The Standard of Living debate and Britain's industrial revolution

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The debate about whether the standard of living for the common people increased or decreased during the classic period of the British industrial revolution between c. 1770-1850 has been one of the central controversies in discussions about Britain's industrial transformation. The early nineteenth century debate about the standard of living controversy between the poet Robert Southey and the historian Thomas Babington Macaulay was widely noted at the time and continues to be referenced in the literature. Other Victorian literary notables, such as Thomas Carlyle, Charles Dickens, Benjamin Disraeli, Friedrich Engels, and Karl Marx, also made important contributions to the "Condition of England" question. During the first half of the nineteenth century, few of the most prominent commentators on the subject doubted that the immense progress brought by the new mechanical means of production had not brought much, if any, economic improvement to the lives of ordinary workers. During the 1870s, Arnold Toynbee, the first historian to make the phrase "industrial revolution" popular in England, supported the pessimistic interpretation of the standard of living question. As the benefits of economic growth became more obvious for ordinary workers during the second half of the nineteenth century, more voices were heard, which argued that even during the classic period of industrialization, there had been some improvement in the standard of living for the common people. By the early twentieth century some serious quantitative research on the topic was beginning to show that there had been some improvement in the economic wellbeing of the common people even during the period c. 1770 to 1850. Other statistical research was less optimistic. At the same time, new historical research argued that, even if there had been some economic improvement in the wages of the common people (adjusted for changes in prices), their quality of life nonetheless deteriorated due to rapid urbanization, pollution, unhealthy and unsafe working and living conditions, loss of independence and status of workers in trades that formerly had employed mostly skilled workers, and many other factors that reduced the quality of life of the working classes. By the 1970s most economists were on the side of the optimists while the pessimists were reinforced by such widely read new left historians, such as E. P. Thompson and Eric Hobsbawm. More recently, as Western culture has become more conservative, or as some would say, more neo-liberal, there has been a new wave of optimistic contributions to the standard of living question, which has been bolstered by sophisticated econometric and statistical techniques and neo-classical economic theory. Nonetheless, the debate remains far from resolved. Two recent important contributors to the optimistic case are Peter Lindert and Jeffrey C. Williams while Charles H. Feinstein has provided a restatement of the pessimistic argument.

For a good recent introduction to this topic, see, Emma Griffin, "Winners and Losers: Living through the Industrial Revolution," *A Short History of the British Industrial Revolution*, New York: Palgrave Macmillan, 2010, chapter 9.

An Optimistic Case for the Standard of Living Debate according to Peter Lindert and Jeffrey G. Williams

Lindert and Williams begin with a discussion of the structure of the work force during the first half of the nineteenth century in England and Wales.

Adult Male Employing Classes and Their Approximate Mean Positions in the Nineteenth Century Earning Ranks for England and Wales

Occupational Class	"Representative" Mean-wage Series used here	Approximate Mean-wage Percentile Positions in the Earnings Ranks		
		1827	1851	
(1) Farm Labour (Bottom 40%)	(1L) farm labour	13th	14th	
(2) Middle Group	(2L) non-farm common labour (5L) police and guards	38th	35th 50th	
	(6L) colliers	55th	51st	
	(5H) cotton spinners	62nd	58th	
(3) Artisans	(2H) shipbuilding trades	67th	62nd	
("Labour aristocracy")	(3H) engineering trades	77th	77th	
	(4H) building trades	74th	63rd	
	(6H) printing trades	75th	71st	
(4) Blue-Collar Workers =	=(1)+(2)+(3)			
(5) White-Collar	(3L) messengers and porters	78th	71st	
Employees	(4L) other government low-wage	65th	62nd	
	(1H) government high-wage	87th	8oth	
	(7H) clergy	90th	81st	
	(8H) solicitors and barristers	95th	100th	
	(9H) clerks	88th	8oth	
	(10H) surgeons and doctors	86th	79th	
	(IIH) schoolmasters	75th	70th	
	(12H) engineers, surveyors and other professionals	89th	94th	

Note: In order to determine the standard of living for various social groups, it is first necessary to size of each of the major groups of workers between 1827 and 1851. All groups listed in the table refers only to males (there has been a great deal of criticism of this in subsequent literature on the standard of living debate). The table also excludes the self-employed and permanently unemployed. The first group consists of hired farm workers, about the bottom two-fifths of all workers. The second group consists of non-farm low skilled workers. The third group consists of skilled artisans, who are sometimes called the 'aristocracy of labor.' Their earnings fall between the 60 and 80 percentiles of earnings. Combined, the first three groups constitute the 'blue collar' working class. The focus of the standard of living debate is and has always been about this working class since there is no doubt that the standard of living of fifth group, the white collar workers, improved significantly between c. 1750-1850.

