

# Learning from the US? The influence of American ideas upon 'new labour' thinking on welfare reform

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## English

This article assesses how far New Labour thinking about welfare reform has been influenced by ideas and developments in the United States. Having entered office declaring its determination to 'think the unthinkable', the Blair administration has subsequently been in earnest pursuit of the workable. It has looked to the US for ideas about wage supplementation and – especially – welfare to work programmes. More broadly, the language in which these policies are presented and justified has drawn heavily upon that of US politicians and commentators. The article discusses the extent and the significance of this 'Americanisation' of the welfare debate. It argues that its most important consequence has been to sustain and enhance a moralism which is common to New Labour and Thatcherism, but distrusted by both 'One Nation' conservatism and 'Old Labour' social democracy.

## Français

Cet article évalue comment les réformes de la couverture sociale proposées par le 'New Labour' ont été influencées par l'évolution des idées américaines. En prenant ses fonctions, le gouvernement Blair a déclaré sa détermination à 'penser l'impensable', mais en fait il a travaillé vers des buts plus réalistes et réalisables. Il s'est inspiré des États-Unis en matière d'aides complémentaires pour les salaires insuffisants et, surtout, des aides sociales pour l'insertion professionnelle ('welfare-to-work'). Plus généralement, le langage utilisé dans la présentation et la justification de ces réformes s'appuie très fortement sur celui des hommes politiques et des commentateurs américains. Cet article mesure le degré et la signification de 'l'américanisation' de ce débat. Il conclut que la principale conséquence de ce langage a été de soutenir et de renforcer la tendance moralisatrice commune au New Labour et au thatchérisme, morale dont les membres du parti conservateur tendance 'One Nation', ainsi que les travaillistes sociaux-démocrates, se méfient.

## Español

El siguiente artículo evalúa hasta qué punto las ideas y el desarrollo estadounidense han influido sobre el pensamiento en el que se funda la reforma de los servicios sociales del nuevo partido laborista británico. Al llegar al poder, la administración Blair, puso de manifiesto su determinación de buscar todo tipo de alternativas y desde entonces ha perseguido con ahínco posibles medidas políticas que puedan resultar exitosas. Ha tomado referencia de las ideas estadounidenses en materia de ayudas salariales y en particular en la cuestión de programas que obligan a realizar determinados trabajos a aquellos individuos que deseen recibir subsidio por desempleo. Es más, el lenguaje mediante el que se presenta y justifica esta política proviene en gran medida del empleado por políticos y comentaristas estadounidenses. El artículo estudia la envergadura e importancia de esta americanización en el debate acerca del estado de bienestar social. Afirma que esta influencia americana sustenta e intensifica un cierto moralismo típico del 'nuevo laborismo' y del thatcherismo, pero del que recelan los conservadores partidarios de 'One nation' y la democracia social de los laboristas tradicionales.

**Key words:** New Labour • welfare reform • Americanisation • policy transfer

One of the most striking features of the current debate about welfare reform is the extent to which it has been influenced by ideas and developments in the United States. This was also the case in the 1980s, when it was widely believed to reflect the ideological affinity of Margaret Thatcher and Ronald Reagan. If anything, however, the links have grown stronger in recent years, and never more so than since the election of the New Labour government in May 1997. Having entered office declaring its determination to “think the unthinkable”, the Blair administration has subsequently been in earnest pursuit of the workable. It has looked increasingly to the US for ideas about wage supplementation and – especially – welfare to work programmes. More broadly, the language in which these policies are presented and justified has drawn heavily upon that of US politicians and commentators.

The purpose of this article is to consider the significance of what Robert Walker has termed the ‘Americanisation’ of the British welfare debate (1998: 32). The article is in four sections. The first outlines the policy and institutional context. In particular it highlights those factors that most influence the ways in which American thinking is understood and disseminated in Britain. The second section examines the impact of conservative critiques of welfare dependency upon the debates in Britain and the US. The third section looks at what New Labour has drawn from the American experience and literature, and the fourth and final section considers the broader implications of such ‘lessons from America’.

