June 1989

A New Paradigm for Social Welfare

David Stoesz
San Diego State University

Follow this and additional works at: https://scholarworks.wmich.edu/jssw
Part of the Social Welfare Commons, and the Social Work Commons

Recommended Citation
Available at: https://scholarworks.wmich.edu/jssw/vol16/iss2/7
A New Paradigm for Social Welfare

DAVID STOESZ

policyAmerica

and

San Diego State University
School of Social Work

The American welfare state has been contained by several developments that have influenced social policy: the traditionalist movement, neoliberal ideology, and the budget deficit. These are evident in the minimal welfare reform of the Family Support Act of 1988. A new paradigm for organizing thinking about American social welfare is proposed around themes that have become central to discussions of social policy: productivity, reciprocity, community, and privatization. In order to become a viable institution again, social welfare policy should emphasize specific themes: voluntarization, access to services, social choice, social control, social obligation, transitional benefits, community enterprise, and national service.

The 1980s have been punishing for the American welfare state. A convergence of social, political, and economic developments have not only halted a half-century of steady expansion but even posed the prospect that government social programs—the heart of the welfare state—would be reduced. To most observers there is little evidence that the momentum to roll back the welfare state, attributable to these factors, has been exhausted. Accordingly, it remains for those concerned about social justice in the United States to consider alternatives to conventional social programs to assist the disadvantaged.

Since the New Deal, welfare professionals have relied on the welfare state paradigm to guide their thinking. Following this paradigm, welfare advocates foresaw a central administration extending benefits to a wider spectrum of the population as a right of citizenship. Eventually, the American welfare state was to resemble its northern European counterparts—complete with a guaranteed annual income, full employment, and national health care. But, 50 years after the passage of the Social Security
Act, these objectives have all but vanished from the social policy debate. If welfare professionals are to remain instrumental in promoting the commonweal, they must fashion a new paradigm for social welfare.

Containing the Welfare State

By now it should be apparent that the profound reversals suffered by public social programs are not temporary; rather, the reduction of public welfare is a consequence of forces deep at work within American culture. For American progressives, the traditionalist movement, neoliberal ideology, and the budget deficit all make the revitalization of a New Deal-style welfare state unlikely. Too late, advocates of governmental social policies recognized that conservatives had stopped sniping at welfare programs, preferring instead to create a context for governmental programs that proved so hostile that new, large-scale social programs were effectively precluded.

In a development much depreciated by liberal intellectuals, a loose amalgam of religious fundamentalists and conservative populists merged to form the influential “traditionalist movement” (Pines, 1982). Seeking to restore basic values—respect for family and country, hard work, freedom and independence—traditionalists challenged welfare programs which were alleged to fracture family life, erode the work ethic, and encourage undesirable behavior. Substituting protest and telemarketing for fire and brimstone, the traditionalist movement flexed its political muscles during the 1980 election which not only brought Ronald Reagan into the presidency, but also placed a Republican majority in the Senate. Allegiance to this movement provided the Reagan administration with the political mandate it needed to alter domestic policy during the early 1980s. The election of George Bush to the presidency in 1988 and the likelihood that he will install more conservatives in high positions within the federal judiciary promises to continue the momentum of the traditionalist movement.

Smarting from the defeats of Jimmy Carter and Walter Mondale, many liberal Democrats began to reevaluate their party's time-honored position on domestic policy. In place of adherence to New Deal-type programs, a new variant of liberalism em-
phasized the productivity of business over the needs of the disad
tantaged. Christened "neoliberalism" by Washington Monthly
editor Charles Peters (1983), the new ideology provided younger,
ambitious Democrats an opportunity to avoid association with
the high price-tag social programs of "paleoliberalism." As early
as 1982, the Democratic party dropped the classic liberal trinity
of welfare reform—full-employment, a guaranteed annual in-
come, and national health care—from its platform for more mod-
est (and vague) objectives (Rothenberg, 1984; pp. 244-245). Even
Democrats schooled in federal social programs admitted that
their ideas were out of sync with current events. "The New Deal
will live in American history forever as a supreme example of
government responsiveness to the times," acknowledged Ted
Kennedy before the Woman's National Democratic Club, "But
it is no answer to the problems of today" (Broder, 1988, p. 25A).
By the end of the 1980s, many Democrats of national stature
could be identified as neoliberal—Richard Gebhardt, Charles
Robb, Albert Gore, Jr., Bill Bradley, and Tim Wirth. Without the
vocal support of the Democratic party, the prospects for major
governmental welfare initiatives fade rapidly.

