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The Historical Uniqueness of the Clinton Welfare Reforms: A New Level of Social Misery?

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This essay argues that the 1996 reforms to the American welfare state have no historical precedent. They are not a return to "the poorhouse era" and are radically distinct from Great Britain's new poor law of 1834, to which they are often compared. America is the first advanced capitalist country to jettison a significant element of its welfare state and, as such, is moving into waters that are uncharted and dangerous.

The United States is implementing major "reforms" in an effort to realize President Bill Clinton's 1992 election pledge "to end welfare as we know it." The response of numerous observers has been to provide trenchant critiques of these policy changes. What is worrying about many of these commentaries, though, is that they often maintain that Clinton's alterations to the welfare system will bring America "back to the poorhouse era." This is a flawed analysis which fails to recognize the basic empirical fact that the heart of this legislation is historically unprecedented and that, as a consequence, the cutbacks to welfare will bring about a new level of social misery, in the process lowering the quality of life for millions of people. My sole objective here is to make this point. After a brief survey of the recent changes to social assistance, this article will go on to challenge mainstream theories of the origins of capitalism and welfare. This is a necessary step in making a coherent case for the uniqueness of the reforms currently unfolding in the U. S. Following this, an account will be provided of Great Britain's new poor law of 1834, with the objective of highlighting how this law is radically distinct from

the Clinton reforms. The final section, an examination of the early results of ending welfare "as we know it," provides grounds for the pessimistic conclusions outlined here.

The Clinton Reforms

On August 22, 1996, President Clinton signed into law a bill which overhauled the American welfare state (the Personal Responsibility and Work Opportunity Reconciliation Act). This legislation contained a number of new measures, including:

1. The individual's right to cash assistance from the federal government was abolished, replaced by a lifetime maximum of five years in which a citizen can receive welfare benefits. People are ineligible for monetary assistance after they reach this maximum, regardless of their demonstrated needs, though exemptions for reasons of hardship and domestic violence are permitted up to 20% of the caseload. States were also allowed to set their own time limits. As a result, 20 states have limits that are shorter than the federal government's—as low as 21 months in the case of Connecticut. Twenty-eight states have opted for the 60-month limit (Michigan and Vermont have no limit) (Schott, 2000, p. 1).

2. A crucial element of the American welfare state, Aid to Families with Dependent Children (AFDC), was eliminated. In an attempt to devolve power, block grants (Temporary Assistance for Needy Families—TANF) are now made to the states who run their own programs, setting local standards and criteria (within the guidelines set by the federal legislation).

3. The use of food stamps was restricted. For instance, an unemployed individual or couple without children may receive these coupons, which can be used to purchase groceries, for a maximum of 90 days in any three-year period, extended to six months if the recipient obtains and then loses a job. There are no hardship exemptions to this rule. Countless people will be denied what has always been their last defense against hunger. "The Congressional Budget Office estimates that in an average month, one million jobless individuals who are willing to work and would take a work slot if one were available will be denied food stamps under the new law" (Shaver, 1996, p. A10). In 1993, 28 million Americans depended on food stamps to make ends

meet, more than 10% of the population. Ninety-two percent of households receiving food stamps were below the federal poverty line (Kuhn et al., 1996, p. 191). Families with children were projected to “absorb \$18.4 billion—or about two-thirds—of the food stamp cuts over six years,” an annual average in 1998 of \$435 per recipient family (“The depth,” 1996, p. 1).

4. People on welfare are required to work within two years of receiving benefits or they will be removed from the rolls. An exception here will be single mothers with young children. States must have at least 50% of their able-bodied welfare recipients working 30 or more hours per week by 2002, or else they face financial penalties.

These “reforms” to the American welfare system are in some ways old and, in one important respect, new. Among the former, with a long history, are proposals to force individuals to work. Indeed, the original scheme to employ people, the Bridewell in London, England, was operating in the 1550s. Four and one-half centuries later, it is clear that these endeavors have produced an unbroken string of failures. Despite this, governments are still trying to force the poor to earn their subsistence in a labor market which, prior to welfare, had already rejected them.

What is new is that there has never been in any advanced capitalist society an absence of social welfare for the poor, especially mothers and their children. There will, however, be such an absence should time limits be enforced in the United States. In order to draw out this point, it is necessary to move beyond the standard interpretations of the history of capitalism.

The Origins of Capitalism

Capitalism is a social relationship that revolves around the ownership (or non-ownership) of property. Here, the vast majority of the means of production are held privately, monopolized by a few individuals and removed from the direct control of the community. Those without property are forced to sell their labor power, their skills and abilities. In addition, the owners of capitalist businesses must compete against each other to bring their products to market at the lowest cost, all else being equal. Profits here have to be generated through increases in productivity.

