RESPONSES TO POVERTY: An Historical Overview

Poverty 101

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TITLES FOR TODAY’S TALK

“An overview of anti-poverty themes”

or

“There really isn’t anything new under the sun”

or

“The history of poverty policy in 10 minutes”
PRE-HISTORICAL THEMES

• Religious injunctions to help the poor

• Henrician and Elizabethan Poor Laws
  – Worthy vs. unworthy
  – Less eligibility
  – Personal and family responsibility
  – Community responsibility [warning out]
18th and 19th CENTURIES

“Nothing-new-under-the-sun” category

Speenhamland plan [late 1700s], a wage-rate subsidy

American colonies tried everything, including tax abatement for the poor.

Poor Laws of 1832 — indoor vs. outdoor relief

Post-Civil War period

- Saving families [friendly visitors, fore runner of social work]
- Saving children – sending them off to the farm
- Saving communities – settlement houses
EARLY 20TH CENTURY

Progressive Era:
- Tax and workplace reforms
- State welfare support for mothers... mothers’ pensions

New Deal
- Keynesian stimulus policies
- Federal assumption of some welfare programs
  
  **Tripartite approach:**
  - Worthy poor, more federal control e.g., social security
  - Unworthy, left to locals, e.g., general relief
  - Ambiguous, mixed e.g., ADC, then AFDC, and now TANF
POST-WORLD WAR II: The 1940s and 1950s

New Deal was NOT dismantled

Macro-economic tools improved

Slow expansion of programs for the worthy poor

Moralistic approach for the rest
  – Man in the house, midnight raids, ‘fit’ parent criterion
MODERN ERA: The 1960s

The War On Poverty

Institutional Initiatives
- Community action
- Redistributing power

Investment Initiatives
- Health
- Education
- Human capital
INCOME TRANSFER SOLUTIONS: The early 1970s

- Negative Income Tax schemes
- Welfare as an entitlement
- Federalization of welfare for worthy poor
- Universal Food Stamps
LABOR MARKET SOLUTIONS
[mid 1970s to early 1980s]

Wage rate subsidies [EITC]

Wage bill subsidies [NJTC & TJTC]

Job market linkages [Job Clubs]

Public service employment

Human capital enhancements [skills training]
RETURN OF THE MORALISTS: The 1980s

The New Social Contract approach

- Learnfare
- Bridefare
- Workfare

Devolution or waiver-based solutions

Child support reforms
STRUCTURAL REFORMS: The 1990s

National Welfare Reform in 1996

End of cash welfare as an entitlement

Work replacements for welfare [W-2]
POST WELFARE ERA: The 21st CENTURY

From ‘what does it do for the poor?’ to ‘what does it do for the top tenth of 1 percent?’

New service models

– Coherent
– Holistic
– Preventative