If Democratic presidential reversals were not enough, the
Gramm-Rudman-Hollings Deficit Reduction Act precluded
launching new social programs. Daniel Patrick Moynihan has
gone so far as to suggest that the budget deficit was a deliberate
contrivance on the part of the Reagan administration to cap pop-
ular social programs that had been consistently defended by
Congress, concluding that the budget deficit would "virtually
paralyze American national government" for the next several
years (1988, p. 293). A deficit-driven budget meant that not only
were new welfare initiatives which required additional funds
unlikely in the foreseeable future, but also that further cuts in
social programs were probable. In 1987, for example, $23 billion
was cut from government expenditures, half from domestic pro-
grams, an amount that is likely to increase in subsequent years.
"Through the creation of a national debt exceeding $2 trillion,"
observed Thomas Edsall of the Washington Post, "a Republican
White House has severely restricted the ability of the Democratic
opposition to restore action and vitality to its own agenda" (1988,
p. 49). Unable to borrow money to float new social programs
because of the deficit, Democrats are forced to consider across-the-board tax increases, an implausible alternative for a working public that is already strapped financially. The budget deficit served as the rationale for freezing social programs and effectively straight-jacketed the welfare state.

Welfare Reform, 1988

The forces that have constricted the welfare state help explain the marginal—if not regressive—changes in public welfare enacted through the Family Support Act of 1988.2 Heralded by Thomas Downey, chair of the House subcommittee on public assistance, as “the most significant change in the welfare system since its inception over 53 years ago” (Eaton, 1988, p. 15), the Family Support Act essentially changed the Aid to Families with Dependent Children (AFDC) from an income support to a mandatory work and training program. The Act requires states to develop workfare programs which compel women on welfare with children under 3 (at state option, age 1) to participate in a work and training program. By 1990, each state will be required to enroll at least 7% of its recipients (by 1995 the required enrollment will rise to 20%) in a state basic education, job training, work experience, or a job search program. Adoption of the AFDC-UP (Unemployed Parent) program will become mandatory for all states, although states can decide to limit enrollment for two-parent families to six out of twelve calendar months in a year. Beginning in 1992, one family member of an AFDC-UP household will be required to participate at least 16 hours per week in an unpaid make-work job in return for benefits. Although initially only 40% of AFDC-UP recipients will be expected to be in a make-work program, by 1997 that number is slated to increase to 70%. The Act also provides transitional benefits—eligibility for day care grants and Medicaid—for one year after leaving AFDC for private employment (Family Support Act of 1988). Dan Rostenkowski, chair of the House Ways and Means Committee which oversees most welfare legislation, estimated that an additional 65,000 two-parent families would receive benefits, that 400,000 people would participate in workfare by 1993, and that 475,000 would be eligible for transitional Medicaid benefits under provisions of the Act (Rich, 1988).3

Yet, despite the fanfare, the Family Support Act of 1988 hardly
qualifies as "reform", particularly when compared to those of the New Deal and the Great Society. Perhaps the clearest illustration of the inadequacy of the Act is found in the substantial loss of income to AFDC families since the War on Poverty. From 1970 to 1988, the effect of inflation lowered the median state's AFDC benefit by 35% (Committee on Ways and Means, 1988: 415). In other words, had AFDC simply remained constant with inflation, beneficiaries in 1988 would have received about $5.88 billion more than what they are getting.\(^4\) The Family Support Act proposes, in effect, to "reallocate" over a five year span only 57% of this lost income ($3.34 billion) back to the poor, primarily through compulsory workfare. For the welfare poor, welfare reform in 1988 represents little more than diverting a portion of the income supplement lost since 1970 to welfare managers who operate stringent workfare programs.

Nor does the Family Support Act adequately address the realities of the working poor. The Act is grounded in a debatable premise—that those on AFDC can become totally independent of public assistance through workfare. Here the expectations of proponents of the Act are frustrated by the ubiquitous, secondary labor market. For the working poor who are dependent on a service-oriented economy, complete self-sufficiency remains an elusive if not unreachable goal. If 44% of the new jobs created during the recent economic recovery are part-time service-sector jobs that pay less than $7,400 per year, how many of the working poor can become truly independent of welfare (Compa, 1985, p. C1)? The great majority of people on AFDC exhibit a job history in which welfare complements episodic and low-wage employment. In light of this, the Family Support Act will extend important benefits to the working poor who are upwardly mobile, but it is unlikely to boost but a few recipients off of welfare altogether. "Most work-welfare programs look like decent investments, but no carefully evaluated work-welfare programs have done more than put a tiny dent in the welfare caseloads," concluded David Ellwood of Harvard's Kennedy School of Government. Results of various workfare experiments show that "annual earnings are raised $200 to $750," noted Ellwood, hardly enough to vault AFDC families out of poverty and toward self-sufficiency (1988, p. 153).