Capitalism also requires a distinct form of state, one which is "separate from" and does not "intervene" in the private economy. The state becomes solely a "political" entity. Because exploitation is now an "economic" affair, direct, government-orchestrated coercion, which was necessary under feudalism, is no longer required to "pump" a surplus out of workers (Wood, 1995, pp. 19-48).

The origins of this peculiar mode of production are often carried deep into history, to the point where some writers see any class-divided society as being "proto-capitalist." Max Weber, for instance, argued that there were a number of different types of capitalism (adventurer, pariah, rational, and so on), some of which went back to the ancient world. More typical than this, however, are the perspectives which attempt to account for the "rise of Europe," developed in a number of closely related interpretations by trade analysts, demographers, world-systems theorists, Weberians, and some Marxists. They tend to see capitalism as having its beginnings in the medieval period, produced as a result of a timely combination of trade, markets, science, technology, urbanization, and western rationality (Wood, 1991). The main source of disagreement among these analysts is over which elements of the paradigm should receive the greatest emphasis as a causal factor in the development of capitalism.

The problem with these approaches, however, is that they are historically inaccurate. They all tend to take for granted the thing that needs to be explained, namely the existence of capitalism. For them, this novel mode of production is not really novel at all, because it is always hidden somewhere in a social formation, while at some point finally making a substantial quantitative leap forward. Through a process of the removal of barriers, like those that inhibit innovation or trade, economies simply "takeoff" and grow into capitalism.

This drawback of glossing over what needs to be explained is also evident in theories which assume that towns and cities, like medieval Florence, were natural "breeding grounds" for capitalism. The argument here is that "commerce" developed in cities where burghers (the bourgeoisie) were free to engage in business activities in an environment which encouraged "economic rationality" and a Protestant work ethic. But in most of these urban

centers, merchants gained their wealth in time-honored ways—through the use of monopolies and coercive political, legal, and military powers. There was nothing in

the traditional economic practices of burghers that would account for the subjection of labour to capital, nothing in the rationality of commercial profit taking that would explain how it came about that all production became production for exchange and that direct producers were compelled to enter the market in order to gain access to their means of self-reproduction. And there is certainly nothing to explain how production became subject to the imperatives of competition, the maximization of surplus value and the self-expansion of capital (Wood, 1995, pp. 164–5).¹

Mainstream theories on the origins of capitalism were challenged in the late 1970s by the American historian Robert Brenner.² Brenner began his investigations by accepting the presence of non-capitalist class relations (typically landlords versus peasants). He then asked the question: How could these have been subverted? In what ways—and where and when—were these first undermined? In other words, how did a relatively large proportion of the means of production come to be controlled in an absolute fashion by a small number of people in order that the few could then employ the many? Framing the problem this way, Brenner argued that it was the establishment, development, and modification of class relations which was critical to the transformation to capitalism. (This approach makes sense given that capitalism *is* a class relation.) He concluded that this social metamorphosis was not a “European” but a peculiarly *English* event, rooted in the changing class structure of that nation’s rural areas, in particular its agriculture.

A basic definition of the origins of capitalism sees it as a “type of economy and society which, in its developed form, emerged from the Industrial Revolution of the eighteenth century in Western Europe” (Bottomore, 1993, p. 60). In contrast, Brenner maintained that in the early modern era, it was *only* in England that a relatively large proletariat was created as well as a competitive market for agricultural goods. Peasants here did not have secure access to land; they were, over time, unable to enforce the customary (or traditional) methods of “owning” and farming

common fields. Land became the exclusive private property of a small group of landlords. In the middle of the class structure were tenants who leased large farms from the lords, while wage-laborers, who rounded out this "triad," did most of the actual work. Leases to farms were removed from communal control and subjected to the pressures of a competitive environment (in the same way that paying rent today to maintain a lease for office space requires that one's business be competitive in the "market economy"). The result was that, over the course of a few centuries, agriculture in England became a big, profit-oriented business.

The transformation on the land was clear by the 1790s when England no longer had a significant peasantry. This made possible the stunning Industrial Revolution that would unfold here in the next seven or eight decades. The contrast with France is illuminating, and the differences between these two countries became much more notable as the nineteenth century progressed. For example, in 1881, only 10% of Great Britain's gross national product was being accounted for by agriculture, forestry, and fishing. The figure for France was 41%. By the turn of the twentieth century, the primary labor force in Britain constituted just 9% of the total occupied population. It was 45% in France (Patriquin, 1996, pp. 109–15).

