

Is Welfare Reform Structural Adjustment?

Can U.S. welfare reform be compared to structural adjustment in developing countries?

We took the underlined topics below from a structural adjustment fact sheet developed by United for a Fair Economy, 2000 "Globalization for Beginners". We replaced structural adjustment facts in countries like Mexico, the Philippines and Peru and with facts we know to be true of welfare reform.

Cuts in Social Spending

~ Welfare reform has severely reduced the numbers of those receiving welfare in all states as well as reduced participation in needed programs such as food stamps and medicaid.

~ Time limits have been introduced, two to five year lifetime limits for families receiving welfare.

~ Childcare assistance for higher education has been severely limited if not removed.

Reducing Governments Role

~ The Federal government handed state governments full responsibility for creating and implementing all welfare programs. In some states that responsibility is handed down to the counties.

Privatization

~ President Bush is strongly urging implementation of reform that would hand off the responsibility of welfare to churches and private social service agencies.

Removing Subsidies

~ While benefit programs exist, people applying are often misinformed, harassed or intimidated and many times give up before receiving any assistance.

~ Welfare benefits are 40% of the Federal Poverty Level (FPL) in Washington state. In 1970, welfare benefits paid 100% of the FPL.

Cutting Wages

~ Welfare recipients must take the first job offered or they will be sanctioned, regardless of whether the wage will support their family.

~ If a welfare recipient voluntarily quits a job, their grant can be terminated.

~ Welfare reform has severely limited people's ability to receive an education, thus keeping people in low wage jobs.