Ultimately, the Family Support Act does little to alleviate the
magnitude of the economic and social dislocation of America's poorest communities. That the Act provides additional assistance to approximately 1 million of the poor, seems inadequate considering the 30 million Americans with incomes below the poverty level in 1988 (Statistical Abstract of the United States, 1988, p. 433). That the Act requires a relatively small portion of female heads-of-households to engage in workfare, seems futile considering the precipitous drop in life opportunities in the nation's economic backwaters. With increasing frequency, social observers have identified an American "underclass"—a growing population which is trapped by economic stagnation, occupational immobility, and self-destructive behavior—that seems resistant to the both the incentives and penalties of conventional social programs (Glasgow, 1981; Auletta, 1982; Reischauer, 1987; Wilson, 1987, 1988). For these most vulnerable Americans, the Family Support Act is virtually irrelevant.

Reclaiming the Welfare State

Clearly, the Family Support Act is a poor examplar of welfare reform. Its provisions are inadequate for the relatively small number of AFDC beneficiaries for whom it is intended, to say nothing of the majority of the poor. Indeed, there is much more reform that is necessary for social welfare to be a viable cultural institution. Rather than resort to the old formulas of the New Deal (epitomized by Ronald Reagan's partial recollection of Harry Hopkins' dictum: "tax, tax; spend, spend; elect and elect"), the charge to human service professionals today is to configure a social welfare institution that conforms to a post-industrial capitalist economy in which life circumstances of the poor are rapidly deteriorating. The challenge here is no less than the reconstruction of a social institution around a new set of precepts.

Productivity

It is essential to demonstrate how social programs contribute to the nation's productivity, rather than being a drag on the economy. After decades of aversion, liberals are no longer treating "work" as if it were a four-letter word, but they need to go well beyond workfare in reformulating welfare. Universalizing benefits, such as health care and child care, for all who partic-
ipate in the labor market is not only justifiable, but also shows middle-income workers that social programs enhance the nation's competitiveness. Funding of workfare through the Family Support Act and child day care proposals given serious consideration by the 100th Congress (one by Orrin Hatch!) indicate that additional funding for social programs can be had by coupling social welfare to economic productivity.

Reciprocity

Since Lawrence Mead's *Beyond Entitlement* (1986), the idea that welfare beneficiaries owe a standard of conduct in exchange for receipt of public assistance has become a basis for welfare policy. It is time to expand the idea of social obligation between social classes to include those who are better-off. Upper- and middle-income groups should be encouraged, through economic incentives or appeals to altruism, to fulfill their social obligation toward the less-fortunate in more meaningful ways than paying taxes. The civic mindedness of both the poor and the well-to-do is essential to both democratic government and a free society. Recent discussions of a voluntary national service reflect the concern of many that social obligation is not a responsibility of the poor alone (Rothenberg, 1984; Noah, 1986; Moskos, 1988).

Community

Despite lip-service to "mediating structures"—family, neighborhood, church, and voluntary association (Berger and Neuhaus, 1977)—social policy of the last decade has extracted a dreadful toll on social institutions in poor communities. The failure of the Reagan administration to convince Congress to approve its Urban Enterprise Zone plan, while it proceeded to gut Urban/Community Development Action Grant programs, has left a vacuum in community development policy. While many states and cities have attempted to compensate for the absence of federal leadership by establishing their own programs, often with the assistance of nonprofit groups, those with a deteriorating economic base are ill-prepared to deal with the social and economic debris of underclass communities. The restoration of social institutions in poor communities should be a priority of future welfare initiatives.
Privatization

If government is to carry less of a welfare burden that is increasing, it must transfer some of the load to the private sector. "Privatization", unfortunately, is one of the more misunderstood terms of the decade, having been defined as the cashing out of public commodities for private entrepreneurs (Linowes, 1988). Yet, since de Tocqueville, much of what we identify as unique about America—from metropolitan museums to the civil rights movement—has been attributed to the voluntary initiatives of private groups of individuals (Gardner, 1978, p. 13). Today, many of the pioneering projects around social problems that are too sensitive to attract broad public support or that serve those who do not represent profit margins—patients with Acquired Immune Deficiency Syndrome, the homeless, and refugees—are managed under private, nonprofit auspices. On the other hand, a new generation of corporations has emerged specializing in human services, such as hospitalization, long-term care, corrections, and child day care (Stoesz, 1986b). For social welfare advocates who believe that the corporation is the institutional manifestation of a capitalist economy which generates many social problems for which welfare programs are then necessary, the human service corporation is an oxymoron. Rather than reject outright the for-profit provision of social welfare, human service professionals would be more effective if they were to acknowledge that millions of Americans now receive health and welfare benefits from proprietary firms. Instead of viewing capitalism—and privatization, for that matter—as "the problem", welfare advocates should view the nation's economic base as a premise upon which to conceive of creative solutions to social welfare needs. Following from this is a central question: what is the social carrying capacity of a market economy?

