In 1996, by transforming welfare into workfare, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) marked a watershed in American public assistance policy. The legislation eliminated Aid to Families with Dependent Children (AFDC) and ended entitlement to cash assistance for single-parent families. Temporary Assistance for Needy Families (TANF) has been one the most discussed pieces of legislation amongst political scientists, legal scholars, social historians and economists commenting on welfare reform. The increase in severe poverty as measured by the number of families living on $2 a day- from 636,000 in 1996 to 1.5 million today, according to Edin and Shaefer’s latest book (2015) has been partially explained by the shift from welfare to workfare, when public assistance is conditioned by participation in low-paid, insecure and part-time jobs, and when there is much less cash available to the poor.

Eva Bertram revisits the road to workfare. She challenges the popular account according to which welfare reform was the result of a conservative Republican backlash starting with the Regan revolution and the attacks on the ‘Cadillac queen’. She explains how AFDC, however meagre and inadequate, reflected a needs-based approach to social policy under the New Deal. This thin entitlement model became slightly less restrictive in the 1960s, thus forming the core of the liberal approach to welfare. This timid expansionary approach generated a powerful ideological backlash, especially in the South. Bertram makes two types of arguments to explain the gradual transformation from a needs-based entitlement to a work-based model of public assistance.

The first argument is based on the analysis of the politics of the Democratic Party. Bertram shows that liberals did not know to react to the workfare policy proposals endorsed by Conservative Southern Democrats. In particular, her main contention is that between 1971 and 1975 congressional leaders transformed the character and politics of public assistance in three main ways, first by introducing work requirements through the Work Incentives amendments, second by federalising Supplemental Security Income for low income populations deemed incapable of working - the elderly, those with physical or mental health conditions - and finally by introducing the Earned Income Tax Credit (EITC). The EITC, a tax credit that props up low wages, has been continuously expanded since 1975; it now represents a crucial part of the safety net for low income working families. Thus the expansion of EITC complements and compensates the restrictions on cash assistance for ‘undeserving’ welfare mothers.

The second argument is that Southern Democrats defeated welfare liberals because they wanted to protect a deeply segregated labour market and low-waged service economy. Traditionally employers in the South relied on agricultural seasonal workers or domestic help. Employers wanted to keep a reserve army of low-waged labour and lawmakers endorsed the idea that welfare benefits must be kept well below wages in the service economy to enable flexible hiring and firing practices. This explains why there was no minimum income floor for AFDC at the federal level and why AFDC monthly assistance payments varied so widely with the lowest levels of cash assistance and most punitive administration of poor relief generally found in the South. It was this model that became predominant in the last stages of welfare reform in the late 1980s and 1990s.

Southern Democrats formed an alliance with Blue Dog Democrats and tried to expand and protect a Southern economic model that was booming in the late 1980s and 1990s, with
manufacturers and service jobs moving to Right to Work states in search of low corporate taxes and pro-business state laws. For this economic model to work lawmakers developed an arsenal of sticks (sanctions) and carrots work incentives (EITC) that enabled the continuous integration of potentially recalcitrant welfare clients in the service economy.

By the beginning of the 21st century American states looked much more like the South, with the widespread erosion of employer-based health care coverage, the generalisation of insecure work, the development of hostile trade union legislation in Northern states, and the perennial relegation of vast sectors of the workforce into low paid jobs. Although booming economic conditions in the late 1990s masked for a while the stark realities of a constantly deteriorating social contract, gains for low skilled workers were short-lived. Before the onset of the Great Recession, low wage workers were increasingly living from hand to mouth. The link between economic security, improved life standards and employment had been almost entirely severed. Cash assistance had virtually disappeared and low income families turned to food stamps and Medicaid to plug in the holes of an inadequate work-based safety net.

Bertram argues that work-oriented welfare reforms started in the 1960s at a time when the path to economic security and prosperity through paid work became much more uncertain for low-skilled workers, ethnic minorities (African Americans and Latinos) and single women. Manufacturing jobs, the tide that lifted all boats, started to become much scarcer as successive waves of de-industrialisation took hold in the 1970s, 1980s, 1990s and 2000s until the Great Recession of 2007. The economic downturn had a devastating impact on already struggling workers. With the Recovery Act in 2009 the Obama administration expanded all public assistance benefits, notably TANF, Medicaid, unemployment benefits and food stamps. Tax expenditure represented a third of the budgetary effort, which is much less effective way to stimulate the economy than direct spending programmes. Moreover, Bertram notes that there was no serious attempt to tackle the jobs crisis; there was no employment programme on the scale that would have been required to address the structural inequalities and injustices that plague the lives of millions of Americans. This was partially explained by a fierce and systematic Republican opposition in Congress, but also by a naïve - and, as it turned out, misplaced- belief in the capacities of the American jobs market to recover quickly from the abyss. There was also an ideological reluctance to create employment programmes that would have benefited the minority poor; the Democrats preferred to do good by stealth, almost on the sly. In fact, the Obama administration was still working under a Third Way Clinton paradigm that emphasised personal responsibility through paid work, the need to invest in education and training and tax credits as opposed to tax and spend liberal programmes.

Eva Bertram provides a new twist to the story of welfare reform in the United States. Her emphasis on the structural contradictions of the work-based public assistance model makes a welcome contribution to political economy scholarship such as Peck’s *Workfare States* (1999) and of course Piven and Cloward’s *Regulating the Poor* (1972). She is also absolutely right to stress the importance of reforms to SSI and EITC in the 1970s in the restructuring of the American welfare state; such reforms tend to be overlooked in most contemporary works on American public assistance programmes, except perhaps for Martha Derthick’s 1979 classic, *Policymaking for Social Security*. Finally, she adopts a long-term perspective on seemingly incremental changes to welfare and helps the reader understand how the accumulation of such small scale changes has transformed the logic of public assistance. My only reservations are twofold. First, Bertram could have related more clearly the workfare amendments in the early 1960s and 1970s to the backlash against the expansion of AFDC.
that was seen as primarily benefiting African American women. The force of this ideological backlash against poor minority women and (men) should not be underestimated. California governor Ronald Reagan was a fierce opponent of welfare right and community lawyers in California, and Congressional Republicans were keen to dismantle the procedural rights for the poor that had been gained in the 1960s. My second reservation is that Bertram could have explained in a bit more detail how the expansion of food stamps increasingly compensated for the decline in cash assistance after the dismantlement of AFDC in 1996. These slight reservations aside, this is an important work for students of American social policy in general and welfare reform in particular.

References

Piven, F. F. and R. A. Cloward (1972), *Regulating the Poor: The Functions of Public Welfare*, London: