Welfare Reform: From Illusion to Reality

WELFARE REFORM has been a heated topic in the United States for several decades. Most presidents since John F. Kennedy have either offered welfare proposals or at least given lip service to the need for reform. Until recently, welfare reform had a liberal connotation, because reform proposals usually called for major increases in benefits as well as expanding eligibility for welfare programs. Thus, welfare reform often tended to mean some form of a guaranteed annual income for poor people. The liberal orientation to welfare reform was so prevalent that even conservative administrations used it as the basis for welfare reform initiatives; for example, in the 1970s Richard Nixon proposed a massive overhaul of welfare in the form of the Family Assistance Plan, a guaranteed annual income program.

By the 1980s, however, this liberal orientation to welfare reform was eclipsed by a conservative vision, a shift in ideology brought about by significant changes in the social, political, and economic sectors of American culture. The first of these was the role played by analysts from think tanks in breaking up the hegemony of the federal government in social welfare. Although conservative policy institutes such as the American Enterprise Institute (AEI) and the Heritage Foundation have aspired to roll back the New Deal (Baroody, 1982), initial moves in this direction were made by liberal analysts. Charles Schultz (1977), a senior fellow at the Brookings Institution and former Chairman of the President’s Council of Economic Advisors under Jimmy Carter, argued that governmental intervention through higher expenditures and increased regulation was inferior to market strategies in dealing with social problems. Soon thereafter, another Brookings senior fellow, Henry Aaron (1978), published a critique of the War on Poverty, concluding that the intellectual basis of poverty programs was inherently flawed. Subsequently, analysts from the Urban Institute (Fisk, Kiesling, & Muller, 1978) published Private Provision of Public Services, a programmatic evaluation of nongovernmental activities in several areas, including social welfare. When AEI’s then-president William Baroody, Jr., stated his intention to promote a new post-New Deal philosophy, thus reducing governmental involvement in domestic policy, some of the groundwork had already been laid by liberal scholars.

Next, in a development much deprecated by liberal intellectuals, a loose alliance of religious fundamentalists and conservative populists formed the influential traditionalist movement. Seeking to reinforce basic values—respect for family and country, hard work, freedom, and independence—traditionalists challenged welfare programs that they said fractured family life, eroded the work ethic, and encouraged undesirable behavior. The traditionalist movement flexed its political muscles during the 1980 election, an effort that not only brought Ronald Reagan into the presidency but also placed a Republican majority in the Senate, giving the Reagan administration the political clout it needed to alter domestic policy during the early 1980s (Pines, 1982).

A perception then emerged in the advanced capitalist nations that welfare expenditures were becoming a drag on their economies. Noting that the problem afflicted economies with even greater commitments to governmental welfare programs than that found in the United States, Thomas Painton (1981) reported that at its present levels, the welfare apparatus has simply become too expensive for most governments—and their taxpayers. Across the [European] continent, social security systems are grappling with fiscal crisis, in part because ponderous, costly bureaucracies have mushroomed to administer a vast array of programs that sometimes neglect the essential to serve up what is merely desirable. . . . Blotted beyond its architects’ intent, welfare is threatening bankruptcy in some countries. (p. 34)

In the United States, increased expenditures for nonwelfare activities, particularly the military, compounded the problem of runaway welfareism by creating unprecedented deficits. In response, the Balanced Budget and Emergency Deficit Control Act of 1985 (the Gramm-Rudman-Hollings Act) was enacted to limit future expenditures. Although certain provisions were ruled unconstitutional, congressional leaders used the basic provisions of the act and other methods for making appropriations contingent on meeting targets in reducing the deficit. As a result, $23 billion was cut from government expenditures in 1987, half from domestic programs. In this context, a deficit-driven budget meant that new welfare initiatives requiring additional funds were unlikely in the future and further cuts in social programs were more likely. This relationship between the swelling budget deficit and the limits of social programs
did not go unnoticed by Daniel Patrick Moynihan (D-NY), one of the most influential proponents of welfare reform since the New Deal. Suggesting that the budget deficit was contrivance on the part of the Reagan administration to cap popular social programs that had been consistently defended by Congress, Moynihan (1988) concluded that the budget deficit was likely to "virtually paralyze American national government for the rest of the decade" (p. 133).