The precepts of productivity, reciprocity, community, and privatization provide benchmarks around which future thinking about American social welfare can be organized. While some of these terms have been used by conservatives to make the case against New Deal-type welfare programs, they also present opportunities to recast social welfare in a form that is more consonant with the American experience. The following strategies
suggest how productivity, reciprocity, community, and privatization can help reclaim the welfare state.

Strategies

Voluntarization The institutional origins of social welfare in the United States are reflected in the myriad nonprofit agencies of the voluntary sector. Nonprofit social agencies offer virtues that strike a chord with most Americans—local control, neighborliness, and community well-being. Yet, these organizations are besieged by increased demand for service while government support has ebbed. Between 1977 and 1984 government funding of nonprofit social service agencies dropped from 53.5 to 43.9% of their revenues (Hodgkinson and Weitzman, 1986, pp. 119–120). In actual dollars, the loss was particularly acute during the latter part of this period. According to an Urban Institute study, federal funds to programs in which nonprofit agencies had been active (excluding Medicare and Medicaid) were reduced by about $26 billion each year between 1982 and 1984. Yet, fund raising by nonprofits the following year recouped only one-eighth of that amount (Independent Sector, 1986, p. 2). Traditionally, the voluntary sector has relied on individual and corporate contributions to balance governmental aid, but neither promises to offset the loss of governmental revenues. Individual contributions are unlikely to increase substantially, since half of all charitable giving to nonprofits comes from families making less than $25,000 per year (O’Connell, 1984, p. 2)—families whose income has failed to increase since the mid-1970s. Corporate contributions flagged with the October 19, 1987 stock market crash (Skrzycki, 1988). Facing a probable recession after so many years of expansion, few corporate directors are willing to risk capital reserves to bail-out the nonprofit sector. Compounding the loss of fiscal support, the voluntary sector faces the competition of the for-profit, corporate which has begun to exploit markets in areas traditionally served by nonprofits. Health care, nursing home, child care, and recreation businesses have begun competing in the same markets served by voluntary agencies, in some cases complaining that nonprofits enjoy an unfair competitive advantage because they are tax exempt. Such accusa-
tions eventually led the House Ways and Means Committee to investigate ways to limit the entrepreneurial behavior of nonprofits, an untimely event considering the fiscal dilemma faced by the voluntary sector.

Revitalizing the voluntary sector will require several changes in social and economic policy. Foremost, people should be given incentives to contribute to local, nonprofit social service agencies. The most immediate way to do this is to restore the deduction for charitable organizations by nonitemizing taxpayers, which was withdrawn by the Tax Reform Act of 1986. If voluntary agencies are to fill the void left by government cuts in welfare expenditures, however, it will be necessary to raise more revenues than deducted contributions would produce; thus, the individual deductions should be changed by a partial tax credit. The relationship between altruistic citizens and nonprofit social service agencies could be strengthened by rewarding those who commit substantial time as volunteers. For all practical purposes, these volunteers become quasi-employees, often assuming a function that cannot be provided by a salaried employee because of inadequate agency funding. Persons committing more than 30 hours per month to a tax exempt social service agency should be able to establish Volunteer Tax Credit Accounts which would allow them to deduct a portion of the economic equivalent of their volunteering (based on current employment) against their tax liability.

Finally, the relationship between nonprofit and for-profit organizations must be clarified. If government is to rely on organizations of both auspices to provide social welfare services, it is important to account for the volume of tax dollars transferred to each sector. In instances where organizations of both sectors compete in the same market, a nominal tax should be levied against proprietary firms since they tend to skim more profitable clients from a market, leaving the more troubled portion of the population to nonprofit agencies. If the voluntary sector is to survive a post-industrial environment in which government and corporate bureaucracies dominate, its function must be clarified and enhanced.

Access to services. To the extent that the private sector assumes more of the responsibility for welfare, it is essential to assure that people have the right to access to services. For-profit
health and welfare firms have discriminated against people with complex problems and who are dependent on government insurance. Instances of preferential selection (when providers skim more treatable, less costly clients for care) and dumping (when indigent clients are capriciously transferred to public agencies without provision of necessary care) have been documented (Stoesz, 1986a). Even voluntary sector agencies have been criticized for avoiding multiproblem clients (Cloward and Epstein, 1965).

