



Comments on Welfare Papers

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For benefits in general, welfare reform has meant:

- Restricting access:
 - Tighter eligibility rules.
 - Tougher standards for disability.
- Demanding work effort *in return* for benefits:
 - Work search before or during benefit receipt.
 - Participation in work or training programs.
 - Workfare—working off benefits in a gov job.
- Work movement has slowed due to recent recession, but not reversed.



Effects of reform:

- Absence of strong negative effects.
- Positive effects on recipients *on* benefit:
 - Some gains in employment and earnings.
 - Some reduction in dependency.
 - Enough to justify programs in cost-benefit terms.
- Diversion effects, occurring *off* caseload:
 - Rise in work levels in the society.
 - Reduction in dependency.
- Goal: to help recipients *and* reaffirm values.



Motivations behind reform:

■ Cost reduction:

- Welfare had become a heavy burden in Europe.
- Less important in America.

■ Freeing up labor markets:

- Those losing jobs must take new ones.
- In Europe, need to maintain labor force due to static population and low immigration.

■ Promotion of social integration:

- Recipients had become a separate caste.
- The work place as the center of social life.



The politics of reform:

- Traditionally, Europe and America differed:
 - European welfare states reflect a soc dem vision
 - American attitudes are more individualist.
 - Resistance to reform is greatest in Europe.
- But recently there is convergence:
 - Fundamental attitudes to aid are similar: aid and work are linked, each justifying the other.
 - Work tests have progressed even in Europe.
 - America has recently expanded benefits.
 - Both are linking aid and work more closely.



Larger implications: social policy is moving:

- From ideology to morals:
 - A case of Fukuyama's "end of history."
- From entitlement to paternalism:
 - From awarding rights to governing behavior.
- From freedom to obligation:
 - Work as the price of inclusion and equality.
- From economics to institutions:
 - The welfare state now governs the society.