Moreover, the conservative shift in AFDC occurred as the proportion of teenage and unmarried and separated black and Hispanic women in the AFDC program was increasing. Out-of-wedlock births became an important family issue during the 1980s. Most troubling was the rapid rise in the percentage of unmarried teenage mothers—by 1984 it was three times higher than in 1959; half of all teenage births were outside of marriage by the mid-1980s (Karger & Stoesz, 1990). The out-of-wedlock birth rate for blacks is even more striking. In 1982, 87 percent of births to black teenagers (aged 15 to 19) and 37 percent of births to white teenagers were to unmarried mothers. At present, over half (55.3 percent) of all black children are born to single mothers (Karger & Stoesz, 1990).

These figures are translated into AFDC caseloads. In 1984, 44.6 percent of never-married mothers aged 16 to 19 received public welfare; for whites that number was 35.7 percent and for blacks it was 50.7 percent (Karger & Stoesz, 1990). Because similar attacks were not leveled against other income-transfer programs involving able-bodied adults such as Survivors Social Security and Veterans Benefits (though some efforts were made to cut Supplemental Security Income benefits for the mentally ill), it appears that the perceived "undeserving" nature of AFDC recipients may have been a significant factor contributing to the acceptance of conservative reform.

Together, these factors have had an enormous influence on American social welfare policy. Within a relatively short period, the classic liberal trinity of welfare reform—full employment, a guaranteed annual income, and national health care—had virtually disappeared from public discourse. In their place, narrow interpretations of welfare reform prevailed, reflecting a general drift toward conservatism that affected the nation as a whole. The conservative influence on domestic policy was reflected in two ideological developments within the American polity: neoconservatism and neoliberalism.

Neoconservatism

Before the 1970s, conservative thought held that business activity and government programs were essentially independent of one another. Accordingly, conservatives seemed content to snipe at welfare programs, reserving their attention for areas more in line with traditional conservative concerns: the economy, defense, and foreign affairs. By the mid-1970s, however, younger conservative intellectuals recognized that this classically conservative stance was no longer tenable: welfare had become too important to be dismissed outright. Consequently, a neoconservative formulation (Steinfels, 1979) emerged that sought to contain the growth in governmental welfare programs while transferring as much welfare responsibility as possible from the federal government to the states and the private sector. Implicit in this formulation was an unqualified antagonism toward government intrusion in social affairs. Government programs were faulted for a breakdown in mutual obligation between groups; the lack of attention to efficiencies and incentives in the way programs were operated and benefits awarded; the induced dependency of beneficiaries on programs; and the growth of the welfare industry and its special interest groups, particularly professional associations.

The Hoover Institution proved instrumental in shaping the neoconservative position on welfare. "There is no inherent reason that Americans should look to government for those goods and services that can be individually acquired," argued Hoover's Alvin Rabushka (1980), who listed four strategies for reforming welfare: (1) let users pay, (2) contract for services, (3) fund mandated services through the states, and (4) emphasize private substitution. Martin Anderson (1980), a Hoover senior fellow and subsequent domestic policy adviser for the Reagan administration, articulated the neoconservative position on welfare:

- Reafirm the need-only philosophical approach to welfare and state it as explicit national policy.
- Increase efforts to eliminate fraud.
- Establish and enforce a fair, clear work requirement.
- Remove inappropriate beneficiaries from the welfare rolls.
- Enforce support of dependents by those who have the responsibility and are shirking it.
- Improve the efficiency and effectiveness of welfare administration.
- Shift more responsibility from the federal government to state and local governments and private institutions.

Complementing the work of Hoover analysts, AEI commissioned Peter Berger, a sociologist, and Richard John Neuhaus, a theologian, to prepare a theoretical analysis of American society. Berger and Neuhaus's (1977) To Empower People identified the fundamental problem confronting American culture as the growth of megastructures (big government, big business, big labor, and professional bureaucracies) and a corresponding diminution of the value of the individual. The route to empowerment of people, then, was to revitalize "mediating structures," among them neighborhoods, families, churches, and voluntary associations. In a subsequent analysis, AEI scholar Michael Novak (1981) reevaluated the corporation, arguing that it was a mediating structure, not a megastructure. This argument left the basic institutions of liberal social reform—government, the professions, and labor—as the sources of mass alienation.

Based on these preliminary and seminal works, conservative scholars began to develop plausible proposals for welfare reform. With the election of Ronald Reagan, a hoary and worn rhetoric about counterproductive welfare programs suddenly gave way to some relatively sophisticated thinking about social welfare. In place of clichés about welfare cheats, parochial bureaucrats, and bleeding-heart social workers, neoconservatives made serious proposals in the areas of workfare.
community development, and child welfare. The liberal hegemony in social welfare was thus swiftly confronted by a group of scholars who held a vastly different vision of American social welfare.

A handful of works served as beachheads for the conservative assault on the liberal welfare state. George Gilder's (1981) Wealth and Poverty argued that beneficent welfare programs represented a "moral hazard," insulating people against risks essential to capitalism. This insulation eventually contributed to dependency. Instead of welfare, Gilder concluded, "In order to succeed, the poor need most of all the spur of their poverty" (p. 118). Anderson (1980) contended that computation of the poverty rate should include the cash equivalent of in-kind benefits (food stamps, Medicaid, and housing vouchers), which would effectively lower the poverty rate by 40 percent. "The war on poverty has been won," Anderson proclaimed, "except for perhaps a few mopping-up operations" (p. 145). Meanwhile, under the editorship of Jack Meyer (1981), AEI prepared Meeting Human Needs, an anthology detailing how the private sector could shoulder more of the public welfare burden. However, the capstone of the conservative critique of liberal government initiatives was Charles Murray's (1984) Losing Ground. An analyst associated with the Manhattan Institute and the Heritage Foundation, Murray alleged that government social programs of the Great Society had actually worsened the conditions of the poor. He advocated no less than a "zero transfer system," which consisted of "scraping the entire federal welfare and income support structure for working-aged persons" (p. 227). Subsequently, neoconservatives seemed to relish revising proposals to reform welfare, and no conservative policy institute could prove its worth until it had produced a plan to clean up "the welfare mess" (Butler & Kondratas, 1987; Lind and Marshner, 1987; Novak, 1987).

Essentially, the neoconservative critique of social welfare had several general objectives. First, neoconservatives undercut the comprehensiveness of the welfare state by limiting the discussion of welfare to means-tested programs, effectively separating them from the more popular social insurance programs. Second, the neoconservatives attempted to curtail the federal government's central role in domestic social policy. Weakening federal involvement in domestic affairs had two primary consequences. On the one hand, it assigned more responsibility for welfare to subordinate jurisdictions, notably the states, and to the private sector of traditional voluntary agencies and emerging human service corporations. This increase of pluralism in social policy produced considerable fragmentation and a corresponding erosion of the conceptual and political underpinnings of the American welfare state. Not inconsequentially, a weakened federal government allowed large-scale business a freer rein in social, political, and economic affairs. The neoconservative restructuring of social policy thus represented a perestroika of the American welfare state. Regardless of the motives behind these proposals, neoconservative treatises provided a potent critique of liberal governmental welfare programs.

Neoliberalism

The reasons for the rise in neoliberalism are complex. For one, many traditional liberals grew disenchanted with the perceived failure of the means-tested programs of the War on Poverty that were implemented during the mid-1960s and grew exponentially during the early 1970s. The expansion of welfare programs created a political backlash directed at liberals, a stigma borne particularly by Democrats seeking the presidency. Smirking from the defeat of Jimmy Carter and the loss of the Senate to the Republican party in 1980, many liberal Democrats began to reevaluate their party's traditional positions on domestic policy. This reexamination (christened "neoliberalism" by Charles Peters, editor of the Washington Monthly, to differentiate the new ideology from liberalism and neoconservatism) attracted a small following in the early 1980s. With the resounding defeat of Walter Mondale—a candidate who symbolized liberal social policy—neoliberalism moved to the center stage of Democratic party politics. By the late 1980s, several leading Democrats were identified as neoliberal: Richard Gephardt, Charles Robb, Albert Gore, Jr., Michael Dukakis, Bill Bradley, and Tim Wirth. Despite the defeat of Michael Dukakis in the 1988 presidential campaign, neoliberalism remains central to the thinking of the Democratic party's emerging leadership (Schneider, 1989).

Neoliberals reacted to popular rejection of classic liberal approaches to social problems by fashioning policies that diverged widely from their New Deal precursors. Rothenberg (1984) charted the influence of neoliberalism on the Democratic domestic policy platform as early as 1982:

The party's June 1982 midterm convention in Philadelphia did not endorse a large-scale federal jobs program, in spite of more than 9 million unemployed. It did not propose national health insurance, even though medical costs were still soaring. It did not submit yet again a plan for a guaranteed annual income, although the American welfare system was still not operating efficiently. (pp. 244–245)

In place of liberal proposals for welfare reform—proposals usually calling for an expansion of government effort—neoliberal proposals have tended to reduce governmental costs while encouraging businesses to assume more responsibility for the welfare of the population. For example, Peters (1983) advocated means-testing all welfare programs. In defense of neoliberalism, he explained that we still believe in liberty and justice and a fair chance for all, in mercy for the afflicted, and help for the down and out...but we no longer automatically favor unions and big government or oppose the military and big business. (p. 34)

In reviewing "income maintenance programs like social security, welfare, veterans' pensions, and unemployment compensation," Peters outlined the neoliberal position:

We want to eliminate duplication and apply a means-test to these programs. As a practical matter the country can't afford to spend money on people who don't need it...As liberal idealists, we don't think the well-off should be getting money from those programs anyway—every cent we can afford should go to helping those in real

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need. Social Security for those totally dependent on it is miserably inadequate, as is welfare in many states. (p. 36)

Robert Reich, a Harvard professor and adviser to the Democratic party, advocated investments in human capital and said these investments should be adapted to productivity. Restructuring human capital investment (that is, reforming the current welfare apparatus) would involve a thorough retooling of virtually every program:

For example, we can expect that a significant part of the present welfare system will be replaced by government grants to businesses that agree to hire the chronically unemployed . . . .

Other social services—health care, social security, day care, disability benefits, unemployment benefits, relocation assistance—will become part of the process of structural adjustment. Public funds now spent directly on these services will instead be made available to businesses, according to the number of people they agree to hire. Government bureaucracies that now administer these programs to individuals will be supplanted, to a large extent, by companies that administer them to their employees.

Companies, rather than state and local governments, will be the agents and intermediaries through which such assistance is provided. (Reich, 1983, p. 248)

Perhaps the clearest evidence of movement toward the ideological center by those usually associated with liberal Democratic principles is The New Consensus on Family and Welfare (Novak, 1987), published by AEI. The “new consensus” project director, Michael Novak, accomplished an ideological coup by enlisting the participation of two senior scholars—Robert Reischauer and Alice Rivlin—from the distinguished (and liberal) Brookings Institution. In its final report, the project labeled “existing welfare policy as toxic” (p. xiv).

**The New Welfare Reform Initiative**

Current proposals for welfare reform took shape within an overall conservative and antiwelfare context. For example, the Low-Income Opportunity Act proposed by the Reagan administration would, in effect, have eliminated a poor mother’s entitlement to support from government welfare programs. Under Reagan’s proposal, which was predicated on the belief that state and local governments could best assess the needs of the poor, states were given wide latitude in program design, eligibility guidelines, benefit levels, and the allocation of program resources. The Reagan proposal essentially called for a series of state-sponsored welfare experiments with virtually no assistance from the federal government.

Rather than establishing a federal welfare program mandating adequate benefit levels, congressional Democrats followed the conservative trend. They allowed states to continue to define need, set their own benefit levels, establish income and resource limits (within federal limitations), and administer their programs. Although the welfare reforms proposed by Congress were more conservative than earlier Democratic plans, the Reagan administration nevertheless threatened to veto any reform bill that did not include a tough work-for-pay requirement.

Differences between the moderately conservative Democratic plan and the highly conservative Reagan proposal were ironed out in a compromise bill. Thomas Downey (D–NY), chair of the House subcommittee on public assistance, hailed this bill as the first “significant change in our welfare system in 53 years” (Eaton, 1988). Under this compromise, $3.34 billion will be allocated over the first 5 years to establish education and job-seeking programs at the state level for AFDC recipients. During 1990 and 1991, states will have to enroll at least 7 percent of AFDC parents in child care; by 1995, the enrollment will rise to 20 percent. Although two-parent families are covered in the bill, beginning in 1997 one parent will be required to work at least 16 hours a week in an unpaid job in exchange for benefits (Rich, 1988). The more progressive provisions of the bill include the extension of eligibility for day care grants and Medicaid for 1 year after a client leaves AFDC for private employment. The bill also mandates the automatic deduction of child support from an absent parent’s paycheck. Dan Rostenkowski (D–IL), Chair of the House Ways and Means Committee (which oversees most welfare legislation), estimated that 65,000 more two-parent families would receive benefits, 400,000 people would participate in workfare by 1993, and 475,000 people would be eligible for transitional Medicaid benefits under provisions of the bill (Rich, 1988). This compromise bill was signed into law by President Reagan in October 1988.

Given these provisions, how much reform is in the new welfare reform initiative? The two most significant improvements are the extension of child day care and Medicaid for 1 year after a client finds employment and the inclusion of two-parent households in the program. These provisions will help parents who are working steadily; however, most people on AFDC have job histories in which welfare complements episodic and low-wage employment. In light of this, the new welfare initiative will extend important benefits to the working poor, but it is unlikely by itself to help people get off welfare. “Most work–welfare programs look like decent investments,” noted Harvard poverty researcher David Ellwood (1988), “but no carefully evaluated work–welfare programs have done more than put a tiny dent in the welfare caseloads” (p. 153). Unless wages increase and jobs provide a more reliable source of income, the working poor will continue to need welfare benefits periodically.

Some provisions of the compromise bill, however, are clearly punitive and are unlikely to substantially enhance the self-sufficiency of AFDC recipients. Requiring one parent of a two-parent household to do make-work in exchange for benefits is unlikely to increase that family’s economic independence. In fact, such a requirement may actually impede it if beneficiaries are forced to do make-work when they could be seeking work elsewhere. Garnisheeings wages is unlikely to increase economic independence if a parent’s wages are so low that such a requirement creates incentives to quit work rather than pay child support. Mimi Abramovitz (1988) observed that for poor men, this provision “may be more like squeezing blood from a stone” (p. 239). Relying on states to operate inadequately funded workfare programs is therefore likely to result in uneven levels.
of welfare reform. Relatively wealthy states such as Massachusetts and California will expand on generous workforce programs already in place, whereas poorer states such as Mississippi and New Mexico will be hard-pressed to deploy programs thatrujy more than punitive.

Welfare reform in 1988 was a triumph of both conservatism and pragmatism. It served the interests of neo-liberals by removing a difficult issue from the national agenda while it furthered the goals of neo-conservatives by emphasizing workfare. According to Abramovitz (1988),

By replacing liberal tenets of entitlement, self-determination and Federal responsibility with more conservative notions of contract, compulsion, and states’ rights . . . welfare reform erodes some of the fundamental principles that support the U.S. welfare state. (p. 240)

One example of the inadequacy of the current welfare reform package is seen in the erosion of cash grants to poor families. From 1970 to 1988, the median AFDC benefit to states dropped 35 percent in constant dollars as a result of inflation. In other words, had AFDC benefits simply remained constant with inflation, beneficiaries in 1988 would have received $5.88 billion more than what they got. The 1988 welfare reform initiative proposes to “reallocate” (over 5 years) only 57 percent ($3.34 billion) of this lost income back to the poor through compulsory workfare. At the same time, in 1988 AFDC benefits remained below the poverty level for all states except Alaska (Committee on Ways and Means, 1988). For the poor, welfare reform in 1988 represented little more than recouping a small portion of the income supplement lost since 1970. From this perspective, there is little in welfare reform that represents a net improvement in the lives of families living in poverty.

Reforming the Welfare State

By the late 1980s, neo-conservatism and neoliberalism had made a clear imprint on social welfare policy. In contrast to ambitious proposals advanced by previous administrations—such as the Family Assistance Plan of the Nixon Administration, which proposed a guaranteed annual income, or the Program for Better Jobs and Income of the Carter Administration, which proposed a public-jobs effort—the welfare reform plans that attracted serious attention during the late 1980s were comparatively modest. Even groups (such as the National Governors’ Association and the American Public Welfare Association) that had previously been outraged by Reagan Administration strikes against welfare supported proposals that were conservative compared to those of the past.