Severe penalties should be levied against private sector service providers which discriminate against clients who have public sponsorship. This is a fair price to pay on the part of proprietary firms who are profiting from human misfortune. Parenthetically, modest regulation would correct market incentives which now tend to disadvantage a provider willing to serve a disproportionate number of high-cost clients by spreading the obligation among all providers. A nondiscriminatory requirement would be incontrovertible for voluntary sector agencies who profess primary concern for community welfare in order to become tax-exempt. Nonprofits that demonstrate a pattern of discrimination would lose their tax-exempt status.

As a related measure, a nondiscriminatory clause should be included in professional licensing standards. Professions are granted the exclusive right to use particular skills by the state—the professional monopoly—in exchange for the assurance that service to the community will be a priority in the deployment of said skills. For some time, the community's welfare has suffered as some professionals have used the freedom to practice as license for personal aggrandizement. Flagrant disregard of the interests of the broader community are no less than a violation of the social contract between the profession and the state. When human service professions cease to function in the interest of the society, the state reserves the authority to oblige them to do so. If a licensing authority determines that a human service professional shows a pattern of discriminatory practice against certain people seeking and eligible for care, that provider's license to practice should be revoked. Penalties exist regarding access to education, housing, and employment; social welfare should be included.

Social choice. Since World War II, we have seen a slow pro-
gression in choices available to populations often associated with welfare programs. The GI Bill offered returning veterans a choice of educational providers. Significantly, Blacks used their GI benefits more than other groups (O'Neil, 1977). Medicaid, enacted during the War on Poverty, provided poor people with access to health care they had not had theretofore (Rogers, et al., 1982). By the 1980s, Medicaid recipients, for the first time, were using health services at the same rate as their middle-class compatriots. Section 8 of the 1974 Housing and Community Development Act offered thousands of poor people the opportunity to escape the gulags of public housing (Palley and Palley, 1977). There is no reason why social services should not be added to the choices extended to welfare beneficiaries in these other areas (Stoesz, 1988).

Social service vouchers would allow welfare clients to shop for services in the same way that someone from the middle class has been able to select the psychiatrist, psychologist, or social worker whom they think is most useful. Under a voucher arrangement, clients eligible for public social services would be given vouchers authorizing service providers to bill the welfare department for services provided. Service providers from the private sector would be required to meet standards established by government for reimbursement purposes. Because the kind of service needed by welfare beneficiaries varies widely, a payment schedule, similar to the Diagnosis Related Groups established by Medicare, would be developed. Rates would be negotiated annually between providers and the welfare department.

In addition to increasing the choices available to welfare recipients, social service vouchers offer other benefits. Vouchers would allow indigenous service organizations the financial support that they would otherwise lack. Modest but effective efforts, such as the Chicago school founded by Marva Collins to educate inner city youth, and the Philadelphia youth center begun by Sister Falaka Fattah to redirect delinquents (Murray, 1984, p. 232) would be free to provide services relevant to community needs and be reimbursed according to actual usage by clients. For committed human service professionals hampered by the meetings and paperwork required by the welfare bureaucracy,
vouchers provide a means to encourage innovative approaches for working with the welfare population.

Social Control. Public credibility of welfare has diminished as social policies fail to deal effectively with people identified as being unable to care for themselves or capable of doing harm to others. Unavoidably, welfare professionals are held responsible by the public when people known to welfare officials engage in life-threatening behavior. Two current problems illustrate this: homelessness and child abuse. As a result of deinstitutionalization, thousands of psychiatric patients were discharged from state hospitals to often nonexistent community programs during the 1970s. Unable to maintain themselves independently, ex-patients have become a prominent part of the urban landscape as homeless street people. A series of legal decisions exacerbated the inability of former mental patients to get the help they needed. Of these, Alan Stone, a psychiatrist and professor in the Harvard University Law School, candidly suggested that the true symbol of the Supreme Court Donaldson decision was none other than the "bag lady" (Stone, 1984, p. 117).

The social control issue contributes to what has become crisis in child protective services (CPS). Douglas Besharov, a social worker and fellow of the American Enterprise Institute, noted that "of the 1,000 children who die under circumstances suggestive of parental maltreatment each year, between 35 and 50 percent were previously reported to child protective agencies" (1987, p. 7). Larry Brown, author of the American Humane Association standards for CPS, observed that "the biggest indictment of [CPS] today is that there are plenty of children in the system whose victimization is not treated appropriately" (1987, p. 21). In 1988, the situation regarding CPS had degenerated to the point that the Supreme Court agreed to determine if governments were liable for the failure of CPS workers to discharge their duties properly (National Association of Social Workers, 1988).

A solution to these difficulties is simply to consider life-threatening behavior a public safety problem, rather than a welfare problem. Accordingly, child and adult protective service workers should be transferred to the police department where they would work with police officers in social intervention teams. What little evidence exists suggests that for relatively modest
investment, police-social work teams can be established and that they can effectively manage a wide range of problems that welfare departments are not prepared for (Treger, 1975).

