
WELFARE

✎ **Definition:** “welfare” usually means “well-being”. In economic and social terms, welfare refers to the range of services which are provided to protect people in a number of circumstances, including **childhood, sickness and old age**.

✎ In the European Union, the idea of the “welfare state” is equivalent to **social protection**. In the United States, welfare refers more specifically to financial assistance to poor people.

✎ **History:** it began in England in 1601 when **the Poor Law** was passed. Vagrancy was banned and the Church was required to take care of the poor. At the turn of the 20th century British Prime Minister Lloyd George implemented Britain’s first welfare state providing old age pensions, health coverage and tenement housing for the working class only.

✎ In 1942, Sir William **Beveridge** presented a report to the British Parliament. It provided a summary of principles necessary to banish poverty and want from Britain. The paper proposed a system of social security which would be operated by the state, to be implemented at war’s end. Beveridge’s report insisted on childhood, maternity, unemployment, disability and retirement. In 1945, Labour Prime Minister Clem Attlee announced the introduction of the Welfare State, with the establishment (in 1948) of the **National Health Service** (free medical treatment for all). These programmes were meant to care for people “**from cradle to grave**”, that is to say from birth to death.

✎ **Models of welfare:** there exist three different models.

1. **The corporatist model:** typical of continental Europe. It is work-oriented with workplace-based benefits, based on individual contributions. The emphasis is laid on social solidarity.
2. **The social democratic model:** mainly found in Scandinavia. It stresses universal values and is paid for by taxation. All citizens can get benefits which are high, but so are taxes.
3. **The liberal model:** found in the UK and the US. It makes a clear distinction between the deserving poor (people who wanted to work but were unable to find suitable employment) and the undeserving poor (people who could work but chose not to. They’re seen as scroungers). In this system, benefits are limited but taxes are low. Citizens are encouraged to stay in employment and to use the private sector if possible to get private benefits.

✎ **The welfare state in the United Kingdom:** Three key elements can be identified:

1. A guarantee of minimum standards, including a minimum income;
2. Social protection in the event of insecurity;
3. The provision of services at the best level possible on the basis of right.

In practice, welfare is very different from this ideal. Coverage is extensive, but benefits and services are delivered at a low level. The social protection is patchy, and services are tightly rationed.

✎ **The United States: a “liberal” regime?** The US doesn’t have a unified welfare system. The states still play an important role, including public assistance, social care and various health schemes. The main developments of federal provision occurred first in the 1930s, with

Roosevelt's **New Deal**, and next in the 1960s (L.B. Johnson's "**War on Poverty**", provision of health care for people with low incomes – Medicaid – and for the elderly -- Medicare). In practice, the US is pluralistic rather than liberal. The Federal government, the states, and private, mutualist and corporate groups all participate in welfare provision.

✍ **Recent developments in the UK:** in 1998, **Tony Blair introduced his New Deal**, a programme of active labour market policies (**workfare**). The stated purpose was to reduce unemployment by providing training, subsidised employment and voluntary work to the unemployed. The New Deal introduced the ability to withdraw benefits from those who refused "reasonable employment". The latest reform, the **Welfare Reform Act 2012**, introduced such changes as the "under-occupancy penalty" which reduces the amount of benefit paid to claimants if they are deemed to have too much living space in the property they are renting.

✍ **Recent developments in the USA:** in 1996, under the **Clinton** administration, the welfare system was reformed in order to save \$75 billion. Under the new programme, each state must meet certain criteria to ensure recipients are being encouraged to work themselves out of welfare (workfare, see above). Following these changes, millions of people left the welfare rolls (a 60% drop overall) and employment rose.

March 2010: President Obama signed into law the Affordable Care Act, also known as **Obamacare**. The constitutionality of this act was upheld by the Supreme Court in June 2012. Its goals were to increase the quality and affordability of health insurance, lowering the uninsured rate by expanding public (Medicaid) and private insurance coverage, and reducing the costs of healthcare for individuals and the government. A provision of this law requires all individuals not covered by an employer sponsored health plan, Medicaid, Medicare or other public insurance programs to secure a private-insurance policy or pay a penalty, unless the applicable individual has a financial hardship or is a member of a recognized religious sect. The law includes subsidies to help people with low incomes comply with the mandate.

Another provision in the law is the contraceptive coverage mandate that applies to all employers and educational institutions except for religious organizations. These regulations were included on the recommendations of the Institute of Medicine, which concluded that access to contraception is medically necessary "to ensure women's health and well-being." The initial regulations proved controversial among certain religious groups, hence the exemption for some of them.

Despite all these efforts, the Supreme Court held that states cannot be forced to participate in the ACA's Medicaid expansion. Since the ruling, the law and its implementation continue to face challenges in Congress and federal courts, and from certain state governments, conservative advocacy groups, and some small business organizations.

In 2020, President Trump tried to repeal part of the Affordable Care Act, but he didn't succeed. He only managed to cancel the individual mandate penalty.

Sources:

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Wikipedia

C. Mulliez, S. Watkins, F. Cazenave