Peter H. Lindert; Jeffrey G. Williamson, "English Workers' Living Standards during the Industrial Revolution: A New Look," *The Economic History Review*, New Series, Vol. 36, No. 1 (Feb., 1983), p

Estimates of Nominal Earnings for Eighteen Occupations, 1751-1851: Adult Males, England and Wales (in current £'s).

Lindert and Williams (1983), p. 4.

Occupation	1755	1781	1797	1805	1810	1815	1819	1827	1835	1851
(1L) farm labourers	17.18	21.09	30.03	40.40	42.04	40.04	39.05	31.04	30.03	29.04
(2L) non-farm common labour	20.75	23.13	25.09	36.87	43.94	43.94	41.74	43.65	39.29	44.83
(3L) messengers & porters	33.99	33.54	57.66	69.43	76·01	80.69	81.35	84.39	87.20	88.88
(4L) other government low-wage	28.62	46.02	46.77	52.48	57·17	60.22	60.60	59.01	58.70	66-45
(5L) police & guards	25.76	48.08	47.04	51-26	67.89	69.34	69.18	62.95	63.33	53.62
(6L) colliers	22.94	24.37	47.79	64.99	63.22	57.82	50.37	54.61	56.41	55.44
(1H) government high-wage	78.91	104.55	133.73	151.09	176-86	195-16	219-25	222.95	270-42	234.87
(2H) shipbuilding trades	38.82	45.26	51.71	51.32	55.25	59.20	57-23	62.22	62.74	64.12
(3H) engineering trades	43.60	50.83	58.08	75.88	88.23	94.91	92.71	80.69	77.26	84.05
(4H) building trades	30.51	35.57	40.64	55.30	66.35	66.35	63.02	66.35	59.72	66-35
(5H) cotton spinners	35.96	41.93	47.90	65.18	78.21	67.60	67.60	58.50	64.56	58.64
(6H) printing trades	46.34	54.03	66.61	71.11	79.22	79.22	71.14	70.23	70-23	74.72
(7H) clergy	91.90	182.65	238.50	266-42	283.89	272.53	266.55	254.60	258.76	267.09
(8H) solicitors and barristers	231.00	242.67	165.00	340.00	447.50	447.50	447.50	522.50	1166-67	1837-50
(9H) clerks	63.62	101.57	135-26	150-44	178-11	200.79	229.64	240-29	269-11	235.81
(10H) surgeons & doctors	62.02	88.35	174.95	217.60	217.60	217.60	217.60	175.20	200-92	200.92
(IIH) schoolmasters	15.97	16.53	43.21	43.21	51.10	51.10	69.35	69.35	81.89	81.11
(12H) engineers & surveyors	137-51	170.00	190.00	291.43	305.00	337.50	326.43	265.71	398.89	479.00

Note: All the average earnings have been calculated as full-time average annual wages for each group. The authors noted that some of these categories are self-explanatory but offered the following explanations: 4L-watchmen, guards, porters, messengers, Post Office letter carriers, janitors; 1H-clerks, Post Office sorters, warehousemen, tax collectors, surveyors, solicitors clergymen, surgeons, medical officers, architects, engineers; 2h-shipwrights; 3H-fitters, turners, iron-moulders; 4H-bricklayers, masons, carpenters, plasterers; 6H-compositors. Peter H. Lindert; Jeffrey G. Williamson, "English Workers' Living Standards during the Industrial Revolution: A New Look," The Economic History Review, New Series, Vol. 36, No. 1 (Feb., 1983), p. 4.