A review of the social control issue is likely to aggravate relations between welfare professionals and legal advocates representing clients' rights and civil liberties groups. During the last two decades, attorneys have used the courts effectively to protect clients against neglectful and harmful welfare institutions. Unfortunately, legal decisions—and the courts, themselves—have not had the authority to require changes in administration practices and institutional funding to remediate these injustices. Consequently, clients now have established rights regarding treatment, but states remain free not to fund necessary services. The result is a stalemate to which only the most callous can remain indifferent. To reassert the human rights of clients in a system in which civil rights have dominated will require certitude about the social consequences of ill-conceived legalisms. However, human service professionals have little choice but to participate vigorously in the debate—their public credibility is at stake, as is the welfare of their clients. Civil rights at the expense of human rights is no virtue; it is inhumane.

**Social obligation.** In the past, welfare professionals justified taxing some in order to provide welfare benefits to others on the basis that a particular status entitled someone to benefits. When resources are scarce, however, unconditional welfare is perceived by the public as wasteful. Worse, unconditional welfare is popularly viewed as eroding individual initiative necessary for self-support. Programs that provide unconditional payments—the means-tested programs, such as AFDC—have taken a drubbing largely because they have been associated with welfare dependency (Anderson, 1980; Murray, 1984). Despite evidence that only a small minority of welfare beneficiaries are generational recipients (Committee on Ways and Means, 1985, pp. 43–47), the fact that some are is unacceptable in an era of fiscal belt-tightening. Further, increases in unwed parenthood, particularly among black teenagers, raise a fundamental question about the relationship between welfare grants and family stability. Whatever the causes for the rise in adolescent parenthood, the consequences are clear—a lower probability that par-
ents will be able to support themselves through work and a higher probability that mother and child will have to rely on welfare for support. Welfare advocates have been implicated in this social tragedy because they have not included reciprocity—that a standard of conduct is a condition of eligibility for benefits—in social welfare policies (Mead, 1986; Butler, 1987).

During the last decade, a series of community work experience programs administered by the Manpower Demonstration Research Corporation (MDRC) showed that workfare could prove an effective strategy for reducing welfare costs, depending on the presence of supports for job-training and employment, as well as the availability of nearby jobs. Much to the credit of Judith Gueron, president of MDRC, the conclusions of the early workfare demonstrations were presented with cautions against broad generalizations about weaning large numbers of families from public assistance (Gueron, 1986). However, a recent analysis of five workfare experiments generated a surprising finding: the most-dependent AFDC recipients—those with no pre-assistance earnings and on public assistance for more than 2 years—showed the greatest savings from participation in workfare because they customarily consume 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 possessing more employment assets (Friedlander, 1988).

The Family Support Act of 1988, of course, incorporates a workfare requirement for parents with older children; but, beyond that, addresses the social obligation of the poor inadequately. There are multiple exemptions to participation of AFDC recipients in workfare, and states will be free to cut-off AFDC-UP families for six months each year and require one parent of AFDC-UP families to engage in make-work 2 days each week during periods of eligibility. A serious deficiency of the workfare component of the Family Support Act is that, aside from engaging in job-seeking activity, there is no expectation about what employment is ultimately desired. “In structuring jobs programs, policymakers have paid insufficient attention to the types of service performed,” argues Charles Moskos; “Only when training programs involve young adults in the delivery of vital
services to the community can they hope to inculcate the values that make for good citizenship" (1988, p. 90). McJobs will not solve the underclass problem.

Incorporating civic content in workfare could be accomplished by allowing welfare beneficiaries to select a community development agency to which their benefits would be assigned. In order to collect benefits, those on welfare would have to engage in job-like tasks identified by the community development agency. Community development entities would be nonprofit organizations meeting standards of the welfare department relating to personnel and benefit management, but would otherwise be free to define community development projects and assign beneficiaries to them. In contrast to the dependency associated with public welfare, beneficiaries would be treated like employees of the community development agency. Although still receiving public assistance, beneficiaries could develop a track-record that would be of use in the private labor market. "You cannot get good at welfare," William Raspberry shrewdly observed.

"It does no good for a welfare mother to impress her caseworker with her quick grasp of her sense of responsibility or her willingness to take on an extra task. There is no way for a welfare client to distinguish himself, in any economically useful way, from any other welfare client. There are no promotions on welfare" (1988, p. A15).

