these issues include: R. W. Abbott, Sir Alec Atkinson, P. Atteridge, F. Bacon, T. Baker-Jones, R. Barker-Jones, P. Basten, S. Bird, Revd A. H. Birtles, M. Bonavia, Lord Boyd-Carpenter, J. Bretherick, R. H. Clutton, C. Coates, C. N. Coles, R. J. W. Crabbe, M. Crawley, G. Desmons, H. Edwards, F. P. Farncombe, J. Frith, N. Glass, R. A. Golding, E. Green, D. H. Hallam, W. C. Harvey, H. J. Hazell, E. Higgs, R. E. Holt, K. Howells, H. James, D. Jarratt, M. Jubbs, J. M. Keyworth, R. J. Kirton, Sir Arthur Knight, G. A. Knight, Colin R. Lowndes, N. MacDonald, B. Murray, H. Nabb, R. Neale, Donald A. Odell, T. H. M. Oppé, M. Pilch, C. Pratt, R. H. Rawlinson, the late F. M. Redington, M. Robbins, E. F. Rogers, A. Roper, M. Roper, G. Ross Goobey, W. A. L. Seaman, A. Selman, R. Standing, J. Stern, H. Stevenson, R. A. Storey, A. Sutcliff, H. Ward, S. Ward, R. Weit, A. H. Wilcock, M. Wilks, and N. Wratten.

In conducting this research I was ably assisted by a team of research



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assistants, who contributed beyond their allotted tasks to a constructive dialogue on the interpretation of quite new and difficult archival evidence. Sarah Silcox managed the project office, undertook the bulk of the research in pension fund archives, and checked all the references. I would simply not have completed the writing of this book to deadline without her help over the whole two years of the project. Hugh Woolhouse, Judy Slinn and Nuala Zahedieh each worked for about a year producing invaluable research reports on pension topics.

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The customary disclaimer applies: no individuals or organizations, save the author named on the title page, should be held accountable for the book's contents.

Leslie Hannah  
Soldiers Field, Boston, Massachusetts  
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