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Sam Bruns
Portland State University

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Racial Capitalism and Expropriation in American Welfare Reform

by

Sam A.G. Bruns

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Julius McGee

Portland State University

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Abstract

The Personal Responsibility and Work Opportunity Reconciliation Act, or PRWORA, is a major act of US welfare legislation that was signed in 1996 by President Bill Clinton. Under the program it authorized, Temporary Assistance for Needy Families, or TANF, welfare recipients can only receive benefits for up to 60 months lifetime and must maintain full time employment as soon as required by welfare administrators. As a result, welfare enrollment and the quantity of benefits distributed have decreased significantly since PRWORA was passed. The implementation of a welfare work requirement was a key goal of an anti-welfare policy position that became highly influential in both major American political parties through the 1980s and 1990s. The success of this position came about at least in part because of racialized and derogatory images of welfare recipients advanced by politicians and the media. This suggests particular connections between class, race and the state that are central to the theories of racial capitalism and expropriation advanced by Cedric Robinson and Nancy Fraser. Their theoretical outlook indicates that PRWORA's main effect was to produce a large expropriable labor class whose existence is justified through the racial images latent in welfare reform rhetoric.

Introduction

In 1992, Bill Clinton campaigned for the presidency of the United States on a platform to "end welfare as we know it."¹ In 1996, that promise was fulfilled as he signed the Personal Responsibility and Work Opportunity Reconciliation Act, or PRWORA. The bill would introduce a work requirement that required the vast majority of welfare recipients to find paying work within two years or lose all benefits – regardless of whether they had children or a partner

¹ Edelman, Peter. "The Worst Thing Bill Clinton Has Done." *The Atlantic*. February 05, 2018. Accessed May 25, 2019. <https://www.theatlantic.com/magazine/archive/1997/03/the-worst-thing-bill-clinton-has-done/376797/>.

living with them. What followed was a reformation of US labor classes, as has happened many times before in the nation's history, and as has frequently been the case race was a major factor in how those labor classes were assembled. Welfare reform as a policy mission has been intimately linked with race since the mid-20th century, and while PRWORA was necessarily crafted to be racially neutral, it would not have been possible without its implicit promise to remove Black welfare recipients from the rolls. Welfare reform only picked up significant traction when programs began to admit significantly more African-Americans and congressmen began to bring cases of alleged fraud to the House floor – some legitimate, many fabricated. When PRWORA was passed, Black welfare recipients bore a disproportionate burden from the withdrawal of benefits and the introduction of burdensome requirements. While scholarly discourse has noted the effects that PRWORA had on the American economy and on groups that were targeted in welfare reform rhetoric, the close functional connection between the two has yet to be shown. I will do so by way of Cedric Robinson's theory of racial capitalism and Nancy Fraser's account of expropriation under the racial capitalist system, which describe how labor class formation proceeds in capitalist economies that are strongly affected by racial dynamics. Over the course of this thesis, I will develop a theoretical framework of expropriation under racial capitalism and apply it to PRWORA, showing that the policy serves primarily to create a large expropriable labor class that is defined by the racial images that drove welfare reform rhetoric.

Theory and history of capitalism

Historicizing capitalism

The theory of racial capitalism begins with an understanding of capitalism itself as a historical phenomenon, only existing in a particular, relatively recent period. A more

conventional understanding of capitalism is that it has defined human actions since time immemorial, perhaps reflecting a fundamental impulse to trade, passed along through the activity of merchants and bankers. This explanation is, for one, unhistorical – capitalism only emerged in the wake of a socioeconomic shift in western Europe during the seventeenth century – but it also elides that what defines capitalism is not the petty exchange of currency between merchants, but the systematic definition of entire labor classes by their dependence on the market for survival. This definition of capitalism is best explained by its initial case: agricultural laborers who once paid rent on their land to a feudal liege lord were evicted and became wage laborers, having to sell their labor and then use wages to buy subsistence on the market. The difference is not in the type of labor – though capitalist class structures are far more efficient at industrial work – but in the relation between workers and the market.² Capitalism was less an expansion of the lifestyles of the urban merchant class than a redefinition of the rural peasantry.

This account of capitalism's beginnings reflects the outcome of the "Brenner Debates," which uprooted the study of the history of capitalism after the publication of Robert Brenner's 1976 article "Class Structure and Economic Development in Pre-Industrial Europe". Here he introduced an account of capitalism's beginnings that acknowledged diverse economic and demographic factors leading to a general shift in class relations that characterized the transition, taking place in England and proceeding through northwest Europe.

"[I]t is the structure of class relations, of class power, which will determine the manner and degree to which particular demographic and commercial changes will affect long-run trends in the distribution of income and economic growth - and not vice versa."³

² Wood, Ellen Meiksins. *The origin of capitalism: A longer view*. Verso, 2002: 90-95.

³ Brenner, Robert. "Agrarian class structure and economic development in pre-industrial Europe." *Past & present* 70.1 (1976): 31.