In order to encourage responsiveness of community development agencies toward beneficiaries, welfare recipients should have a choice among community development agencies in which to enroll. Once enrolled, beneficiaries could transfer to another community development agency—or to other employment—much like employees change jobs in the labor market. Such an arrangement would assure a measure of social responsibility on the part of welfare beneficiaries in a way that directly benefits the communities in which they live. Community-centered workfare would address Barbara Ehrenreich’s contention that to rebuild the community in America, "we need a tough-minded communitarianism that goes beyond coziness" (1988, p. 21).

*Transitional benefits.* A focus on social obligation promises
New Paradigm

a future of marginal employment at dead-end jobs without a corresponding emphasis on transitional benefits. If people are to escape the "poverty trap," they must have incentives to do so. Currently, the low-pay and absence of benefits that typify work in the secondary labor market fail to do this. As a result, welfare programs often take the place of benefits that should be provided by employers. Consideration of the relationship between public welfare and employment is frequently limited to questions of continued eligibility for welfare while working. If welfare beneficiaries are to make the transition to employment, however, the private sector should be expected to finance its share of the benefits that often make that possible. Current practices of denying benefits to part-time workers, yet structuring employment around part-time work, is a disincentive for workers to view work as a basis for livelihood. This is a critical issue for many poor adolescents who populate the counters of fast-food franchises and convenience stores, which have prospered from exploitation of the secondary labor market.

Ultimately, adequate transitional benefits would assure all workers that minimum health, child care, and leave allowances would be credited to their portable accounts. The Family Support Act provides Medicaid and child care benefits for workfare participants for one year of entering the labor market, but thereafter such benefits are terminated. A further proposal in this direction is the Minimum Health Benefits for All Workers Act submitted to the 100th Congress by Ted Kennedy. This plan would enroll workers of at least 17.5 hours per week in a "minimum benefit plan that covers specific basic health services and provides protection against catastrophic out-of-pocket expenses," financed through a fund maintained by mandatory contributions from employers and employees (Committee on Labor and Human resources, 1988, p. 2). Unfortunately, this proposal is limited to health care. A more direct approach would be to levy an ear-marked tax on sales of businesses using a high proportion of part-time workers, which would be pooled to finance a health, child care, and leave a benefit package for workers that would be portable, allowing them to add benefits for future use.

Transitional benefits are necessary for poor workers retiring
from the labor force, too. Data provided by the Employee Benefit and Research Institute show that workers earning less than $10,000 per year represent 37% of all tax returns, yet only 5% of returns with Individual Retirement Account (IRA) deductions, and only 3% of total contributions to IRAs (Falk and Schmitt, 1985, p. 8). Clearly, pension policies have not encouraged lower-income workers to plan for their retirement, leaving Social Security as the sole base of economic support. A transitional benefit policy would use credit, rather than deductions to adjusted gross income, as the basis for calculating contributions to an IRA and by instituting a progressive schedule whereby more credit is allowed for the smaller contributions likely to come from lower-income workers and less credit for the larger contributions from generally higher-income contributors. A progressively structured "poor man's" IRA would reinforce the values of hard work and thrift already evident among many of the working poor (Stoesz, et al., forthcoming).

Community enterprise. During the 1980s, the quality of life in many American communities plummeted. When Claude Brown returned to Harlem twenty years after the publication of Manchild in the Promised Land (1965), he was shocked at the casual viciousness of the gang members toward their victims (1984). The level of health care in inner-city areas is so inadequate that the infant mortality rate in parts of Detroit, Chicago, and the nation's capitol is equal to that of third-world countries (Newland, 1981). "In many if not most of our major cities, we are facing something very like social regression," wrote Daniel Patrick Moynihan. "It is defined by extraordinary levels of self-destructive behavior, interpersonal violence, and social class separation intensive in some groups, extensive in others" (1988, p. 291). The social pathology precipitated by economic dislocation has not been ameliorated by policies of the Reagan administration. Without a strong community development initiative, the administration has had to rely on economic growth as a vehicle for benefitting lower-income workers, but the trickle-down has been mere seepage. Sar Levitan, director of the Center for Social Policy Studies at George Washington University, estimates that 20 to 30 million people have been bypassed by the economic recovery (Pear, 1986).
To strengthen poor communities a Community Enterprise Zone (CEZ) program should be created which would provide technical assistance and time-limited grants for the purpose of generating basic commodities, such as jobs and housing. The geographic basis of a CEZ would be an economic catchment area of from 4,000 to 50,000 population to accommodate rural and urban environments. Eligibility for community development grants would depend on the social and economic conditions of the catchment area as determined by specific socio-economic indicators—incidence of poverty, unemployment, and business closings. Catchment areas in which the rates for two of these three indicators exceeded one standard deviation above the national average would be eligible for benefits.