It is the fundamental differences in social relations which serve as the foundation for these statistics. The English figures for this period are unusual when compared to any other European nation because they reflect the culmination of five hundred years of a unique history which saw peasants become wage laborers. A mass of people, with possession of land and access to common rights (like collecting wood from the forests) were pushed off the soil, not only as a result of coercive dispossession (enclosures), but also because of economic pressures in a competitive environment produced by capitalist property relations. This occurred in tandem with a government that was more and more becoming separated from society (in contrast to, say, the absolutist state in France). It is important, then, in an attempt to understand the history of social welfare to see that this transition to capitalism was well on its way to completion in England before it had hardly even begun anywhere else in the world.

Capitalism and the Origins of Welfare: Poor Relief in England

Just as the story of capitalism has a standard version, so too does the origins of the welfare state, which has "been traced back to the creation of state-provided 'social services' in the aftermath of nineteenth-century industrialization" (Briggs, 1993, p. 708). An almost universally accepted description of the "phases of welfare state development in western Europe" begins with a "prehistory" (1600–1880); then moves to a "takeoff" (1880–1914); an "expansion" (1918–1960); an "acceleration" (1960–1975); and then a "slowdown" (after 1975) (Alber, 1988, p. 454). The driving force behind the existence of welfare includes a number of factors, the importance of which may vary from one country to the next. Foremost among these are thought to be "modernization," industrialization, urbanization, the development of trade unions, the creation of working class political parties, and the influence of democracy. Flora and Alber (1981, p. 48) suggest that this prehistory of the welfare state can be divided into "the 'Poor Law' period from the sixteenth to the eighteenth and nineteenth centuries and the 'Liberal Break' of the nineteenth century." For them, "the old European welfare states developed very similarly during the poor law period," but "the liberal break produced many divergences."

But let me suggest a different chronology—at least for the first stage—and an alternative rationale for the existence of what we generally understand as the "welfare state," an institution which intervenes "deliberately to limit or to modify the consequences of the free operation of market forces in circumstances where individuals and families . . . [are] confronted with social contingencies deemed to be largely beyond their control, notably unemployment, sickness and old age" (Briggs, 1993, p. 708). The list of "phases" noted above, especially the "prehistory," suffers from a lack of recognition of how very different English social policy was from the rest of the Continent in the early modern era. Indeed, if we are to understand what is new about the attack on income support in the U. S., it is necessary to focus on the origins of welfare in England. For almost three hundred years,

this country was the only one in Europe to have a substantial system of poor relief.

In response to socio-economic changes in England, from the 1570s right down to the twentieth century, compulsory taxes were established in local parishes with the funds collected being distributed to individuals who could demonstrate sufficient need. The relief provided to the poor in a typical parish after 1600 tended to be a cash payment, which was always and everywhere more significant than in-kind benefits, probably because handing out money was easier to administer. Disbursements usually took the form of a pension, paid weekly or monthly to the elderly, the disabled, and widows with children. Cash payments were also granted to provide short-term assistance to the "casual poor," such as those who were ill for a brief period and the able-bodied unemployed. This assistance was not insignificant. By 1800, just over 2% of Gross National Product (GNP) was being spent on poor relief in England, an equivalent in the United States in the late 1990s of roughly \$160 billion.

This is in stark contrast to the types of social welfare which from early modern times existed in Ireland, in Scotland, and on the Continent. These were, for the most part, located in urban areas, where a small minority of the population lived. They were rooted in voluntary Christian charity and dispensed relatively negligible amounts of assistance to those in extreme necessity. This philanthropy (usually food) was ad hoc, distributed in particular during periods of crisis brought on by hunger and disease. Relief here was paltry, and it did not contribute much to the well-being of the poor. The types and value of assistance, as well as the treatment, classification, and "discrimination" among the needy differed little from one city to the next or from one religion to another. Typically, "poor law" initiatives throughout Europe prospered for a few years and then disappeared. Workhouses and houses of correction were built here and there, occasionally paid for with the funds generated by taxation. However, for the most part, states tended to avoid becoming involved in the administration of relief. In almost all of western Europe, down to the late nineteenth century, the government's role was limited to little more than the coordination of the work of private charities.

England was different from everyone else because the provisions for the poor here were linked to the emergence of capitalism. As noted, beginning in the sixteenth century, England—and only England—witnessed significant changes in social relations which would over the next three hundred years produce agrarian and then industrial capitalism, and create a landless proletariat, obligated to sell its labor power. This kind of economic transformation did not occur in the rest of Europe until much later, generally after the 1800s. England was an exception to the historical story that played itself out in the nations of western and eastern Europe in the early modern period. Creating capitalism in a world where it did not yet exist required the consolidation of land into a few hands; the abolition of the collective management of property; the destruction of common rights (which were, in effect, peasants' rights); the commodification of labor power so that it could be bought and sold on a free market; the development of an imperative which forced producers to compete against one another; and the rise of a unique "pro-capitalist" state, one that was involved in exploitation, not as a parasite on the backs of an impoverished peasantry, but as one that instituted policies and practices which encouraged the production and reproduction of the capital-labor relation. These social transformations occurred in England much earlier and to a much greater degree than they did elsewhere.

This is the main reason why, for roughly *three centuries*, elaborate arrangements for relieving the poor existed only in England. Poor relief was instituted here because the people were "in need" for a different reason than the poor elsewhere. The basis of English indigence was the near total lack of "ownership" of land among a substantial number of individuals. In contrast, the source of poverty in other countries was inefficient methods of production, which were rooted in a system of peasant-based property relations and absolutist states. This socio-economic form had the general support of ruling classes who wanted to keep people on the land and hence maintain the social arrangement that was the source of their own wealth. Hence, these nations had only a sprinkling of private charities because, unlike England, they did not have significant masses separated from the means of life.

In non-capitalist societies, peasants and slaves have their physical existence assured by the social relations of production,

except during extreme times like famine. However, with capitalism, reproduction of the individual depends on the repeated completion of a transaction that is far from guaranteed, namely selling one's labor power. This is why from the sixteenth century onward the English state provided funding to people when they were in need. Individuals would receive money from the public coffers, provided for the most part by the nation's aristocracy, without supplying any work in return. This was the most efficient means of keeping them alive.

The chronology of welfare state development, then, runs roughly as follows: From 1570 to almost the mid-nineteenth century, England—because it was the only country that was developing capitalist social relations—was the only country to have a system of welfare that was comprehensive, national, government-run, and supported from taxes placed on the ruling classes. In the 1830s and 1840s, in Scotland and Ireland, large numbers were being pushed off the land and into wage-paying labor, so legislation was passed creating for them a modified version of the English poor law. Near the end of the century, other countries such as France and Germany, still with substantial peasantries, began to slowly develop social assistance as they adopted the capitalist mode of production. At the beginning of the twentieth century, the nations of the "new world" such as the United States, Canada, and Australia were running out of "frontier." Like their European counterparts, they were forced to come to terms with the problems created by a large, propertyless mass, especially in urban areas. Historically, then, the creation of welfare states has followed the development of capitalism the way a tail follows a dog.

In sum, capitalism has *at no time* operated without a significant level of social assistance. Other nations basically reproduced English poor relief in the last half of the nineteenth and the first half of the twentieth centuries as part of the process of adopting the English system of "free enterprise." Capitalism and social welfare, in their emergence and development, have proceeded closely along almost perfectly parallel lines. The "welfare state," from this perspective, has been an important component of capitalist societies, not since World War II, the Great Depression, or Bismarckian Germany, but for somewhere on the order of three or four hundred years.

The Clinton Welfare Reforms:
The New Poor Law Revisited?

"Poor relief," the "provision for the needy," the "welfare state"—or whatever we want to call it—has been deemed by the owners of capitalist property, at least since late sixteenth century England, to be in a "crisis." This constant "state of emergency" has been declared ever since, part of the never-ending instability of capitalism, a feature of socio-economic life that forces rulers in all capitalist societies to deal incessantly with the question of what is to be done with the unemployed and those on social assistance. Indeed, the "crisis of the welfare state" is always, in fact, a crisis of *capitalism*. Competition and the restructuring of the capital-labor relation are at the core of this system. The result is that any agreement between classes on the "rules of the game" must always be fleeting, subject to dissolution on short notice, with the least powerful members of society being made to bear the brunt of any "retrenchment." In one sense, this is what is happening in America today. Still, it is crucial to recognize that the reforms being undertaken in the United States, especially those pertaining to time limits on income maintenance, have *no* historical counterpart. It is a mistake to see these changes in a sequence of first, *laissez faire*; then the welfare state era; then back to *laissez faire* again, as if there was some golden age of capitalism which did not include the "millstone" of welfare, and that the Clinton reforms are somehow going to restore this blissful Garden of Eden. The dearest hope of neo-conservatives, their idea that state support for poor people can be dismantled because there was a time under capitalism when social assistance did not exist, is based on a fundamental misreading of the origins of the welfare state.

We need to challenge the view that "welfare states are scarcely a hundred years old" and that they "tended to emerge in societies in which capitalism and the nation state were both already well established" (Pierson, 1991, p. 103). This infers that welfare *followed* capitalism, that it was added on at some later point by liberal-minded politicians and civil servants, or because it was a requirement of an "industrializing" economy. The implication here is that there was a time under capitalism when the state was

not actively involved in supporting people. As noted, however, welfare did not develop after capitalism but rather *alongside* it, and it may have been a key factor in bridging the transition to this new economy, grounded as it was in a radically distinct method of exploitation.