There are, however, two important qualifications that should be made at the outset. The first is that the US is not the only source of influence upon New Labour thinking. Indeed, the design and delivery of the so-called New Deal for the unemployed owes much to the experience of active labour market policies in both Europe and Australia. It is argued here, however, that these other influences have been much less marked in respect of the wider issues of welfare reform. As David Marquand has recently noted, “the Blair government looks across the Atlantic for inspiration, not across the channel” (1996: 20). The second qualification is that the focus of the paper is upon those American writers who have most influenced the debates about policy. In consequence the paper neglects the work of a number

of scholars whose work is widely cited in the academic literature but which is addressed less directly to policy issues.

## The policy and institutional context

There are, of course, major differences between Britain’s ‘welfare regime’ and that of the United States. These differences include the much smaller role in the US of both social housing and socialised medicine and the absence there of universal provision for children along the lines of Child Benefit in Britain. Of particular relevance to this paper, however, are four further differences which are crucial to an understanding of British perceptions of the US debate.

The first and most important of these is the very sharp distinction in the US between ‘welfare’ on the one hand and ‘categorical’ social insurance programmes on the other. In American terminology welfare consists primarily of food stamps and the Aid to Families with Dependent Children (AFDC) scheme, now known as Temporary Assistance to Needy Families (TANF). The latter provides means-tested assistance benefits to lone mothers and their children on terms and conditions which vary widely from state to state. Although welfare accounts for only 8% of total income transfers it dominates academic and political debates about poverty. Moreover those debates have a very distinctive character.

As Steve Teles has written, the politics of AFDC/TANF are “an almost pure case of cultural and intellectual politics” (1996: 12). The poor on welfare, he argues, have advocates, not representatives. Those who claim to speak for them do so on the basis of ‘expertise or higher understanding’, and not because they have been mandated to do so by an organised group of recipients. Welfare politics in the US, then, “is not a matter of interest aggregation or conflict” but is “exceptionally dominated by issues of morality” (p 16). Moreover, welfare raises a “staggering set of ‘regime-level issues’”. These are issues which touch on fundamental questions about the rights and obligations of citizenship and the nature and purpose of social organisation. It is this which makes welfare so controversial.

It is controversial as a result of the presence of regime-level issues because interests cannot simply be traded off on the basis of comparative power, as they are in most other areas of politics. Not only are concrete interests absent in the making of the policy but these differences of opinion are highly resistant to bargaining. (1996: 17)

Further, Teles argues persuasively that welfare provides a focus for commentators whose prime concerns lie elsewhere. The debate affords a forum for “social and value conflicts that would exist with or without the poor”.

Family decomposition, the decline of the work ethic, and the erosion of personal responsibility are social trends occurring throughout American society. However, to discuss them directly would inevitably lead to fingers being pointed at a large group of American citizens. The politics of morality are generally more effective when the finger can be pointed at someone else. Welfare and the population it serves provide that someone else. (1996: 17)

In the US these debates are sharply differentiated from those about the cost and coverage of social security provision for the elderly, the sick, or the unemployed. Jill Quadagno, for example, has noted how the establishment of the Bipartisan Commission on Entitlement and Tax Reform provided a focus for the articulation of concerns about the projected trends in spending on categorical programmes. In essence the so-called ‘entitlement crisis’ in the US is about the sustainability of those trends and the degree to which social security expenditure is crowding out “funds for other social needs” (1998: 103). What it is not about is the impact of social security upon the behaviour of those who receive it or upon the structure of the family.

In Britain, however, the twin issues of affordability and personal responsibility are interwoven far more closely both in the public mind and in political rhetoric. The much more comprehensive coverage of means-tested social assistance in Britain means that there is not the same dis-

inction between the welfare debate and the social security debate. It is commonplace for the problems of what welfare costs and of how it impacts upon the family and the labour market to be discussed side by side.

The second important difference between Britain and the US is that the former is a unitary state with highly centralised forms of government. Most British commentators have little experience or understanding of federalism and none whatsoever of the use of waivers to approve nominally experimental programmes in individual states (Teles, 1996; Wiseman, 1996). In consequence they are often overly impressed by references to ‘experience in the US’ or by the citation of research findings which are based upon a single demonstration project or innovations in an individual state. The best example is, of course, the prominence given to particular welfare to work programmes. Indeed, it is scarcely an exaggeration to say that many British policy makers have a mental map of the US as a rectangle with New York in the top right hand corner and California in the bottom left hand corner. In between lies the continent of Wisconsin.