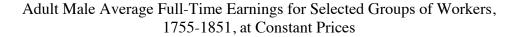
Cost of Living Index, 1781-1850 (1850=100)

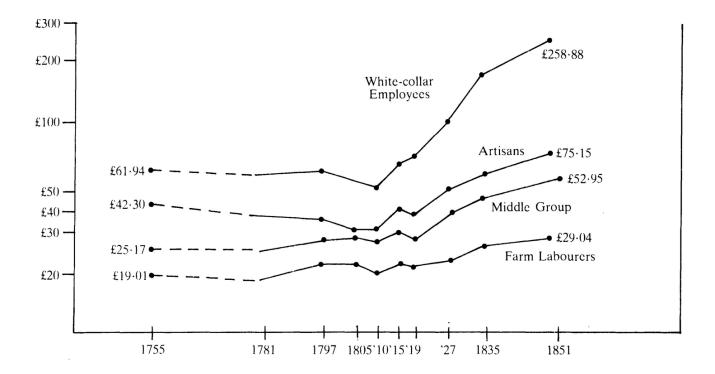
Year	Index	Year	Index	Year	Index
1781	118.8	1805	186.7	1828	143.2
1782	119-3	1806	178.5	1829	143.9
1783	121.9	1807	169-1	1830	141.3
1784	118-4	1808	180.5	1831	141.3
1785	112.3	1809	204.9	1832	133.9
		1810	215.4		
1786	109.6			1833	124.7
1787	112.5	1811	204.5	1834	117.6
1788	115.9	1812	235.7	1835	112.8
1789	122.3	1813	230.0	1836	126-4
1790	125.9	1814	203.3	1837	129-2
1791	121.2	1815	182.6	1838	138.3
1792	118.3	1816	192.1	1839	142.3
1793	127.3	181 <i>7</i>	197.5	1840	138.4
1794	130.7	1818	192.4	1841	133.3
1795	153.8	1819	182.9	1842	123.4
1796	159.5	1820	170.1	1843	109.6
1797	138.8	1821	155.5	1844	114.5
1798	136.9	1822	139.8	1845	I I 2·0
1799	155.7	1823	146∙0	1846	116.4
1800	207·I	1824	154.6	1847	138∙0
1801	218.2	1825	162.3	1848	110.9
1802	160.9	1826	144.4	1849	101.2
1803	156.8	1827	140.9	1850	100.0
1804	160-2				

Peter H. Lindert; Jeffrey G. Williamson, "English Workers' Living Standards during the Industrial Revolution: A New Look," The Economic History Review, New Series, Vol. 36, No. 1 (Feb., 1983), p 11.

Note: The authors constructed the above cost of living index. It is based on a variety of price indexes for the period. They offer their own version as their "best guess" estimate of an average price index for the period, which they calculate as follows:

Percent change in prices 1788-92 to 1809-15 — plus 72.5% 1809-15 to 1820-26 — minus 27.3% 1820-26 to 1846-50 — minus 26.0%





Peter H. Lindert; Jeffrey G. Williamson, "English Workers' Living Standards during the Industrial Revolution: A New Look," The Economic History Review, New Series, Vol. 36, No. 1 (Feb., 1983), p 12.

Note: Using the nominal full-time wage series, the authors then use the cost of living index to come up with the real wage trends in the table above. The authors argue that after a long period of wage stagnation, real wages nearly doubled between 1820 and 1850. This is a larger increase than previous optimistic studies produced.

The authors go on to discuss other indicators that might provide a more pessimistic interpretation of the standard of living for the workers, especially for the period 1780 to 1850. They discount the argument that the unemployment rate during the 1840s greatly diminished the standard of living for the working classes by calculating that the unemployed rate during the 'hungry forties' was probably less than 9.4% during the worst two years of this decade. They acknowledge that they do not have extensive data on the employment of women and children during the period but insist, based on the available evidence, that the "earning power of women and children marched roughly in step with the real wage of unskilled labouring men, a group with whom women and children tended to compete as substitutes" (p.17). The authors also note that the migration of workers, from countryside to towns, and from slow growing to fast growing regions, may also account for some of the growth of earnings for workers. They calculated that migration factors contributed less than 3.6% to the observed real wage gains between 1781 and 1851. The pessimists have long argued that the life expectancy of the workers declined during the first half of the 19th century, especially in the new industrial cities. The authors concede that

this may have been the case in Manchester and Liverpool but that "it can be shown that any tendency of the rising industrial centres to lure adult workers to an early death was fully offset, or more than offset, by the lengthening of life both in the cities and the countryside" (p. 21).