Many commentators have incorporated this error into their theories, declaring that the recent American proposals are the kind that will bring us back to a mean-spirited form of capitalism, when welfare (supposedly) did not exist. Frances Fox Piven (1996, p. A17), an important scholar of the welfare state, has articulated a version of this argument. She has suggested that the new poor law in England in 1834 "eliminated relief for the poor" so that "survival for the family meant entering prison-like workhouses." Piven claimed that with the Clinton reforms, "the United States government is eagerly following the 1834 script" and that Americans "may have to relive the misery and moral disintegration of England in the 19th century to learn what happens when a society deserts its most vulnerable members." William Kern (1998, pp. 430–1) maintained that the new poor law went as far as "eliminating relief to able-bodied persons unless they were inhabitants of workhouses in accordance with the principle of 'less eligibility'." He went on to say that the 1834 legislation "placed the entire burden of provision for out-of-wedlock children entirely upon the mother by denying them any claim upon parish assistance or upon the father." In making the link from the new poor law to the Clinton changes, he concluded that "contemporary welfare reform thus represents a return to the same principles and remedies that guided the reforms of 1834."

But this is a misinterpretation of the new poor law which most definitely did *not* "eliminate" relief. Benefits were still available to most categories of individuals, though often at a reduced rate, and somewhere between 80% and 90% of recipients continued to be relieved "outdoors" (that is, while living in their own residence). In the decade or so after 1834, about 500 workhouses were built, each with room for 250 to 300 people, but they generally continued in their age-old role as places for the homeless, the elderly, the sick, and orphans. Able-bodied males rarely entered these houses. In 1851, 78,000 people—43,000 children and 35,000 generally non-able-bodied adults—were relieved indoors (and note that some of

these would have stayed for short periods of time—they were not “permanent” residents). In contrast, the following were relieved outdoors: 51,000 able-bodied widows, 33,000 able-bodied men, 277,000 children, and 316,000 non-able bodied adults—a total of 677,000 individuals (Patriquin, 1996, pp. 118–24, based on data from Williams, 1981).

The poor law report of 1834 saw outdoor relief to the *able-bodied male*, and not outdoor relief in general, as the main problem to be tackled. As such, the vast majority of those who could not work, including the elderly and mothers with children, continued to receive the usual forms of assistance without entering a workhouse. In the ten years after 1834, the central authorities did issue a number of Prohibitory Orders against out-relief to the able-bodied (generally understood as men who were able to work). However, even these rules were not always enforced, especially if withholding relief was “likely to produce serious evil to the applicant” (The Prohibitory Orders, cited in Webb & Webb, 1929/1963, p. 146). Assistance to such individuals was often provided under the category of “exceptions,” usually if the man or his wife was ill or had suffered an accident. The inevitability of continuing with a variation on past practices was acknowledged in 1852 when, with reference to urban areas (accounting for three-quarters of the population), the Poor Law Board said “that it is ‘not expedient absolutely to prohibit Out-relief even to the able-bodied’; and apparently [the Board] continued in that conviction right through the century” (Webb & Webb, 1929/1963, p. 151, citing the Prohibitory Orders). It was clear, then, as it always had been, that it was cheaper to provide a small financial supplement to people outdoors than the alternative of the workhouse.

The significant anti-poor law movement of 1837–38 was probably responsible for much of the continuity between the old and new poor laws. It delayed the construction of workhouses in northern England and southern Wales, ensured that local areas would continue to administer relief with some discretion, and guaranteed that out-relief to the able-bodied would still be granted in cases involving child care, old age, or severe hardship. Organised opposition probably also contributed to the fact that the workhouses never became heartless “Bastilles.” The food, clothing, and shelter provided by these institutions was

comparable to that obtained by the poorest labourers on the outside (occasionally they were even better). They were rarely unsanitary and overcrowded. The workhouse was meant to serve more the role of a psychological deterrent to the poor in their effort to claim social benefits.

There is no doubt that under the new poor law assistance to specific groups of people, especially able-bodied males, was diminished. In the 1840s, the poor were subjected to increased cutbacks, including lower levels of aid granted to those who lived in their own homes (Dunkley, 1974). Access to assistance was made more difficult in the larger poor law "unions," where an individual might have to travel a few miles in order to make a claim. Given this, many who needed relief would not (or could not) apply. Other people, fearful of administrative intimidation, preferred to suffer without protest rather than face the threat of having to enter a workhouse. In some areas, the number of applications for relief dropped quickly, and there are records of occasional suicides, extreme hunger, and an increase in the selling of goods to pawnbrokers (Apfel & Dunkley, 1985). Relief was especially inadequate in places like Cumbria where handloom weavers were making low wages as a result of short-time employment. Here, many individuals were close to starving to death (Thompson, 1979).