The third difference lies in the prevailing attitude towards the labour market participation of the mothers of young children, and especially of the lone mothers of such children. US policy rests firmly upon the assumption that they should seek paid employment, and those on welfare should be required to do so. It is true that some American commentators have questioned whether this is in the best interests of their children (Berrick, 1995). In general, however, this issue is debated less widely and much less fiercely than it is in Britain (Morgan, 1996; Phillips, 1997a, 1997b; Miller, 1998).

The fourth difference between the two countries is that race is a far more central issue in welfare politics in the US than it is in Britain. Poverty rates among African Americans and Hispanic Americans are three times as high as they are among whites (Walters, 1998: 40–1). In consequence, nearly 40% of welfare claimants are African Americans, although they constitute only 12% of the total US population. The extent to which public hostility towards welfare is rooted in broader racial antagonisms is a matter of interpretation (Teles, 1996). What is not in dispute, however, is that the welfare debate has come to

focus increasingly upon the behaviour and values of the poor at a time when the poor people under scrutiny are disproportionately black. This is especially true of arguments about the impact of welfare upon the family. Indeed Judith Stacey has recently claimed that “racial anxiety runs as a subtext to the entire history of the family-crisis discourse in the US” (1998: 280).

## ‘Filling the void’ in the US and the UK

The primary purpose of this paper is to outline the influence of US writers upon New Labour thinking and the current welfare debate. Before doing so it is important to recognise the impact upon earlier debates of a number of American conservatives, especially Charles Murray, Lawrence Mead and the *New consensus on family and welfare* which was edited for the American Enterprise Institute by Michael Novak (AEI, 1987). Their ideas about welfare dependency and the underclass had a profound impact upon all points of the party political spectrum in Britain. They all but furnished some members of the Conservative government with a new vocabulary, as the then Secretary of State for Social Services, John Moore, made a series of speeches which did little more than précis first Murray’s *Losing ground* and then Mead’s *Beyond entitlement* (Deacon, 1991). Moreover, Margaret Thatcher recorded in her memoirs how these ideas reinforced her conviction that there was no conflict between individualism and social responsibility. She also expressed her admiration for Novak who “put into new and striking language what I had always believed about individuals and communities” (1993: 627). If anything, however, the impact upon the centre and left was more fundamental still. More than anyone else it was the American dependency theorists who pushed onto the agenda issues which had been neglected, indeed all but suppressed, by the then dominant academic tradition.

There are fascinating parallels here between Britain and the US. In both *The truly disadvantaged* (1987) and *When work disappears* (1996) William Julius Wilson argued that the impact of Murray in the US owed much to the reluctance of liberal social theorists “to discuss openly or, in some instances, even to acknowledge the sharp

increase in social pathologies in ghetto communities” (1987: 6).

This reluctance had not always been evident. During the 1960s, Wilson claimed, liberals such as Kenneth Clark and Lee Rainwater had produced accounts of the ghetto which recognised the structural bases of poverty but were sensitive to the importance of individual attitudes and behaviour. Everything changed, however, following the furore over the so-called Moynihan Report on the black family.

*The Negro family: The case for national action* was in fact a report produced within the US Department of Labor by its Office of Policy Planning and Evaluation, headed by Daniel Moynihan. It proposed a package of measures including the introduction of European-style family allowances and an expansion of jobs and training programmes. What made the report so controversial, however, was that it justified these proposals in terms of the need to repair the damage done to the black family by a combination of welfare and high unemployment among black men. In essence the report argued that the payment of AFDC solely to lone mothers created a financial incentive for the formation of one-parent families in a situation in which unemployment had stripped many black men of their traditional role as breadwinners. Moreover, the report went on to suggest that the black family was especially vulnerable because of ‘cultural weaknesses’ which were rooted in the experience of slavery. In what became a notorious phrase it referred to a ‘tangle of pathology’ which had all but destroyed the two parent family in the black ghetto. The controversy over the report has been widely discussed – and refought (Rainwater and Yancey, 1967; Teles, 1996). What makes it so important to this article is Wilson’s argument that the “vitriolic attacks and acrimonious debate” which characterised it “proved too intimidating to scholars, especially liberal scholars”:

Indeed, in the aftermath of this controversy and in an effort to protect their work from the charge of racism or of ‘blaming the victim’ liberal social scientists tended to avoid describing any behaviour that could be construed as unflattering or stigmatising to racial minorities. Accordingly, for a period of several years, and well af-

ter this controversy had subsided, the problems of social dislocation in the inner-city ghetto did not attract serious research attention. (1996: 174)

The void which this created was filled initially by more journalistic accounts of the underclass and by the assault on welfare dependency developed by the new conservatives who seemed “on the surface at least, to have some fresh ideas” (Wilson, 1987: 12).

It is argued in this article that a similar void had been created in Britain. This was not on the subject of race but around the twin issues of how much weight should be attached to personal behaviour in explanations of poverty, and the extent to which social policies should expect and demand more of the poor. Such a focus upon personal responsibility and reciprocity would have run directly counter to the so-called Titmuss Paradigm which had dominated academic thinking about social policy for much of the postwar period.

Few would dispute that Richard Titmuss exercised a profound influence upon the development of social policy as an academic subject in post-war Britain (Pinker, 1977; Miller, 1987; Deacon, 1993; Page, 1997). Three aspects of Titmuss’ influence are important here.

The first is the depth of his commitment to unconditional, non-judgemental welfare. Titmuss believed that the social services had a unique capacity both to redistribute resources and to do so through institutions and processes which engendered a sense of mutual obligation and collective interest. To realise this potential, however, welfare had to be provided as of right and without stigma. This meant that benefits and services should not be subject either to tests of need or to conditions as to the conduct of those who received them. This made him critical of the American War on Poverty in the 1960s which he saw as “basically a technical short-cut”, an attempt to

... reach the poor directly and concentrate resources on them without the support of an infrastructure of social welfare utilized and supported by the non-poor as well as the poor. (1968: 113)

The second point to emphasise about Titmuss is the importance which he attached to altruism rather than self-interest in understanding human behaviour and motivation. This underpinned his conviction that welfare could and should provide a framework which fostered and channelled that altruism and thereby helped to create a more egalitarian and more cohesive society. In his last major book, *The gift relationship*, Titmuss contrasted the National Blood Transfusion Service in Britain with the operation of commercial markets for blood in other countries, particularly the US. He claimed to have demonstrated that the blood supplied by voluntary donors was far superior in terms of its purity and the dependability of its supply than that obtained from commercial donors. For Titmuss, this was a clear example of the ways in which social institutions could foster a sense of community and thereby “help to actualise the social and moral potentialities of all citizens” (1970: 238). As Williams et al have recently pointed out, it was only when he was discussing altruism that Titmuss incorporated notions of human agency into his analyses (1999: 11).

The third point is Titmuss’s extraordinary ability to enthuse and inspire those who shared his vision and his impatience with those who did not (Vaisey, 1983). He wrote always as an adversary, as a participant in a debate in which he represented social justice and the good society. Above all, he was resolutely opposed to any proposal which appeared to him to seek to ‘blame the victim’ or to resurrect the discredited individualism of the 19th century Poor Law. The irrelevance of individualist explanations of poverty, however, was asserted rather than argued. This was a question which was now settled and did not warrant further enquiry. Anyone who either could not or would not understand that was simply beyond the pale, and he was especially irritated when these issues were raised by American commentators. Shortly before his death in 1973 he told his students that the problem with many American writers on social policy was that their ideas were steeped in “American values and mythologies about independence, work, thrift, private enterprise, the self-made man, the self-made President”. This led them to denigrate both public services and the people who received them. “It seems”, he said, “that the American

middle-classes (including many American academics) need scapegoats to sustain their values. And the welfare system is a scapegoat *par excellence*" (1974: 45).

The Titmuss Paradigm, then, contributed to a highly polarised welfare debate in the 1970s and early 1980s. Everyone fought their corner and expected others to do the same. Few were prepared to recognise any validity in the arguments of their opponents. There were two issues in particular on which academic debate was severely constrained in this period. The first was the impact of social security benefits upon labour market behaviour. Few non-economists thought that the questions of fraud or work incentives warranted serious attention. Indeed, Titmuss himself had identified eight "major fields of teaching and research" in a lecture to the inaugural meeting of the British Social Administration Association in 1967. None of these had included a specific reference to the labour market (1968: 22–3).

The higher levels of unemployment in the mid-1970s did generate widespread public anxiety about abuse. Such 'scroungerphobia', however, was not seen as having any empirical foundation. Rather it was believed to stem from two factors: popular resentment at increases in the level of personal taxation and the lurid exaggerations of the tabloid press and conservative backwoodsmen. In consequence, proposals to tighten up the conditions for receipt of benefit were dismissed as both futile and punitive. They were futile because they did not address the real problem – the shortage of jobs – and punitive because they were punishing the unemployed for something which was beyond their control.

Similar hostility was directed towards the idea that there might be a cultural dimension to poverty, or that deprivation might be transmitted from one generation to another through family attitudes or poor parenting. In a speech in June 1972 the then Secretary of State for Social Services, Sir Keith Joseph, suggested that the persistence of poverty may be due in part to the existence of such a 'cycle of deprivation' (1972). The speech provoked a furore not unlike that which surrounded the Moynihan report, all the more so after Joseph had restated his case in more explicitly eugenic language two years later (1974). Nevertheless Joseph's Department

agreed to fund a programme of research into transmitted deprivation. This was to be administered by the then Social Science Research Council through a Joint Working Party of senior officials and prominent academics and researchers.

As the final report on the programme noted, the initial expectation was that the research would focus "on a minority of severely and multiply deprived families whose various problems ... appeared to be perpetuated across generations by their processes of child-rearing". This would have "{led} to explanations of their problems in terms of individual pathology, deviant patterns of parenting and maladaptive sub-cultures" (Brown and Madge, 1982: 3). In fact, however, the "whole scope of the programme ... {was} ... altered" following discussions within the Joint Working Party. There was "an emphatic shift in the programme's concern" and "it moved away from the narrow problem family focus to discuss the evidence for the existence and transmission of a wide range of disadvantaging circumstances" (p 10). Moreover those studies which did retain the original focus upon the problems of the most disadvantaged families did so within the context of "the range of interlocking inequalities in life chances that characterise our society" (p 3).

It is likely, of course, that the research would have found no evidence of transmitted deprivation even if it had retained its original focus. What is remarkable about this episode is the manner in which the social science researchers were able to reformulate the objectives of the programme. It provides a good example of the ways in which the dominance of the Titmuss Paradigm served to exclude some topics from discussion and thereby created a void akin to that in the US. As in the US, that void was filled by conservative arguments which highlighted the very issues which the Titmuss Paradigm had neglected (Mann, 1994; Deacon, 1996; Le Grand, 1997). Also as in the US, the impact of the conservative ideas was reinforced by the power with which they were expressed. Lawrence Mead's perceptive comment on Charles Murray applies equally to himself. "Clear thought fearlessly expressed has an authority of its own, whatever the evidence behind it" (1988: 25).

## New Labour and the 'Americanisation of welfare'

New Labour's rethinking on welfare must be seen in the context just described. Without doubt the origins of that rethinking lay in successive election defeats and in changing perceptions of what the electorate was prepared to pay for. New Labour's debate on welfare, however, also marked its response to the challenge of Murray, Mead and others to take seriously the issues of personal responsibility and social obligation. Some on the centre/Left were only too eager to take up that challenge. Frank Field, for example, wrote shortly after becoming Minister for Welfare Reform of Titmuss' "pervasive influence in the political world of social policy ... {which} ... resulted in an approach to welfare which helped to make Labour unelectable for so much of my political career".

The Titmuss legacy lingered over the political debate with such force that I, for one, felt that it covered me with a form of intellectual treacle which made movement difficult. (1997a: 30–1)

More broadly, New Labour has been engaged in an attempt to restructure welfare in ways which make it easier to secure public support for the requisite spending but do not jettison totally the party's traditional commitment to equality and social solidarity. In part it has sought to do so by re-emphasising the central tenets of Christian Socialism.