Although the initial conception of workfare might have appealed to many people, the idea presented in prospective legislation represented anything but major welfare reform. The cost of the compromise welfare reform proposal of 1988 paled in comparison to the reforms of the New Deal and the War on Poverty and did not begin to recover the massive amounts cut from welfare programs in recent years. The Center on Budget and Policy Priorities, a liberal think tank in Washington, D.C., estimated that $57 billion was cut from federal welfare programs that benefited low-income Americans between 1982 and 1986. Robert Greenstein, executive director of the center, observed that the price tag of a major restructuring of welfare “moves outside the realm of what can even be discussed in Congress” (personal communication, September 28, 1987).

The social, economic, and political forces that have propelled conservatism now appear likely to influence social policy through the end of the century. From this conservative direction, three fundamental values emerge that bear directly on the shape of future welfare proposals: reciprocity, productivity, and familial responsibility.

Reciprocity

The growing literature on the American underclass suggests that welfare programs contribute to dependency and dysfunctional behaviors, especially when benefits are not conditional on the recipients’ maintaining a standard of conduct. In a convincing argument, Mead (1986) observed that

the damage [by welfare programs] seems to be done, not by the benefits, themselves, but by the fact that they are entitlements, given regardless of the behavior of clients. They raise the income of recipients, but, more important, free them to behave without accountability to society. (p. 65)

Consequently, a common feature of welfare reform is likely to be that of employment (or, in the absence of a job, education or job-finding activities) as a condition of eligibility. Although reciprocity is usually advanced as a way to encourage welfare recipients to act in a socially desirable manner, it also contributes to the public credibility of welfare programs. In introducing his Family Security Act, which included a workfare component, Moynihan (1987) argued that

mothers, the custodial parents in most single-parent families, must try to earn income, at least part-time, to help support their children. The statistics are a stark testament to the need: 72 percent of all mothers with children between 6 and 18 are in the labor force. Over half of all mothers with children under age 3 are in the labor force.

This marks a great change in the position of women in American life. The only women who have not participated in this change are the heads of AFDC families, of whom fewer than 5 percent work part time or full time.

As a nation, we find a 7 percent unemployment rate barely tolerable. What then are we to think of a system that keeps 95 percent of poor mothers unemployed and out of the labor force? (pp. S10401–2)

Unfortunately, the meager funding of the Family Support Act may subvert its intention—economically freeing the poor from public assistance. A recent study of five workfare experiments by the Manpower Demonstration Research Corporation (Friedlander, 1988) generated a surprising finding: the AFDC recipients who were most dependent—those with no preassistance earnings and who had been on public assistance for more than 2 years—showed the greatest savings from participation in workfare, because they customarily consumed a greater portion of welfare resources. In other words, workfare focusing on the hard-core welfare dependent can result in greater savings.
than workfare designed for AFDC recipients who are initially more employable and who are therefore, more likely to become independent of AFDC. Faced with restricted funding, workfare administrators may have to give cost reduction a higher priority than economic independence. This would leave workfare vulnerable to accusations that the program has not significantly reduced the AFDC caseload (Friedlander, 1988).

Productivity

The emergence of a highly competitive global economy has led to a multibillion-dollar trade deficit for the United States. The need to compete against Asian nations that more fully exploit their productive capacity is forcing the United States to consider more effective ways to use its own labor force. The rise of the global economy, severe budgetary constraints, and the apparent hegemony of conservative values are likely to force social programs to become more congruent with economic productivity. Coupling welfare to productivity can make for some strange bedfellows when it comes to welfare reform. For example, in response to the large number of mothers in the labor force, Senator Orrin Hatch (R-UT) (1987), an archcritic of progressive welfare programs, proposed a $375 million day care program.

Welfare programs can be used to rebuild deteriorating communities in America. Precedents for such an approach include the jobs programs of the New Deal—the Civilian Conservation Corps, the Works Progress Administration, the Public Works Administration—and, more recently, the California Conservation Corps. The redefinition of relief, from association with welfare to association with work, could include using social programs to reconstruct America’s deteriorating infrastructure. Experience has shown that the economic revitalization of poor communities cannot be accomplished solely by income transfers to individuals.