Not every area of England and Wales was affected negatively, but most certainly were. Total relief expenditures fell 28% between 1834 and 1840 (Digby, 1989, p. 23). Between 1835 and 1851, the per capita amounts given to the poor decreased by 40% (Huzel, 1989, p. 806).³ The percentage of the population receiving relief after 1834 also fell, due in part to much stricter requirements for assistance. In the years following the new poor law, spending was halved as a percentage of gross national product, from roughly 2% to 1% (Mokyr, 1993, p. 131).

Despite government attacks on poor relief, it still proved to be an essential safety net for substantial sections of the population in the second half of the nineteenth century. In one instance, in Colyton, south Devonshire, 38% of male household heads received relief from the rates at some point or other between 1851 and 1881 (Robin, 1990, pp. 196–7). Even during the peak years of the Industrial Revolution, then, social assistance was a

necessary form of support to countless individuals. Never was this more evident than during the Lancashire "cotton famine" in the early 1860s, when cotton could not be imported from the southern United States because of the Civil War. An effect of this was that many workers in Lancashire textile industries went on short-time or were laid off, beginning around November 1861, peaking at the end of the following year, and continuing into 1863. In December 1862, well over a quarter of a million people were receiving relief here, the greatest pressure ever placed on the resources of the poor law. When layoffs occurred, people would first use up their small savings and then pawn whatever goods they had. But these expedients could keep a family afloat for a few weeks at most, seen by the fact that the relief rolls soared within a month or two after a rapid increase in unemployment. In poor law unions that had the greatest number of adults working in the cotton industry, the proportion of the population receiving relief went from a range of 1% to 3% in September 1861 to 11% to 26% by November 1862 (Boyer, 1997, p. 62).

As for the non-able bodied, there was little change in their treatment in the decades after 1834. They were served by the larger workhouses which endured in the role of multi-purpose centers that cared for those who could not care for themselves. The Medical Officer to the Poor Law Board commented in 1868 that the individuals "who enjoy the advantages of these institutions are almost solely such as may fittingly receive them, viz. the aged and infirm, the destitute sick and children. Workhouses are now asylums and infirmaries" (cited in Webb & Webb, 1929/1963, p. 356). This system was to slowly evolve in the next sixty or seventy years into one where boys and girls were to be educated in schools, while the sick and the elderly were gaining access to hospitals and homes, often outside the sphere of the poor laws.

In sum, there was not much distinction in the practice or the ideology of the relief systems under the old and new poor laws. In both instances, the preservation of life was paramount, though of course officials also used the rules of administration "as a means of getting rid of applicants for relief at the least possible cost in time, trouble and expense to themselves and the ratepayers" (Rose, 1966, p. 620). Ideas like "less eligibility" (making sure that work pays better than welfare) were hardly distinct; they go back

to the beginnings of the poor law in the 1500s. There was certainly greater enthusiasm among rulers for less eligibility. It had forceful advocates in the writings of the political economists, especially T. R. Malthus, who wanted to eliminate poor relief entirely. The 1834 legislation did introduce some novelties in relief practices, in particular the end of family "allowances" for children (where the father was employed). Nevertheless, one could legitimately view the new poor law as "no more than an extension of an established method, devised and revised from time to time in order to care for and discipline the various classes of poor people [in England]" (Martin, 1972, p. 40).

The Clinton Welfare Reforms: A New Level of Social Misery?

In contrast to the new poor law, abolishing most assistance to those with the greatest levels of privation is what the American proposals would do. Many analysts do not seem to recognize the uniqueness of the Clinton reforms, and how these have the potential to be harmful in the extreme. Destitute people in the United States will not receive "out-relief." They will not even have the option of entering a workhouse. They will simply be homeless and hungry. The policies currently being implemented are novel in their attempt to cut off significant benefits to those in need and so is the attempt to abolish the rights which allow individuals to claim some assistance. These proposals could mark the first instance of Malthus' crudest recommendations having come to fruition, and only time will tell us what kind of initiatives are embarked upon by people who have been denied access to the basic necessities of food, clothing, and shelter, while residing in a nation of enormous wealth and abundance. The responses could range from violent protest to quiet resignation. It is impossible to predict what actions people will take. One outcome we should anticipate, though, is that these reforms will generate levels of social misery not seen since the Great Depression of the 1930s.

The early implementation of the Clinton reforms is far from encouraging. For example, by mid-1998 in Connecticut (the state with the lowest time limit), many of those cut off welfare were

reapplying to get back on the rolls ("Welfare time limit," 1998, p. B8). This has happened, and will continue to happen, because those pushed off assistance are not earning enough to enable them to procure their basic sustenance. A study of those who left welfare in New York City between July 1996 and March 1997 counted as "working" anyone who made at least \$100 in the three months after welfare. By this extremely restrictive definition, it found that only 29% had obtained "employment." The figure was just 20% for the mostly single men who had been moved out of the Home Relief Program (Hernandez, 1998, pp. A1, B6).

A lack of proper housing is another problem that welfare reform has not solved. A survey in New Jersey found that, for those who had left welfare in 1997, in the year following, fully half had "experienced serious housing problems and been evicted, forced to stay in homeless shelters or moved in with friends or family members" (Kocieniewski, 1999, p. B6). As part of its attempt to abandon welfare, this state tried to place a maximum lifetime limit of 12 months in which a person could dwell in an emergency shelter. However, it was forced to grant a mass exemption to the 2,200 potentially homeless individuals living in these shelters when they hit the limit in July 1998 ("As welfare rolls drop," 1998, p. B5).

Cutbacks are also exacerbating hunger. In 1999, food stamps were used by 18.2 million Americans, down from 27.5 million in 1994, with only one-third of the drop being accounted for by the "good" economy (Belsie, 2000, p. 1). In many cases, individuals are not collecting benefits they are entitled to receive. For example, in 1994, "some 97 percent of Wisconsin's poor families used food stamps; by 1998, 70 percent did" (Belsie, 2000, p. 1). Here, "after leaving welfare, families were almost 50 percent more likely to say they had no way to buy groceries," in a state where 5% of former recipients have been forced to abandon their children (DeParle 1999, p. A21).⁴ In Missouri, food stamp use fell 25% between 1996 and 1998, even though there were 29,000 more poor people. Zedlewski and Brauner (1999, p. 3) note that "only about half of former welfare recipient families with current incomes below 50 percent of the poverty level were receiving food stamps," with about 30% of this group having left the program because of "administrative problems or hassles." Meanwhile, the need for

assistance remains, since about “two-thirds of families that left the Food Stamp program reported some difficulty affording food, and one-third reported severe difficulties” (Zedlewski and Brauner, 1999, p. 3). Commenting on the final data for 1997, the General Accounting Office concluded that there is now “a growing gap between the number of children in poverty—an important indicator of children’s need for food assistance—and the number of children receiving food stamp assistance” (cited in “Fewer food,” 1999, p. 3). This has led to an increasing dependence on charity food use, which was up 18% across America between 1998 and 1999 (Mehren, 2000). However, charities are failing to meet the excessive demand placed on their limited resources. In cities like Chicago, food banks are turning away one million residents per year (Belsie, 2000, p. 1).

By September 1998, welfare rolls had declined by 42% since 1994, from 14.3 million individuals to 8 million. This was achieved partly by extending two longstanding procedures: Cutting people off benefits and making it more difficult for those in need to gain access to programs. A headline in the *New York Times* from March 1999 (Janofsky) says it all: “West Virginia pares welfare, but poor remain.” Here, thousands of people now “depend on free community services for the barest essentials” (Janofsky, 1999, p. 20), in a state where charity breakfasts and lunches, free health clinics, and shelters for women are bursting at the seams. And all of this is occurring before the enforcement of time limits in most states.

Once we move beyond uncritical government rhetoric and mainstream media cheerleading, the results of welfare reform are unambiguous—continued and increasing hunger, homelessness, unemployment, and poverty. There are virtually no “good news” stories here. But is this reason to be pessimistic? Are there other areas of the welfare state that can pick up where AFDC/TANF have left off?

One other major program providing cash benefits to the poor, in addition to welfare, is the Earned Income Tax Credit (EITC). The EITC is a refundable tax credit that is delivered to about 19 million working households, mostly those with children. The final expansion of the EITC, legislated in 1993, was fully phased in by 1996. With this, the “number of children removed from poverty

due to the combined effect of federal income and payroll taxes and the [offsetting] EITC increased to 1.2 million" (Greenstein & Shapiro, 1998, p. 8). This, however, is a relatively modest number and, barring improvements, we should not expect the program to contribute to further reductions in poverty. When population growth and inflation are taken into account, the benefits of the EITC are expected to *decline* at an annual rate of 0.7% between 1998 and 2003 (Greenstein & Shapiro, 1998, p. 10). In addition, while providing some support for families, the program provides little to individuals without dependents. These people received a maximum annual credit in 1997 of \$332 (with an average of \$186). Their benefits accounted for just 3% of total EITC outlays (Greenstein & Shapiro, 1998, p. 5). Most importantly, the EITC is a *work* supplement. It does not provide any assistance to those who are completely unemployed, nor does it address the issue of the absence of an adequate number of well-paying jobs.

The states do have some options in the face of time limits. The final TANF rules, which took effect October 1999, have placed a cap on what is called "assistance," defined as "benefits and services that serve the same purpose as a welfare check—helping a family meet basic needs on an ongoing basis—[these] are counted against the family's time limit" (Schott, et al., 1999, p. 2). Services to employed families, such as child care and transportation, are not counted. States may also provide short-term crisis assistance for up to four months (with some room for extensions). This is not counted toward the time-limit if it is assistance that is "not intended to meet an ongoing or recurrent need" (Schott, et al., 1999, p. 3). This evidently points to emergency funding only. It is not meant to be an "out" for those who have reached their limit. Another factor which may save some people from impoverishment is that all states "must spend an amount equal to at least 80 percent of the amount they spent in fiscal year 1994 on AFDC-related programs" in order to receive their federal TANF grants (Schott, et al., 1999, p. 14). But this entails ever smaller expenditures (as a result of inflation) on a rising population, in a context where government is placing an emphasis on expensive welfare-to-work programs which are much more costly than straightforward welfare, and hence can handle the demands of a smaller fraction of those in need.

States can also provide their own assistance through “maintenance-of-effort” (MOE) funds, given to individuals who have gone beyond the TANF limits and who form part of the group that is in excess of the 20% caseload exemption (the 20% exemption can be covered by federal TANF monies). However, almost all states have placed time limits on the receipt of MOE funds, even though they were not required to do so by the federal government (Schott, 2000, pp. 1–3). States like New York and Connecticut have also developed “Safety Net” programs that provide extremely small amounts of cash and limited basic assistance in the form of vouchers for rent and utilities to those who have exhausted their TANF eligibility.

Based on the characteristics of social assistance recipients in the late 1980s and early 1990s, it has been estimated that up to 41% of the current welfare caseload (roughly 2 million families) will hit the maximum five-year time limit within eight years (Duncan, Harris & Boisjoly, 2000, pp. 63, 68). In places where the time limit is two years, 69% of the caseload will reach the limit within five years. By June 2000, 60,000 families had lost their TANF benefits because they had hit the welfare wall (Schott, 2000, p. 1). The eagerness with which many states have embraced time limits suggests that these will be rigorously enforced, hence the small number now permanently banished from welfare will rise dramatically. Removing the lifetime maximums, or expanding them to a level (say 12 to 15 years) where they are virtually pointless, is always a possibility. However, this would mean that many politicians would have to renounce the *heart* of the TANF legislation—with its emphasis on *temporary* support and *ending* welfare “as we know it.” The Republican victory in the 2000 presidential election makes such backtracking highly unlikely.

Given this, the Clinton reforms will in the not too distant future push millions of Americans to the brink, leaving them with severely diminished physical and mental health. They will have to subsist on a combination of gifts from friends and relatives, temporary work for small amounts of cash, charity, theft, prostitution, drug-dealing, and other illegal activities. A few may be entitled to vouchers for food or housing, though access to this assistance is being tightly restricted. If the social edifice looks like it may be dented, remedial legislation can always revoke the

harsher aspects of these reforms. However, the suffering inflicted on America's "underclass" will likely be significant if governments stand by the time limits for income support—and recall that, unlike England's new poor law, this is the *explicit* intent of Temporary Assistance for Needy Families.

Capitalist systems have maintained some form of social assistance, especially for mothers and their children, going back to the origins of this mode of production in sixteenth-century England. The United States will soon become the first capitalist country to jettison the central core of state support for its poorest citizens. These individuals will not be helped by welfare nor will they be rescued by capitalist labor markets. The necessity to maximize profits and the "boom and bust" of the business cycle have not disappeared with the advent of the "new economy." The competitive imperative built into the system is responsible for periodic crises. "Overproduction," where markets are glutted and companies cannot sell their goods, eventually leads to falling revenues and worker layoffs. Economic slumps in the last two decades have proven to be deeper and more devastating than those in the "golden years" of the post-War era (1945–1975). In the 1990s, most countries experienced record low levels for profits, wages, output, government spending, and job creation. The next recession, in a world that is more "global" than ever, will likely be as bad or worse. Given the inevitable downturn that will run its course in the next few years, combined with welfare "reform," America could soon move into waters that are uncharted and potentially dangerous.

Notes

1. See also Holton (1986, pp. 61–2) who concluded that "the notion 'town air makes free' is for the most part an over-inflated piece of historical mythology of relatively minor significance in the explanation of capitalist development."
2. Brenner's major works are collected in Aston & Philpin, (Eds.). (1985).
3. To put this in perspective, AFDC average payments per recipient fell 35.3% (in constant dollars) in the 48 contiguous states between 1975 and 1995, from \$184 to \$119 (Wexler and Engel, 1999, pp. 46–7).
4. This article noted that "surveys like these tend to underestimate the actual amount of hardship since the most troubled people are the hardest to find" (p. A21).

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