Finally the authors take up the argument of the pessimistic interpretation that the quality of life of the workers was degraded during the period by such factors as the long hours spent in tedious work under rigid discipline, the disruption of traditional family roles, industrial pollution, and the noise, filth, crime, and crowding of urban slums. They admit that they have not found a way of weighing these negative factors against the substantial gains in real wages. They note, however, that unskilled metal and cotton workers in the industrial city of Manchester earned £41,4 per week while in the agricultural area of "healthy" East Anglia, common laborers earned less than £25.1 per week. Yet, despite the higher cost of living in the industrial cities, and the supposed lower quality of life in the growing cities, many workers migrated from agricultural regions to industrial centers.

The authors conclude that the workers experienced impressive gains in the standard of living between 1781 and 1851. The real full-time earnings for workers during this period were: farm laborers 63.6%; all blue-collar workers 99.2%; all workers 154.8%. Subtracting such factors as occupational change, regional migration, a modest increase in unemployment, the shift to higher living costs for workers in industrial cities, a factor for urban industrial disamenities, the gains in the standard of living for the period were over 60% for farm laborers, over 86% for blue collar workers, and over 140% for all workers. Their evidence shows that the great majority of these gains came after 1820.

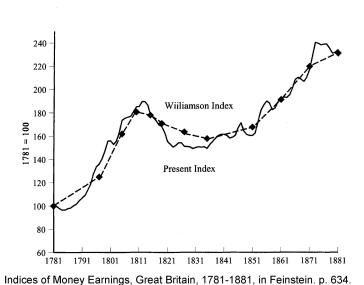
Peter H. Lindert; Jeffrey G. Williamson, "English Workers' Living Standards during the Industrial Revolution: A New Look," The Economic History Review, New Series, Vol. 36, No. 1 (Feb., 1983): 1-25.

A Pessimistic View of the Standard of Living Debate according to Charles H. Feinstein

In a 1998 article Charles Feinstein offered a widely noted pessimistic interpretation of the standard of living in England and Wales during the period of industrialization between 1770-1880, in response to the more optimistic arguments of the 1980s. His focus was on the standard of living as shown by real wages and the potential private consumption of material goods and services by manual workers (blue collar). He excludes white-collar workers from his analysis. He does not take into account such factors as services provided by the state or improvements in the range of goods available to consumers during the period. He also does not include such quality of life issues as disease, crime, slum housing, pollution or the greater availability of urban amenities such as education during the period. Since there is no serious dispute among historians that the industrial transformation of society during this period incurred significant costs in many qualitative aspects of life, an interpretation that demonstrates a substantial improvement in real wages must be offset by the negative qualitative factors of urban life during the period. If, on the other hand, a study demonstrates little or no gain in material consumption, "then the pessimistic conclusion may stand, in the knowledge that it would only be reinforced by appropriate correction for the deterioration in the quality of life" (p.627).

Feinstein mentions a series of studies since the optimistic conclusions of Lindert and Williamson were published in 1983, which have cast some skepticism on their conclusions, including their own

downgrading of the rise of real wages for the period 1819 to 1859 from an average of 84% to an average of 62%. Recent studies of mortality rates suggest a substantial worsening during the early 19th century as life expectancy increased from about 37 years at birth in 1790, to 40 by the mid-1820s, and then stagnated for the next 50 years. Feinstein's more pessimistic argument is based upon the creation of new real wage and price indices. His new index of average real wages covers all manual workers, both male and female, from 1770 to 1880. Some of the components of Feinsten's indices rest upon the work of A. L. Bowley and G. H. Wood who carefully collected the data during the early decades of the 20th century. Feinstein constructed separate estimates for male and female employment at decennial intervals from 1771 to 1881. Annual estimates of the movements in earnings for more than 20 separate occupations or industries were then constructed, which account for some 80% of all wage earners in Great Britain. Feinstein's index of money wages is compared to that constructed by Williamson in the table below.



Feinstein constructed a new cost of living index, which measures changes in the prices of 12 types of food as well as beer, coal, candles, clothing, footwear and rent. In order to determine the relative weights of expenditures in the cost of living index, he constructed the percentages allocated for three periods as shown in the table on the next page.

Feinstein then constructed a new cost of living index, see the next page.

Working-Class Expenditure Shares Used To Derive Weights For The Cost of Living Index, Feinstein p. 635.

(percentage)

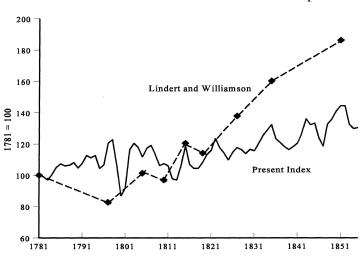
	(1) 1788/92			(2) 28/32	(3) 1858/62		
Items	Food	Total	Food	Total	Food	Total	
		A. Allocatio	on of Total Ex	penditure			
Food		69		65		61	
Rent		10		11		13	
Fuel		4		4		4	
Light		1		1		1	
Drink		10		11		12	
Clothing		6		8		9	
Total	100			100		100	
	B. Allocation of Expenditure on Food						
Bread	20	13.80	25	16.25	30	18.30	
Wheat flour	27	18.63	21	13.65	15	9.15	
Oatmeal	13	8.97	7	4.55	3	1.83	
Potatoes	5	3.45	7	4.55	10	6.10	
Beef	3	2.07	4	2.60	5	3.05	
Mutton and lamb	3	2.07	4	2.60	4	2.44	
Pork and bacon	7	4.83	8	5.20	8	4.88	
Milk	5	3.45	7	4.55	7	4.27	
Butter	4	2.76	4	2.60	5	3.05	
Cheese	3	2.07	3	1.95	3	1.83	
Tea, coffee	3	2.07	3	1.95	3	1.83	
Sugar, treacle	7	4.83	7	4.55	7	4.27	
Total food	100	69.00	100	65.00	100	61.00	

Cost of Living Index, 1770-1870 (Five year averages, 177/1782 = 100), Feinstein, p. 640.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Food	Rent	Fuel	Light	Drink	Clothing	All items
1770/1772	97	100	90	96	100	98	97.4
1773/1777	100	100	92	96	100	99	99.3
1778/1782	100	100	100	100	100	100	100.0
1783/1787	99	100	92	101	100	99	99.1
1788/1792	102	101	98	102	100	96	101.4
1793/1797	127	107	105	113	100	96	119.2
1798/1802	172	117	118	131	116	102	153.7
1803/1807	163	122	134	141	141	100	151.1
1808/1812	204	141	148	164	143	102	181.8
1813/1817	195	146	147	151	154	105	178.6
1818/1822	156	139	130	123	154	93	150.9
1823/1827	146	128	124	91	140	81	139.2
1828/1832	142	141	117	88	126	71	135.1
1833/1837	126	164	108	83	114	75	126.2
1838/1842	147	186	101	90	114	70	140.2
1843/1847	136	192	105	82	114	64	133.4
1848/1852	117	201	95	79	114	60	121.5
1853/1857	150	213	116	104	120	66	146.6
1858/1862	135	228	112	99	129	73	140.4
1863/1867	134	250	129	87	129	90	144.7
1868/1870	137	268	126	90	129	76	145.8

Feinstein compares his index to that of Lindert and Williamson and finds a significant decrease in the fall of prices, especially after the Napoleonic war peak in prices. He finds that his index falls 37% from 1810/14 to 1849/51 (1.2% per annum) compared to the Lindert and Williamson cost of living index, which saw a decline of 51% (1.9% per annum) during this period. The major differences are a result of different weights assigned to particular expenditures and the addition of expenditures, such as potatoes, milk, cheese, oatmeal, drink and new series for clothing and rent.

Feinstein's new indices of full employment nominal earnings and the cost of living are then brought together to derive a measure of the trends in real earnings for manual workers in Britain. The result is shown below.



Indices of Real Earnings, Great Britain, 1781-1855, Feinstein p. 643.

Feinstein concludes that there was a "moderate rate of improvement in full-employment real earnings" between 1781 and 1855. From the 1780's to 1815, average nominal wages kept largely in step with the cost of living and thus there was almost no increase in average real wages. After 1815 there was slow progress but by 1855 average real wages were only 30% ahead of those in the early 1780s. "It was only from the late 1850s that the average British worker enjoyed substantial *and sustained* advances in real wages" (p. 643).