Allying welfare with productivity draws social programs closer to the American economic system, a strategy that may be necessary to justify greater expenditures for social welfare in the future. The Minimum Health Benefits for All Workers Act (1988), a proposal by Senator Edward Kennedy (D-MA) that would assure basic health insurance for all employees, is an example of this strategy. Under the rubric of “industrial policy,” both conservatives and liberals have advocated major governmental initiatives to enhance the competitiveness of the American economy. As a result, welfare advocates are likely to be more successful if they justify new social programs as investments in human capital or in community restoration that contributes to the economic vitality of the nation.

Familial Responsibility

Another trend in current welfare reform proposals is the belief that the government should abandon its role as the “rescuer of first resort.” Retreating to traditional values, this philosophy dictates that biological parents have the ultimate responsibility for support of their offspring. Although since 1981 even impoverished noncustodial parents have been required to pay child support, the 1988 AFDC reforms called for even more stringent child support enforcement. For example, after a child support award is granted, states must contact employers and arrange for the money to be automatically withheld from an employee’s paycheck. Employers then forward the withheld wages to state agencies for distribution to the family. In addition, interstate administrative mechanisms expedite the location of a delinquent parent.

The automatic withholding of child support payments clearly can keep some families off the AFDC rolls, but it has been shown to be of limited utility when applied to all AFDC families. Although available research suggests that the typical child support situation involves a man who has remarried and whose income can provide some economic support for his biological children, the past record for child support enforcement is generally bleak. In 1986 child support collections were successful in only 15.7 percent of AFDC cases (Greene, 1987). Perhaps more a principle than a fiscal attempt to gain revenue, this policy reinforces the belief in the parent’s responsibility to provide material support for the child.

Issues in Welfare Reform

The current welfare reform bill does not simply reflect a series of benign policy initiatives; instead, it represents a fundamental shift away from sweeping notions of universal entitlements toward a more conservative and limited concept of social welfare. Welfare reform ideologies that stress reciprocity, productivity, and familial responsibility reflect a return to traditional values of self-reliance, independence, individual responsibility, and the limited role of government. For liberals who have advocated expanding federal social programs, this approach embodies a return to a harsh and punitive world. According to these critics, postindustrial capitalism is marked by an interdependence between individuals and government, with human and market needs inextricably linked. Regional and international economic dislocations pose significant problems for government, particularly when the cost for dealing with these falls on the public sector. Without planned capitalist development displaces large segments of workers, it becomes the government’s responsibility to sweep up the human debris left in its wake. From this perspective, a conservative ideology of welfare reform is not only out of sync with the requirements of a postindustrial economy, but it also serves to condemn individuals for their own impoverishment.

Current welfare reform proposals are flawed in other ways. In November 1987, there were 7.1 million unemployed workers; 5.5 million part-time workers who could not find full-time work; and several million working poor who, even though they were working full-time, did not earn enough money to escape poverty. “The number of impoverished working Americans climbed by nearly two million, or 23 percent, between 1978 and 1987,” observed Reich (1989):

The number who worked full time and year round but were poor climbed faster, by 43 percent. Nearly 60 percent of the 20
If workers are unable to earn enough to be economically self-sufficient, how can welfare recipients be expected to become economically independent of public assistance? Moreover, even though unemployment has been reduced to under 7 percent, it is differentially distributed. Relatively affluent sections of the country (for example, Massachusetts, New Hampshire, and California) experience less unemployment, whereas the “rust bowl” states of the industrial midwest and the farm states experience high rates of unemployment. Furthermore, unemployment rates tend to differ widely even within states. Vigorous promotion of workfare may thus force poor rural families to move to urban areas for job possibilities, a trend that will further impoverish and depopulate already shaky rural areas.

In many ways, the current welfare reform bill represents a legislative sleight of hand. Because of its modest funding (less than $3.5 billion over a 5-year period), the likelihood that this bill will result in significant change in the welfare system is virtually nonexistent. The adroitness of the bill lies in its ability to exchange illusion for reality, a hallmark of the Reagan era.

References

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