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2003

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Schram, Sanford F. "Illusions of Change: Rethinking the Current Welfare Retrenchment," review of *Transformation of the Welfare State: The Silent Surrender of Public Responsibility*, by Neil Gilbert. *Social Service Review* 77 (2003): 475-480.

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Review Essay

Illusions of Change: Rethinking the Current Welfare Retrenchment

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Transformation of the Welfare State: The Silent Surrender of Public Responsibility. By Neil Gilbert. New York: Oxford University Press, 2002. Pp. 224. \$29.95 (cloth).

Neil Gilbert's new book is Olympic in scope, thorough in its survey of available research, careful in its use of language, dramatic in its thesis, and provocative in its conclusion. Yet, it is also gravely flawed. In the end, the book's narrative does not sustain its bold thesis.

Gilbert builds further on a line of inquiry he has pursued through several books to argue that there is a sea change of fundamental proportions overtaking the welfare states of advanced capitalist societies. The welfare state is moving away from the goal of guaranteeing universalistic social welfare entitlement rights, which protect workers from the vagaries of a capitalist system that commodifies labor in exploitive ways. In country after country, public policies are being transformed into what Gilbert has previously called the "enabling state" (Neil Gilbert and Barbara Gilbert, *The Enabling State* [New York: Oxford University Press, 1989]). In such states, social assistance is targeted on a selective basis consistent with rewarding work responsibilities. Such targeting is increasingly accomplished by privatizing social welfare programs so that they operate more consistently with the needs of the market and its basic principles. In the end, social inclusion will be promoted because the formerly socially excluded will be, with the help of labor activation

Social Service Review (September 2003).
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0037-7961/2003/7703-0008\$10.00

policies, legitimated as full members of society who fulfill their responsibilities to be productive. The book concludes by making the point that we need to provide constructive criticism of these developments. Such input ensures that social solidarity is not jeopardized by relying too heavily on the market to determine who gets what.

Gilbert's analysis stakes out two positions. The first is that the transformation of the welfare state is a real thing, not to be dismissed as a momentary phase in changes in social welfare expenditure patterns. The second position is that we need to take the role of supportive critics who can helpfully suggest reforms that will prevent the transformation from becoming self-destructive. After reading this well-developed volume, I remain unconvinced of either position.

I address the second position first. Gilbert does not help matters by giving extremely short shrift to the role of the friendly critic, reducing it to no more than the five pages at the end of his concluding chapter. He points to how others, from Joseph Schumpeter to Francis Fukuyama, have emphasized that capitalism can run amok, wreaking havoc on the very social institutions, including most especially the family and the community, that make capitalist society possible. The social bonds that serve as the basis for trust, reciprocity, and a willingness to engage in contractual relations are at risk when capitalism becomes the arbiter of all that is to be valued, including most especially individual self-worth. Yet, Gilbert's response is to offer just a gesture toward rewarding care as well as work, so that caregivers can stay at home and have a presence in the community when necessary. While Gilbert is right to resist demands for blueprints, his gesture toward correctives for an overly economic enabling state is largely an empty one.

The gesture related to the book's subtitle is so empty because the *Transformation of the Welfare State* is preoccupied with championing its title. Gilbert notes that the modern welfare state was seen in the twentieth century as "decommodifying labor" (Gøsta Esping-Andersen, *The Three Worlds of Welfare* [Princeton, N.J.: Princeton University Press, 1990]), so that workers' families would be protected from having to survive on whatever wages the market provided. The emerging enabling state reverses that trend as too costly, undermining the efficiency and productivity of markets and discouraging individual work and personal responsibility as basic commitments necessary of liberal society. The enabling state has distinctive features that make it, according to Gilbert, a genuine transformation of social provision in advanced capitalist societies: public expenditures are retrenched, universalistic policies are more targeted, programs are more focused on requiring and rewarding work, responsibilities are given greater emphasis to counterbalance entitlement rights, and social welfare policies and programs are increasingly privatized.

While these developments could put at risk the bonds of trust and

reciprocity that society's basic social institutions create and sustain, Gilbert argues that actually the reverse is just as likely. The growing trend among advanced capitalist societies to refashion welfare policies in emulation of reforms in the United States has led to labor activation programs (e.g., workfare requirements) that require the socially excluded (as the poor are increasingly called in Europe) to work and demonstrate personal responsibility as a condition for the continued receipt of social assistance. Sounding more like the strong-state conservative Lawrence Mead than the libertarian Charles Murray, Gilbert argues that the spread of U.S.-style workfare and welfare reform to other countries, such as Canada, Australia, Great Britain, and increasingly the rest of Europe, creates opportunities for the socially excluded to be included as full citizens who fulfill their responsibilities to be productive members of society. The potential danger that the enabling state's emphasis on markets will wear away at the roots of social solidarity is, therefore, largely misplaced. Here, Gilbert pits mid-twentieth-century British welfare state theorist T. H. Marshall against early twentieth-century French social theorist Émile Durkheim. Gilbert may very well be correct that state institutions and policies are now moving away from Marshall's rights-based vision of a system of welfare provision that could support solidarity. But if, in fact, the new approach to solidarity is more Durkheimian, then we must contemplate at least two faces of this process: societal solidarity through the common practice of shared responsibilities and public degradation of those who are identified as deviants in relation to the values the society has made sacred in collective representations of itself. In this regard, the demeaning treatment of welfare recipients for their alleged failure to conform to work and family values is one of the most poignant ways in which "Durkheimian rituals" of denigration operate today (Frances Fox Piven, "Forward," in *Words of Welfare: The Poverty of Social Science and the Social Science of Poverty*, ed. Sanford F. Schram [Minneapolis: University of Minnesota Press, 1995], pp. ix–xv, p. xii). The stigmatization and degradation of welfare recipients thus serves as a critical source of social solidarity in advanced capitalist societies. It enables the privileged to see themselves as the included "us," who supposedly uphold the right values in contrast to the disadvantaged, who are constructed as the excluded "them," having failed to adhere to social norms regarding work and family. Gilbert may be right to cite Durkheim as the theorist who can explain how contemporary welfare reform is promoting solidarity; however, he is conveniently focusing too narrowly on the most sanguine parts of Durkheim's analysis.

The concern about the enabling state's effects on social solidarity is only salient if that state is actually coming into being. Most of the *Transformation of the Welfare State* is an attempt to make that case. Gilbert demonstrates that previous research, especially the work of Gøsta Esping-Andersen, exaggerates the extent to which there were different

forms of the welfare state in advanced capitalist societies. He thinks that work following Harold Wilensky and others is more persuasive in suggesting a growing convergence of welfare states. Yet, even this research is suspect for Gilbert as he emphasizes that the emerging universalistic entitlement state was overanticipated and never fully realized. More countries are more like the United States in offering delimited entitlements than perhaps the scholarship would allow. This is increasingly the case, as countries move to transform their welfare states into enabling states by emulating the U.S. preference to limit social expenditures, replace universal entitlements with targeted means-tested programs, accent policies that require work in exchange for access to social assistance, and privatize various forms of social provision.

If the differences in welfare states were exaggerated in the past and the universalistic welfare state was never realized, is the transformation that is taking place now really a transformation, or more of a variation on the theme? Gilbert never recognizes the contradictions arising from his own text. The circumspect wording of the narrative helps with the erasure. Concision becomes its own form of forgetfulness. Sometimes I think Gilbert forgets that the welfare state by definition is a feature of capitalism. Capitalist societies have welfare states in order to buffer the effects of markets. Without capitalism, there is no welfare state. It may indeed be the case that welfare states did not vary to the extent that Gøsta Esping-Andersen suggested when contrasting the “three worlds of welfare capitalism” in the United States, England, and Sweden. It may also be the case that welfare states were converging toward a more universalistic entitlement state than was offered in the United States and that this trend has now perceptively slowed. Yet, whether the changes occurring today constitute a transformation of the contradicted capitalist welfare state is definitely a question of perspective. From my perspective, Frances Fox Piven and Richard Cloward (*Regulating the Poor: The Functions of Public Welfare* [New York: Vintage, 1992]) offer a more compelling and historically informed analysis, in which welfare capitalism continues to alternate in cyclical fashion, now giving greater stress to capitalism as compared to an earlier stress on welfare. The tensions of social control (in the name of capitalism) and social welfare (in the name of human welfare) are built into the very contradictory idea of welfare capitalism (i.e., provide assistance so that people will continue to have reason to participate in capitalist society, even when it does not always enable them to live). The cyclical shift that we are witnessing is real and significant, but a transformation of welfare capitalism, I suspect, it is not.

The reasons that Gilbert gives for this shift (what I would suggest we call the “transformation that is not”) are real forces at work in social welfare policy discourse today: the aging of populations in advanced capitalist societies, the globalization of economic activity across nation-states’

borders, changes in the normative ideas that inform welfare policy, and the growing penchant for reliance on market efficiency and profitability. Gilbert rightly notes that the combination of these forces has influenced the shift to a more means-tested, delimited, privatized set of social provisions, attuned to promoting work and functioning more in step with, rather than counteracting, the demands of the market.

Yet, Gilbert's analysis of the reasons for the shift in welfare state policies has a serious omission. Corporate political power and its ability to drive the agenda for welfare state retrenchment vary across countries. Such power reached its pinnacle in the United States during the last 25–30 years, providing the basis for the U.S.-led campaign to decrease social assistance and privatize its provision. Given the leadership of the United States in the world economy, other advanced capitalist societies had little choice but to follow suit. What has been surprising is that other countries have not in all instances followed to the degree that one could imagine. Gilbert implies that the transformation of the welfare state is a natural outgrowth of disembodied demographic, social, economic, and philosophical forces. Instead, the shift to more market-friendly policies is a political result of the consolidation of corporate power first in the United States and then (if to a lesser extent) in other countries.

Gilbert suggests that if we assess the performance of welfare states while accounting for the changes to a more privatized system of social provision, the United States is less of a welfare state laggard, as private sources of benefits and services, and tax credits and incentives, get figured into the mix. This reconfigured accounting has its place, but it is fraught with its own pitfalls. The revised accounting also needs to consider the purposes of social welfare expenditures. Significant increases in U.S. expenditures in recent years, such as through the Earned Income Tax Credit, are heavily weighted in favor of rewarding work at the expense of supporting families in need without earnings. In this form, changes in social welfare expenditures represent a “recommodification of labor” (pp. 86–89). Simply comparing expenditures across countries can therefore be very misleading. Two countries can be increasing their social welfare expenditures, but one is doing so to “decommodify” labor by providing more support for families when they are not working, while the other is doing so to “recommodify” labor by tying increased support to increased work. Gilbert notes many of the difficulties in constructing comparative welfare statistics but overlooks this critical one, enabling him to suggest that welfare states are becoming more alike than perhaps they really are.

Has the welfare state been transformed, or has it alternated between the traditional poles of welfare capitalism? Is the shift to emphasizing work via policies and programs that are more calibrated to the market a radical reorientation of welfare capitalism, or is it an accentuation of

one dimension of already existing forms of welfare capitalism? The book exaggerates the significance of the changes in large part because Gilbert overinvests in the hopes of T. H. Marshall, Gøsta Esping-Andersen, and even Harold Wilensky, who imagined how the welfare states of advanced capitalist societies could move beyond the contradictions of welfare capitalism. Gilbert himself notes that the universalistic entitlement state ideal was never achieved even in Scandinavian social democracies, and the differences between welfare states have been exaggerated. Nonetheless, Gilbert slips into seeing those hopes as the realities of mature welfare states until the recent turn to the enabling state. But the shift is not the transformation that Gilbert makes it out to be, and the struggle over how to work through the contradictions of welfare capitalism is still agenda item number 1 for welfare state politics in each and every advanced capitalist society. As well written and as well researched as this book is, its perspective is but a detour on the road to continuing those struggles.