Feinstein points out that while the 60% increase in the standard of living found by Lindert and Williamson might have compensated for the many quality of life problems that developed during the period, his finding of a modest 30% increase was much less likely to do so. Moreover, he notes that we must also consider such issues as unemployment, the irregularity of work for many wage earners, and the underemployment of workers. Using an index of unemployment, he notes that the average rate of unemployment was about 5% from 1770 to 1815 and about 8% from 1815 until the 1850s. Feinstein also includes Ireland, which was excluded by Lindert and Williams. Taking into account unemployment, he produced an adjusted real wages index for the period 1770-1882.

Real Wages Adjusted for Unemployment, Great Britain and the United Kingdom, 1770-1882 (Five-year averages, 1778/82 =100), Feinstein, p. 648

	(1)	(2)	(3)
	Full-	Real Earnings	Real Earnings
	Employment	Adjusted for	Adjusted for
	Real Earnings	Unemployment	Unemployment
	(Great Britain)	(Great Britain)	(United Kingdom)
1770/72	95	96	97
1773/77	95	96	96
1778/82	100	100	100
1783/87	101	102	101
1788/92	106	106	105
1793/97	109	108	105
1798/02	103	103	99
1803/07	115	114	109
1808/12	104	103	98
1813/17	105	102	97
1818/22	111	108	102
1823/27	113	111	104
1828/32	114	111	104
1833/37	124	121	113
1838/42	118	114	107
1843/47	126	124	118
1848/52	137	133	129
1853/57	129	129	128
1858/62	138	137	139
1863/67	143	143	146
1868/72	149	149	154
1873/77	167	168	176
1878/82	176	173	183

The net result of the inclusion of Ireland is negative for average real incomes for the United Kingdom as a whole until the mid 1830s, but this is reversed after this and, especially, after the famine. The net result of the inclusion of unemployment and Ireland in United Kingdom earnings for the period 1778/82 and the mid 1830s is an increase in real wages of only 13% for the United Kingdom and 21% for Great Britain. For the period of the mid-1830s to 1878/82 real earnings in the United Kingdom as a whole increased by 62% and 43% for Great Britain.

Feinstein's main conclusion is that "over the 75 years from 1778/82 to 1853/57 the increase in real weekly earnings, allowing for unemployment and short-time working, was less than 30%.... Wage earners' average real incomes were broadly stagnant for 50 years until the early 1830s...Some slight progress was made in the mid-1830s, but earnings then fell back again in the cyclical depression during 1838/42, and it was not until the mid-1840s that they at last started an ascent to a new height. More substantial gains were not achieved until the 1860s, and it was only after the post-1873 downturn in prices that average real earnings finally accelerated" (p. 649).

Feinstein notes that the picture looks even worse when we add additional factors such as the increasing adulteration of food and drink purchase by the working class and the increased number of dependents each worker had to support as fertility rose during the period. The number of dependents per worker rose from 2.61 in 1771 to 3.06 in 1821 and remained stable until the 1860s. Feinstein suggests that this may have reduced the increase in the standard of living by 10%. In addition, the decrease in quality of life issues resulting from rapid urbanization has been calculated by others, including Williamson, at perhaps a decrease of 3 to 8% in the overall average standard of living. Final there was a decline of relief payments of about 40% after the enactment of Poor Law reform in 1834, which resulted in a reduction of average real incomes of about 2%. The combined effect of these factors reduced the improvement in the standard of living of the average working class family in the United Kingdom between the 1780s and the 1850s from about 30% to somewhere in the range of 10 to 15%.

Feinstein notes that his finding of a relative stagnation of living standards followed by a slow and modest improvement in wages fits with the reality of a growing population, added to by

Irish emigration to Great Britain, which produced an abundant supply of labor and kept down substantial real wage gains until the labor market began to tighten in the mid-1850s and 1860s until prices again declined after 1873. Feinstein concludes: "most British workers and their families did not experience an actual deterioration in their standard of living during and after the Industrial Revolution. But neither did they enjoy the rapid progress which the super-optimists have discerned. For the majority of the working class the historical reality was that they had to endure almost a century of hard toil with little or no advance from a low base before they really began to share in any of the benefits of the economic transformation that they helped to create" (p. 652).

Charles H. Feinstein," Pessimism Perpetuated: Real Wages and the Standard of Living in Britain during and after the Industrial Revolution," *The Journal of Economic History*, Vol. 58, No. 3 (Sep., 1998): 625-658.