Two types of aid would be provided to communities. For those in which the infrastructure has deteriorated substantially, CEZ benefits would consist of technical assistance and development grants. Rather than provide assistance directly, government would contract services from those organizations which have established a successful track-record in economic development, such as the Enterprise Foundation or the Local Initiatives Support Corporation. For communities experiencing acute dislocation, a system of incentives, including tax credits, would be instituted to retain and promote entrepreneurial activity.

Funding for the CEZ program would be derived from a "Community Enterprise Zone Insurance Fund" created by taxing public and private construction. In 1986, for example, a 2% tax on construction in the United States would have netted $77.7 billion, more than the amount identified by Jesse Jackson during his 1988 presidential campaign as necessary for domestic economic development and neighborhood revitalization (Shaughnessy, 1988). In effect, CEZ funding would insure communities against economic distress. Since benefits would be drawn from a self-financing insurance fund, they would not be as vulnerable to budget recessions imposed on programs that are dependent on general revenues.

The purpose of CEZs would be to trap capital and skills in communities which often lose these vital elements during deep recessions (Stoesz, 1985). Community development credit unions could not only manage accounts but also provide technical as-
sistance for projects. If workfare were operated through community development agencies, AFDC recipients could provide some of the labor for CEZ projects. A community development strategy, in other words, could rebuild communities and empower people who live in them.

_National Service._ If social welfare is to function as a unifying institution, it must draw together the social classes of America. In 1960, John F. Kennedy sparked the idealism of young Americans by giving them the opportunity to help others through a short-term commitment to live and work in disadvantaged communities. The Peace Corps, and later VISTA, provided many poor communities abroad and in the United States with technical assistance they could not have otherwise afforded, and it provided young people with an exposure to other peoples they would never have encountered. By 1987, 6 states had deployed conservation services, the most well-known being the California Conservation Corps (Moskos, 1988, p. 64). The popular support these programs have enjoyed indicates that a range of income groups would participate in a national service program.

A national services corps, according to a proposal fielded by Charles Moskos, would allow volunteers to elect one-year stints in a nationwide program for which they would be paid $100 per week plus benefits, and upon completion of service be eligible for “generous postservice educational and job training benefits.” Enrolling approximately 600,000 youth (excluding those enlisting in the military), a national service corps would make a substantial contribution toward reconstructing distressed communities. Volunteers would engage in such activities as establishing tutorial programs for school children, helping residents in slums rehabilitate housing, assist the frail elderly who need assistance if they are to stay out of nursing homes, and organizing child care services, among others. Approximately half of the budget for the Moskos proposal of $7 billion could be derived from consolidating current jobs and training programs (1988, pp. 155–160), the remainder from CEZ appropriations.

A national service corps is appealing for several reasons. It would make available to hard-pressed communities personnel that they would not otherwise attract. Significantly, national ser-
vice would expose affluent volunteers to circumstances of their less well-off compatriots, and it would demonstrate to less-advantaged Americans that others are not indifferent to their plight. Perhaps most significantly, a national service provides an essential function for a political-economy that constantly pushes the social classes apart—"increasing the variety of class mixing situations" (Noah, 1986, p. 38). A national service also complements the need to reinvigorate the voluntary sector. "With our own tradition of voluntary organizations," noted Moskos, "coupled with comprehensive national service, we could set our country on an entirely new course of effective yet affordable delivery of human services" (1988, p. 154).

Conclusion

What is the feasibility of evolving a new paradigm for social welfare? Public opinion research suggests that the prospects of reclaiming the welfare state are actually quite good. Most Americans, perhaps 70%, support social programs that help the poor, although they balk at subsidizing a governmental bureaucracy that is associated with expensive and wasteful welfare programs ("The Public's Agenda," 1987). In order to capitalize on such public sentiment, however, proponents of the welfare state must get beyond the intuitive response of defending programs grounded in the New Deal, and begin to reconceptualize social programs so that they reflect the social, political, and economic imperatives of contemporary American culture. In this regard, the Family Support Act is more a lesson in the consequence of pallid imagination than it represents welfare "reform" in any real sense. Still, the future of the American welfare state rests with the capacity of those who profess to help the disadvantaged to conceive of new ways to serve the public interest.

References


Notes

1. As used here the term "paradigm" refers to a system of propositions professed by most members of a discipline. This is similar to the usage of T. S. Kuhn, whose work popularized the term (*The Structure of Scientific Revolutions* [Chicago: University of Chicago Press, 1956]). Kuhn's book sparked a flurry of works. For a review of the paradigm concept in the social sciences, see the second chapter of Gary Gutting (ed.) *Paradigms and Revolutions* (Notre Dame: University of Notre Dame Press, 1980).

2. The author acknowledges the contribution of Howard Jacob Karger of Louisiana State University in the development of this segment of the paper.

3. The Family Support Act also toughens child support enforcement, among other provisions.