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## **Beveridge and Keynes in Iceland: New national labour policy in the aftermath of the Second World War**

During the Second World War social and economic policy in Iceland underwent radical overhaul. An ideological shift was underway in politics as the balance of political power changed and ground-breaking ideas emanating from Britain, New Zealand and other countries made inroads. Unlike the other Nordic countries, wrecked by war and occupation, Iceland was in an advantageous position to embark on a bold policy renewal. The Ministry of Social Affairs, founded in 1941, put significant effort into developing an integrated social and economic policy with the aim of creating a National Health Service and a comprehensive social insurance system based on universal social and economic rights, as well as implementing demand management to ensure full employment and well-functioning labour market.

The new social policy seems to have been inspired by Keynesian economics and the Beveridge Report on social insurance published in 1942. The paper examines this turning point in Icelandic social policy and how the new ideas were translated into legislation in the immediate postwar period. In particular, we consider the ideological influences on the key ideas concerning the labour market. The contributions of two British thinkers, John Maynard Keynes and William Beveridge, are of central importance in that respect.