Brenner's emphasis on class relations and power proves far more descriptive of capitalism over the long run. The history of capitalism shows that it has persistently coexisted with systems of non-class hierarchy on the basis of race, caste, religion, gender, and other social categories. Much as capitalism may be presented as functioning on the basis of economic laws that exclude social conditions, there is always an intersection between the economic and the social in the relations of production. Cedric Robinson's work builds on the foundation of Brenner's social account of the capitalist transition, showing that class relations – between who owns and who rents, who receives surplus and who is paid wages – have been conspicuously arranged in capitalist societies, such that racial images and class status are often closely tied.

Racial capitalism

We should not be surprised that capitalism has tended to reproduce racial hierarchy along with class hierarchy. Both are firmly planted in the European tradition from which capitalism came:

The historical development of world capitalism was influenced in a most fundamental way by the particularistic forces of racism and nationalism. This could only be true if the social, psychological, and cultural origins of racism and nationalism both anticipated capitalism in time and formed a piece with those events that contributed directly to its organization of production and exchange.⁴

Practices of racial class assignment and racial persecution were commonplace in Europe throughout capitalism's development. Many industries were ethnically homogenous, and ethnic groups were often defined by their customary industry. Distance traders tended to be Jewish or Italian; cotton workers were often Flemish. Robinson contends that this practice became an integral part of capitalism, persisting in various forms as capitalism became a dominant world

⁴ Robinson, Cedric J. *Black Marxism: The making of the Black radical tradition*. Univ of North Carolina Press, 2000, 9.

system through colonization.⁵ Slavery, under this account, is not a primitive, yet-to-be-subsumed labor form. It is legally permissible theft of life and labor, justified by the racialization of the group that is enslaved. Other scholars have alternately contended that slavery was the result primarily of economic necessity or racial prejudice. Eric Williams, in his influential *Capitalism and Slavery*, wrote that "slavery in the Caribbean has been too narrowly identified with the Negro. A racial twist has thereby been given to what is basically an economic phenomenon."⁶ On the contrary, Robinson argues that economic phenomena have masked a broader transit of European cultural values and practices through the vehicle of capitalist production. His model of racial capitalism suggests that both extreme exploitation and racialization are fundamental parts of the capitalist toolkit.

Capitalism was less a catastrophic revolution (negation) of feudalist social orders than the extension of these social relations into the larger tapestry of the modern world's political and economic relations. And from its very beginnings, this European civilization, containing racial, tribal, linguistic, and regional particularities, was constructed on antagonistic differences.⁷

From its beginnings, capitalism employed racial difference as an active part of its political activity. The mechanisms by which it does so have changed throughout its history, but during the period studied

Fraser's mechanics of racial capitalism

Fraser begins her article "Expropriation and Exploitation in Racialized Capitalism" with a similar rebuttal of naively raceless conceptions of capitalism: "exploitation-centered conceptions of capitalism cannot explain its persistent entanglement with racial oppression"⁸. In short, simple

⁵ Ibid, 13.

⁶ Williams, Eric. *Capitalism and slavery*. UNC Press Books, 2014: 7.

⁷ Robinson, 10.

⁸ Fraser, Nancy. "Expropriation and exploitation in racialized capitalism: a reply to Michael Dawson." *Critical Historical Studies* 3, no. 1 (2016), 163.

models of capitalism that envision only exploiting and exploited classes offer limited explanatory depth. Fraser offers an expanded view, identifying several historical instances of another, *expropriated* class that serves to delineate racial hierarchy as well as to provide a source of labor and property that can be seized without legal consequences. While the term "expropriation" has been used differently in other theories, in Fraser's case and throughout this thesis it signifies the condition of being vulnerable to theft of property, hyper-exploitation of labor, and physical violence which are all condoned by law and frequently justified by racism. The practices of slavery, sharecropping, and predatory lending each constitute an expropriated labor class by creating a condition of both formal unfreedom and extreme poverty for those entrapped by them.

Fraser's account of expropriation describes the primary mechanism by which racial capitalism functions and can be identified. Racialized labor classes are made particularly vulnerable to theft of their property, labor and lives, and this inequity is made acceptable to society through racial images. Later it will be shown that PRWORA and the regime of welfare contraction it created closely match the characteristics of an expropriative policy.

Welfare in the United States

Examining welfare reform as an expropriative policy requires that we assess how welfare has historically been used as a tool for class construction. In other words, we should ask for what and for whom welfare has historically been intended for. What we currently associate with welfare – federally administered programs that distribute cash or other benefits to qualified recipients – began to replace the more locally administered and less formal practice of distributing cash and in-kind aid directly to the poor in the early 20th century. However, this

earlier form of aid distribution also coincided with the workhouse, and with it a particular class formation that has come to be closely linked with welfare.

Workhouses and early expropriation through welfare

Critics of early American welfare policy insisted that recipients be strictly those who were unable to support themselves through work in the market, criticising the practice of public relief in which benefits were distributed to the public without qualification. One such critic, Josephine Lowell, suggested that when aid was distributed to the poor, "a part of what they gain is seized upon to feed indolence and improvidence."⁹ This forecast moral failing of welfare recipients served to create an initial image of the undeserving welfare recipient, who would use public funds to support a degenerate lifestyle. This was contrasted with the deserving recipient, who would be reformed as a contributing member of society through labor in a workhouse. Lowell covers the material activity of workhouses, to incarcerate and expropriate the poor, by suggesting that their aim was "to *cure* the individual, whether of sickness, insanity, intemperance, or simply of the temptation to be shiftless and lazy..."¹⁰ By identifying poverty as a disease with a cure, Lowell roots the causes of poverty in the bodies of the poor. While not an explicit assignation of certain bodies to poverty, Lowell's analogy does show the early development of a strand of rhetoric around welfare that would allow politicians to describe particular individuals as representative of a broader community problem around welfare, suggesting that certain bodies were less deserving of support than others. The connection between workhouses and early American welfare shows that expropriative, carceral labor practices have been an important objective of welfare programs from their inception.

⁹ Lowell, Josephine S. "Public Relief and Private Charity." *Welfare: A documentary history of US policy and politics*. NYU Press, 2003. 3.

¹⁰ 8.

Deserving mothers, working sons: early welfare programs

Motherhood was central to the construction of the first legitimate US welfare programs. This reflects a broader association in the United States between the quality of women's labor in the home and whether they were deserving of security.

Whereas the struggle of men for social rights has taken place in the market and in the state, women's rights have been shaped in the context of the state, the market, and the household. Debates about economic security have been entwined with cultural notions of motherhood and family responsibility.¹¹

The first federal welfare programs were aimed at supporting mothers who could least be held responsible for their poverty: widows, particularly those who had lost their husbands to war or industrial accidents. The possibility of this initial form of welfare was closely tied to its recipients being perceived as deserving by the public. President Theodore Roosevelt, speaking at a congress on child welfare, supported welfare policies by arguing that "the successful mother, the mother who does her part in rearing and training aright the men and women of the next generation, is of greater use to the community and occupies, if only she would realize it, a more honorable, as well as a more important, position than any successful man in it. ..."¹² Both the aesthetic and utilitarian benefits of motherhood are called upon not only to justify the spending of government revenue on aid, but also to rebut industrial interests that would benefit from an expanded female industrial workforce. At the time more and more single mothers were forced to work in industrial jobs that a prominent muckraker wrote "often result in breaking down the health of the widowed mother, causing her to neglect her children."¹³ Such prominent sympathy

¹¹ Quadagno, Jill S. *The color of welfare: How racism undermined the war on poverty*. Oxford University Press, 1994: 119.

¹² Roosevelt, Theodore. "First International Congress in America on the Welfare of the Child: Address to the Delegates." *Welfare: A documentary history of US policy and politics*. NYU Press, 2003. 20.

¹³ Einstein, Hannah B. "The Case for Mother's Pensions." *Welfare: A documentary history of US policy and politics*. NYU Press, 2003. 33.

was typically reserved for urban, white mothers; meanwhile, in the South many Black mothers faced similar conditions along with even more devastating agricultural labor conditions, which their children often joined them in. Later in the same speech, Roosevelt placated industrial interests by promising that fruit would later bear in the form of the children supported by government aid. "For the boys I want to see training provided that shall train them toward, and not away from, their life work; that will train them toward the farm or the shop, not away from it."¹⁴ Through its initial foray into welfare, the US government was securing not only a useful image of the patriotic widow but also its future industrial labor force. From its very beginnings, US welfare policy has been rooted in the necessity of maintaining labor class stability.

Welfare expansion and opposition

As the Aid to Dependent Children program grew, the discrepancies between the demographic composition of welfare rolls and the actual demographics of the poor became apparent. Government assessors noted that "practices in the administration of aid to dependent children in some States apparently result in assistance to fewer Negro and Indian children than white children in relation to the number of needy children in the respective populations."¹⁵ Still, little was done to rectify this discrimination until the 1950s, when ADC was expanded to cover a greater number of agricultural and domestic workers. While not explicitly targeted at relieving the discrepancy in aid, these changes brought in substantially more Black applicants as a result of their concentration in those industries. Soon after, public allegations of welfare abuse and fraud became common, with congressmen frequently delivering lengthy speeches describing supposed

¹⁴ Roosevelt, Theodore. "First International Congress in America on the Welfare of the Child: Address to the Delegates." *Welfare: A documentary history of US policy and politics*. NYU Press, 2003. 21.

¹⁵ Bureau of Public Assistance. "Families Receiving Aid to Dependent Children." *Welfare: A documentary history of US policy and politics*. NYU Press, 2003. 104.

abuses. These were rarely rooted in fact, instead utilizing outdated and misleading statistics, and neglected to mention that many potential welfare recipients were denied benefits not because they were not qualified but because of bureaucratic error or discriminatory local distribution authorities.¹⁶

President Lyndon Johnson's 1964 War on Poverty further expanded ADC eligibility, and complaints continued to increase along with the proportion of government funds being allocated to welfare programs. By the 1960s, the debate around welfare was centered around the expulsion of undeserving recipients, far from the initial connotations of welfare as a charitable uplifting of the patriotic poor. This project had also been tied to increasing attention in the federal government toward Black families. The infamous Moynihan report, published in 1965 under the Johnson administration, alleged that Black welfare recipients were indicative of a broader tendency among Black families to be unstable. "In essence, the Negro community has been forced into a matriarchal structure which, because it is so out of line with the rest of the American society, seriously retards the progress of the group as a whole, and imposes a crushing burden on the Negro male and, in consequence, on a great many Negro women as well."¹⁷ Black families, and particularly Black women, were blamed for increasing welfare expenses and charged with a failure to assimilate to patriarchal family values. This allegation ignores the far more likely explanation that more Black people were enrolling in welfare because of expanded eligibility and also the migration of Black families from the rural South, where agricultural work often did not qualify for benefits, to the urban North, where industrial work did. Still,

¹⁶ "Washington, D.C., Welfare Studies." *Congressional Record. Welfare: A documentary history of US policy and politics*. NYU Press, 2003. 217.

¹⁷ Moynihan, Daniel P. "The Negro Family: The Case for National Action." *Welfare: A documentary history of US policy and politics*. NYU Press, 2003. 226.

Moynihan's report and the suspicion of Black welfare recipients it cultivated became central to the welfare debate, and soon led the general public to be far more supportive of work requirements for at least some welfare recipients. In 1961, a Gallup poll surveyed support for such requirements.

All men on relief who are physically able to work must take any job offered which pays the going wage. Would you favor or oppose this plan for this area?

Favor	84%
Oppose	10%
No opinion	6% ¹⁸

It would be 25 years before work requirements would be enacted with PRWORA, resulting from a sustained political campaign that gained momentum with this 1960s shift in public welfare attitudes.

In 1988, then-governor Bill Clinton contrasted the present welfare scheme with the United States' first welfare programs, when "the typical recipient of welfare was a West Virginia miners widow, someone whose husband went into unsafe mines, died on the job, and had an inadequate pension... She was a woman living in a society where women were not expected to work, and where she would be held blameless for having a sixth or seventh grade education."¹⁹ Evidently, certain qualities of this prototypical welfare recipient made her deserving of unqualified support. It may be her commitment to the heterosexual nuclear family, her implied whiteness, or her husband's industrial occupation. But Clinton's actual target is what is implied in the absence of this ideal welfare recipient: the racialized image of Black welfare recipients.

The welfare system will not work when half of those on welfare are in a class of permanently dependent individuals, sometimes passing their dependency from generation to generation; the welfare system will not work when there are no responsibilities

¹⁸ Gallup, George H. "Gallup Poll on Americans' Attitudes about Welfare." *Welfare: A documentary history of US policy and politics*. NYU Press, 2003. 331.

¹⁹ 540.

imposed on recipients to break the chain of dependency and when there are no provisions for the kind of education and support services which would enable them to do so.²⁰

Through this rhetoric of dependency, Clinton eagerly joined in splitting welfare recipients between the deserving and undeserving, which had been effectively married to the racialized distinction of the white welfare mother and the black welfare queen. Along with Clinton and other moderate Democrats, "the same conservative politicians who pressed for stringent work requirements for welfare recipients (stereotyped Black) also insisted that 'family values' dictated that middle-class married mothers (stereotyped white) ought to leave paying jobs to stay home to care for their young children."²¹ In isolation, these comments are a racist distinction between Black and White families. As the opinion of US government officials, and as the driving force behind economic policy, the sentiment that poor Black mothers should work while middle-class White mothers cared for their children in the home came to define a distinct labor class arrangement. The image of the Black welfare mother became fuel for discriminatory policy making and a prescription for the expropriative enforcement of that policy.

Effects of PRWORA/TANF

In 1996, the passage of PRWORA fulfilled President Clinton's much publicized campaign promise to "end welfare as we know it." It did so by eliminating the previous main federal welfare program, Aid to Families with Dependent Children, and replacing it with the similarly named but fundamentally different Temporary Assistance for Needy Families, or TANF. TANF introduced new incentives promoting marriage and required parents to share their finances, but the program's most significant change was the introduction of a work requirement.

²⁰ 541.

²¹ Mink, Gwendolyn and Solinger, Rickie. *Welfare: A documentary history of US policy and politics*. NYU Press, 2003: 535.

Welfare recipients can only receive benefits for up to two consecutive years and a maximum of five years lifetime under TANF, with additional requirements to participate in state-operated work programs in some states.²² With this shift, the objective of the US welfare system definitively changed. Previously, welfare had served to support individuals and families that were popularly considered to be exempt from the requirement to work: widows, the disabled, and veterans, for instance. With TANF, the objective of the welfare state became to push recipients from the rolls into paying work.

Stated goals and links to racial images

The stated goals of PRWORA were reductive, eliding the effects the legislation had on class formation and its targeting of Black welfare recipients.

The Congress makes the following findings: (1) Marriage is the foundation of a successful society. (2) Marriage is an essential institution of a successful society which promotes the interests of children... (5) The number of individuals receiving aid to families with dependent children has more than tripled since 1965. More than two-thirds of these recipients are children. Eighty-nine percent of children receiving AFDC benefits now live in homes in which no father is present.²³

By emphasizing the importance of family values, the findings of PRWORA suggested that increasing the wellbeing of families would be its primary objecting. If this was the case, it is difficult to infer from the methods employed in the legislation. Its main tool – the work requirement – stood to imperil as many parents as it aided, particularly single parents who took on greater childcare and work responsibilities simultaneously through the legislation. Benefits were reduced rather than expanded for most families. In summary, PRWORA's emphasis on the family was rhetorical, not functional.

²² Ibid, 536.

²³ Ibid, 642.

This rhetoric itself served a crucial purpose: to link PRWORA's welfare reform to the racial image of the dysfunctional Black family. Since the Moynihan report, the image of the black family had become central to welfare reform rhetoric. PRWORA's references to the importance of marriage and joint parenting are difficult to read except as references to this racial discourse. It should also be noted that mothers were particularly the target of PRWORA for removal from the rolls, corresponding to the widespread racial image of the "welfare mother" or "welfare queen". Patricia Hill Collins identifies this image at the core of welfare reform rhetoric, and as an intentional response to Black women gaining access to welfare.

At its core, the image of the welfare mother constitutes a class-specific, controlling image developed for poor, working-class Black women who make use of social welfare benefits to which they are entitled by law. As long as poor Black women were denied social welfare benefits, there was no need for this stereotype. But when U.S. Black women gained more political power and demanded equity in access to state services, the need arose for this controlling image.²⁴

Throughout the history of AFDC, black women and families had fought their way into receiving welfare benefits, producing an official rhetoric of government concern for the Black family. This concern would be mirrored in PRWORA's findings on the family, even if these were racially neutral on their face.

Measuring outcomes from TANF

From its beginnings, TANF suffered from ambiguous objectives. Policymakers differed on whether the principle aim was to get welfare recipients to work, to stabilize welfare receiving families, or to reduce the national deficit. This translated into researchers at universities and the Department of Health and Human Services using inconsistent measures of the program's efficacy.

²⁴ Collins, Patricia Hill. *Black feminist thought: Knowledge, consciousness, and the politics of empowerment*. Routledge, 2002: 86.

Current debates about the success of TANF reforms have been obscured by the use of inconsistent indicators of success: some arguments place most emphasis on whether caseloads are smaller, others on whether poverty is lower, and others on whether there is evidence of less economic hardship. Are these measures of success capturing the same thing? Unfortunately, little systematic analysis tackles this specific question.²⁵

In particular, analyses of TANF did not track former welfare recipients as they left the rolls for paid work. Instead, the simple fact of their removal from government assistance and employment was cited as a success for the program. In general, TANF was effective in moving welfare recipients from welfare rolls to paid work, but evidence suggests this may belie the program's long-term efficacy at addressing poverty.

The implementation of TANF has coincided with a substantial decline in the receipt of cash assistance and, in many states, an increase in earnings. Yet incomes for most families remain very low... Although caseload declines have been a central part of the political and scholarly discussion, other outcomes suggest lower levels of success.²⁶

Basic measures of vulnerability for TANF recipients show that many were experiencing insecurity in their access to food or housing despite the benefits they received. In 2004, 33% of TANF participants were in and out of housing and 15% didn't always have access to food. Only 36% of TANF participants were not at risk for either housing or food insecurity.²⁷

What meager support was available was also frequently withdrawn as the result of sanctions. These could result from a failure to find work, to pay child support, or for myriad other reasons subject to local definition.

The most common reason for a case closure sanction was for failing to cooperate with a requirement set by the office or the caseworker (65.4 percent). States and counties vary considerably in their operationalization of "failure to cooperate." Requirements may apply to adults and/or children in the household, and may include anything from requiring the adult to submit to drug testing to requiring children to maintain a certain

²⁵ Cancian, Maria, and Daniel R. Meyer. "Alternative measures of economic success among TANF participants: Avoiding poverty, hardship, and dependence on public assistance." *Journal of Policy Analysis and Management* 23, no. 3 (2004): 531.

²⁶ *Ibid*, 545.

²⁷ *Ibid*, 541.

grade point average (GPA) in school... Finally, blacks were the group most likely to receive a sanction in the 'Other' category.²⁸

Because these requirements could be set locally and were monitored by ground-level administrators of the policy, there was ample opportunity for racial bias to be introduced into the sanctioning process. Black welfare recipients were at least 9 percent more likely to be sanctioned than white recipients, while Latino recipients were at least 7 percent more likely to be sanctioned.

Commentary

The lack of consistent, descriptive and balanced measurements of TANF's success led to a wide variety of interpretations of the policy's success and the political, cultural, and theoretical threads that came together to produce it. Again, this springs from the nature of the policy itself. TANF claimed interests in many different aspects of American life, in the home and in the workplace, for individuals and families. These interests did not necessarily align with one another. As we have seen, success in one metric, such as an increase in the number of ex-TANF recipients obtaining paid work, could indicate failure in another, such as the long term wellbeing and stability of these same cases. The nature of the reform – replacing monetary entitlements with earnings from work – served to obscure its effects on families while ensuring success in metrics like rate of employment that fail to summarize the total effect of the policy change. Depending on the interests and outlook of researchers, assessments of TANF examined widely varying aspects of the program and had differing views on whether it was successful. By examining, critiquing, and developing these assessments and their theoretical assumptions, we

²⁸ Monnat, Shannon M. "The color of welfare sanctioning: Exploring the individual and contextual roles of race on TANF case closures and benefit reductions." *The Sociological Quarterly* 51, no. 4 (2010): 690.

can gain a more extensive understanding of how TANF was received and its long-term effects on the United States.

Fragmentation of the welfare state

If the previously unified welfare state had enshrined the welfare mother as the most deserving recipient of charity, its shattering by PRWORA represented the completion of that image's long downfall. Caring for the family was previously a legitimate reason to be exempt from the labor market, but through the welfare debate it had been reimagined as a mask for allegedly widespread welfare fraud. Accordingly, the legal device through which caregiving had been protected was eliminated.

PRWORA eliminated an entitlement – a conditional social right – for poor single mothers to care for their children full-time... Caregiving has been shifted to an even more marginal status within the US policy regime, as claims based on the status of family caregiver have been eliminated.²⁹

It should come as no surprise that this dramatic shift in the public view of mothers on welfare was closely aligned with the racialization of welfare mothers. Previously, the protection of widows at relatively low costs was justified by their children's participation in the labor force. But as healthcare costs increased and the cost of labor dropped, the image was racialized, justifying the expropriation of caregivers to grow the short term labor market at the cost of long term citizen wellbeing. The legislation was optimized to save money by minimizing the amount of benefits that had to be paid out, mainly by reducing the amount of time any recipient stayed on welfare. Doing so both reduced the overall welfare budget and produced statistics that appeared to support the narrative of welfare as an effective safety net between work. In reality this

²⁹ Orloff, Ann Shola. "Explaining US Welfare Reform: Power, Gender, Race and the US Policy Legacy." *Critical Social Policy*, vol. 22, no. 1, Feb. 2002: 99.

narrative only generally applied to whites leaving welfare; others were often trapped in a cycle of insufficient benefits and unstable employment.

Welfare reform was designed to chase 'short-term' would-be recipients to private sources of support, while subjecting potentially longer-term recipients to stringent new requirements, and it has succeeded: whites have been leaving the system faster than have minorities, with the consequence that the large majority of welfare recipients are now African American and Latino.³⁰

This cycle was exacerbated by the already divided nature of the US welfare system, where healthcare, housing, food and employment can each be provided by a different government agency. Robert Lieberman writes that "the American welfare state is more fragmented and less universal than the welfare states of most other developed democratic nations – prone to division between generous social insurance policies for workers and stingy and punitive public assistance benefits for the poor. ..."³¹. In particular, PRWORA made it substantially more difficult for welfare recipients to receive Medicaid at the same time as they received TANF benefits, forcing families to choose between medical care and access to housing and food.

Medicaid was designed to piggyback on a 'welfare-to-work' system of cash assistance. In changing the assistance system, Congress and the Administrations imply neglected to change Medicaid and, indeed, locked the program into a repealed welfare methodological basis and mode of administration. Simply put, Medicaid as currently configured is basically incompatible with the new welfare system that is intended to produce workers, not recipients.³²

TANF has produced a class of former welfare recipients that is extremely exposed to risk, vulnerable to exploitation through the minimum-wage labor market and life-threatening injury or disease because of their ineligibility for Medicaid. This dual vulnerability constitutes a case of

³⁰ Ibid, 105.

³¹ Lieberman, Robert C. "Race and the Limits of Solidarity." *Race and the politics of welfare reform* (2003): 26.

³² Rosenbaum, Sara, and Kathleen A. Maloy. "The Law of Unintended Consequences: The 1996 Personal Responsibility and Work Opportunity Reconciliation Act and Its Impact on Medicaid for Families with Children." *Ohio St. LJ* 60 (1999): 1470.

expropriation. The entire theoretical structure of racial capitalism can be identified with PRWORA: a racialized class was systematically exposed to expropriation through legal means, and this was justified through racial images.

Interpreting PRWORA

Scholars have variously interpreted the role of race in the construction of PRWORA, but none have specifically linked the racialization of welfare recipients with the work requirement. Some have implied that welfare itself is a punitive measure.

Today, there is little doubt that welfare politics has served as a mechanism for some whites' expression of racial antagonisms toward African Americans... Policy analysts have uncovered racial differences in patterns of welfare use that reflect the deeper and more chronic poverty of people of color, and their disproportionate share of unemployment and underemployment.³³

While poverty is the outcome of expropriative class structures, this is only a byproduct of their intent: to extract as much value as possible from the expropriated class. The success of PRWORA according to a racial capitalist framework, if it is to be measured, would be in the profit of employers who had access to expanded labor pools as a result of the legislation. But even scholars who are critical of PRWORA tend to claim that it lacks a singular purpose, instead executing the priorities of many different political factions

A perspective that is to explain the emergence and sustenance of these [welfare reform] coalitions must consider the political settings in which both values and interests – rooted not only in class but also in race, gender, and other social relations – are formed and mobilized and in which conflicts among competing values and interests are fought out and resolved, resulting in the enactment of politics.³⁴

While Liberman is correct that we must expand the discourse of welfare politics to comprehend not only class affiliations, but also race, gender, and "other social relations," to identify each of

³³ Orloff, Ann Shola. "Explaining US Welfare Reform: Power, Gender, Race and the US Policy Legacy." *Critical Social Policy*, vol. 22, no. 1, Feb. 2002: 104.

³⁴ *Ibid*, 26.

these axes of identity as independently affecting the enactment of welfare politics belies the close intersections between each of them. Particularly when welfare policy has historically been a tool of class creation and enforcement, we must pay attention to the methods and situations in which the politics of race, gender and social identity are mobilized jointly in support of a particular class structure, as they clearly have been in the case of PRWORA. A more cogent placement of PRWORA in a broader history of capitalism comes from Wolfgang Streeck, who identifies the period of austerity through the 1990s as instrumental in a transition between forms of capitalism. This was marked by the US federal government running a surplus from 1998 to 2000 for the first time in decades.³⁵ He points out that "the Clinton policy of fiscal consolidation and economic revitalization through financial deregulation had many beneficiaries. The rich were spared higher taxes, while those among them wise enough to move their interests into the financial sector made huge profits." PRWORA was not only a policy affecting the poor, it was an instrument of immense profit for the rich who could leverage growing labor pools into huge investment gains. For a time, economic growth was high enough for many low-wage workers to afford homes regardless through subprime mortgages, but inevitably this proved to be "a substitute, illusory in the end, for the social policy that was simultaneously being scrapped, as well as for the wage increases that were no longer forthcoming at the lower end of a 'flexibilized' labour market."³⁶ Streeck argues that the fiscal consolidation that took place through PRWORA under the Clinton administration was part of a broader transition from the *tax state* to the *debt state*. The former employs Keynesian economic policies and a strong welfare state to redistribute wealth from the tax base (effectively from powerful business interests) to citizens; under the debt state, the state

³⁵ Streeck, Wolfgang. *How will capitalism end?: Essays on a failing system*. Verso Books, 2016: 82.

³⁶ *Ibid*, 82.

accrues sufficient debt that it becomes more accountable to its creditors than its citizens. Under these conditions the contraction of the welfare state, while it may introduce social problems, is preferable to the continual growth of the deficit for policymakers. Jackie Wang posits that these social problems developed into a later justification for mass incarceration and the increasing power of police departments both to enforce the law and to extract wealth from the populace.

Nearly half a century of economic policies that have eroded the power of labor and enabled a high degree of capital mobility has not only resulted in a fiscal race to the bottom that has gutted the tax base in this country, but has also transformed the nature of governance itself. If... the *tax state* (ie. the postwar Keynesian welfare state) has evolved into the *debt state* (which authorizes austerity), then what we are witnessing now is the emergence of the *predatory state*, which functions to modulate the dysfunctional aspects of neoliberalism and particularly the realization problem in the financial sector.³⁷

As public debt grows, the state and particularly those parts of it that lack control over the cash-distributing central monetary apparatus (eg. individual state governments, legislators) are required to find new sources of income apart from the tax base. With this shift in accountability indebted polities are heavily incentivized to use expropriative policies like predatory policing and cut social programs. These policies in turn are likely to increase poverty, producing a vicious cycle of expropriation and expropriative labor class formation.

Moving forward through policy?

There is little scholarship suggesting substantive changes that could be made to PRWORA, or other methods by which the welfare state could be returned to its prior efficacy or remade in the interest of public wellbeing. The closest comes from an analysis of congressional policymaking around welfare, but its proposed framework lacks theoretical clarity compared to racial capitalism.

³⁷ Wang, Jackie. *Carceral Capitalism*. Vol. 21. MIT Press, 2018: 16.

(1) To be effective in designing policies and applying policy tools to specific target groups, policy actors must rely on salient social classifications and group reputation; without such classifications, they would be unable to bring coherence to a complex social world or determine appropriate action. ...

(2) When racial minorities are salient in a policy context, race will be more likely to provide a salient basis for social classification of targets and, hence, to signify target differences perceived as relevant to the accomplishment of policy goals. ...

(3) The likelihood of racially patterned policy outcomes will be positively associated with the degree of policy-relevant contrast in policy actors' perceptions of racial groups. The degree of contrast, in turn, will be a function of (a) the prevailing cultural stereotypes of racial groups, (b) the extent to which policy actors hold relevant group stereotypes, and (c) the presence or absence of stereotype-consistent cues.³⁸

Soss, Fording and Schram begin from the peculiar theoretical position that policy-makers create racial categories out of whole cloth in the process of drafting legislation in order to make sense of the nation's social reality. Such a model draws attention to questions of representation and how else racial stereotypes might be excluded from policy making decisions, but in doing so it elides that racial stereotypes are neither invented nor much altered by the actions of policy makers. Rather, the logic of racial capitalism indicates that the function of policy making is to maintain structures of racial class assignation where possible, and otherwise to adjust them so as to function under changing conditions. Under this logic, racial stereotypes are in a sense a means to an end. Though such a simplistic explanation threatens to elide their very real power, stereotypes in and of themselves have no power to create racial hierarchy. Their purpose is to justify the changes in policy that in turn maintain class strata. This is not to say, on the other hand, that policy makers do not believe what they are saying. That a policy is claimed to have one objective while in fact it serves an entirely different purpose does not mean that any deception has taken place. Rather, theories of racial capitalism suggest that earnest, unqualified

³⁸ Schram, Sanford F., Joe Brian Soss, and Richard Carl Fording, eds. *Race and the politics of welfare reform*. University of Michigan Press, 2010: 539-540.

racial prejudice can be harnessed to expropriative economic interests, and vice versa widespread prejudice in the electorate can spur the creation of expropriative policy.

Conclusions and further research

The US welfare state by now seems to be firmly set as a relic. Progressive political activists have gravitated toward a fifteen dollar minimum wage rather a reinstatement of effective government benefits. Whether this signals faith in the market or a resigned complacency with our neoliberal outcome, there is not a visibly organized effort to expand federal welfare programs anew. There are, however, continued government efforts to reduce welfare payments while ensuring that the worst effects only strike people of color. President Trump recently ordered agencies to model an expansion of the work requirement to new programs. Individual states, who have been granted increasingly more power over welfare administration since the passage of PRWORA, are actively seeking to create a racially inequitable welfare distribution.

Kentucky, Ohio and Virginia are seeking waivers from the Department of Health and Human Services that would allow them to impose work requirements on some Medicaid recipients, but not all of them. They all included exemptions for counties with the highest unemployment levels, which are rural, mostly white areas. Urban centers where lots of black people are unemployed, but whose county-level unemployment rates are lower, would be subject to the work requirement.³⁹

Given the current administration, it seems unlikely that these waivers will be denied. So, it is clear that "welfare as we know it," or knew it before, is gone from the United States. Future politics against poverty and for an equitable distribution of society's production must look to new mechanisms for success, and respond to new challenges. Universal Basic Income proposals have

³⁹ Covert, Bryce. "The Not-So-Subtle Racism of Trump-Era 'Welfare Reform'." The New York Times. May 23, 2018. Accessed May 25, 2019. <https://www.nytimes.com/2018/05/23/opinion/trump-welfare-reform-racism.html>.

gained minor traction in progressive countries such as Canada and Finland⁴⁰, and warrant further study as to how the policy could be adapted to the US economically and politically. There are also emerging nascent forms of expropriation that might be examined. The gig economy, under which most workers lack legal protections such as a minimum wage or insurance provided by their employer, has yet to be identified with the racialization of those that participate in it, possibly indicating that non-racial markers such as debt or lack of education increasingly make workers vulnerable to expropriation.

PRWORA inaugurated a new period of expropriation in American society. As the state pivoted from its previous spendthrift ways to forced austerity, welfare reform was a convenient and palatable way for the federal government to massively shrink its outgoing payments while minimizing public backlash through the mobilization of racial images. What resulted was an eerily uncontested transition, from *tax* to *debt* to *predator state*. Our current political era, defined by mass incarceration, mass debt, and the rapid growth of the political right, could not have occurred if not for the particular combination of racial rhetoric and class reformation that PRWORA represented. Still, its influence is little recognized and little discussed presently. In time, greater attention to the nuance of the policy's history, creation and effects may yield a greater understanding of how our current economy came to exist, and how it might rearrange itself in the future. If anything is certain, it is constant change in the relations between people, their work, and the economy. The neoliberal economic consensus that has existed since the era of welfare reform, previously stable, has been challenged repeatedly by populist movements and

⁴⁰ Reuters. "Finland's Basic Income Trial Boosts Happiness, but Not Employment." The New York Times. February 10, 2019. Accessed May 25, 2019. <https://www.nytimes.com/2019/02/09/world/europe/finland-basic-income.html>.

international squabbles. As we approach the possible conclusion of our recent era of market consolidation, scholars would do well to examine the welfare reform policies that inaugurated it.