The nature of Christian Socialist tradition has been much discussed in recent years (Ellison, 1994; Bryant, 1996; Wilkinson, 1998). The Christian Socialist tradition is profoundly egalitarian in its insistence that all should enjoy equal respect by virtue of their common relationship to the Creator. As Halsey has stressed, however, the 'doctrine of personal responsibility' is also central to the tradition. "People act under favourable and unfavourable conditions but remain responsible moral agents" (1992: xi). It is this tension between its incarnational theology and its stress on personal responsibility that makes Christian Socialism so significant in relation to welfare. It provides a framework within which it is possible to recognise the importance of struc-

tural inequalities and yet still to be 'hard headed' or 'tough minded' about behaviour. It is no coincidence that it is Christian Socialists such as Frank Field, Home Secretary Jack Straw, and Prime Minister Tony Blair who have been in the forefront of the attempt to develop and articulate a new moral basis for Britain's welfare state.

The revival of Christian Socialism, then, does provide part of the explanation of why prominent politicians on the centre/Left were prepared to challenge the non-judgementalism of the Titmuss tradition. It does not, however, explain why the debate took the form that it did. Specifically, it cannot account for the two themes which have dominated New Labour rhetoric on welfare: the importance of paid work as a route out of poverty and the need for a new welfare contract based upon the mutual obligations of government and governed. It is in these themes that the influence of American thinking is most evident.

### 'Anglicanised communitarianism'

New Labour's approach to welfare reform is rooted in what may be fairly termed 'Anglicanised communitarianism'. In October 1996 Tony Blair told an audience in South Africa that

At the heart of everything New Labour stands for is the theme of rights and responsibilities. For every right we enjoy, we owe responsibilities.... You can take but you give too. That basic value informs New Labour policy. (Blair, 1996)

This has been a central theme of Blair's political rhetoric since he became party leader in July 1994. In a speech in March 1995 entitled 'The rights we enjoy reflect the duties we owe' he spoke of the need to eliminate the "social evil of welfare dependency amongst able bodied people". This, he argued, would require the creation of a society in which all had a stake. Such a society, however, would then be able to "demand responsibility" in return. "It allows us to be much tougher and hard-headed in the rules we apply and how we apply them" (1995: 7).

The most obvious example of what this meant in practice was the party's then evolving "attitude to moving people from welfare to work, combining opportunity with a reasonable obli-

gation to take the chances offered” (p 7). Others cited in the speech were the introduction of home/school contracts which would set out parents’ obligations in respect of “attendance and time-keeping, homework and standards” and the “tightening up” by local authorities of “tenancy agreements to include specific conditions of good behaviour”.

The state has a duty to house the homeless. It should also try to provide affordable rented housing. On that we should be clear. But equally, those who are housed by the state have a duty to behave responsibly. That is the contract.... If tenants do not fulfil their side of the bargain, particularly after repeated warnings, the contract is broken. (Blair, 1995: 9)

The notion of a ‘new contract’ between government and governed has acquired a growing prominence in New Labour rhetoric. It is often presented as the practical application of the principle of reciprocity. For Tony Blair, however, it also highlights the contrast between the ‘enlightened’ self-interest fostered by New Labour and the narrower more selfish conception of self-interest encouraged by the previous government (Deacon, 1999).

Emma Heron has documented the extent to which Tony Blair’s thinking has been influenced by that of the Scottish philosopher John Macmurray (1997, 1999). There is also a clear and obvious resonance between Blair’s ideas and recent theological writing upon the nature of self-interest (Askonas and Kwan, 1997). Nevertheless the dominant influence is that of communitarianism with its emphasis upon moral regeneration and the need for a social order based upon common values and affirmed duties (Driver and Martell, 1997; Heron and Dwyer, 1999). The language is overwhelmingly drawn from Amitai Etzioni (1993, 1997) and Phillip Selznick (1996). In the speech in South Africa, for example, Blair declared

I believe any society is founded on duty. I know that sounds a somewhat heavy concept, but we need something deeper than merely a contractual relationship between us as citizens. And if it implies a signifi-

cant degree of responsibility it is meant to.... This is not a denial of self-interest. This isn’t a killjoy philosophy. This is enlightened self-interest. In a society in which opportunity is extended we have greater security, our streets are safer, our young people more motivated, our ambitions better fulfilled. (1996: 9)

While it is “our collective duty as a society to tackle the growing underclass in Britain today”, he continued, there is a reciprocal duty “on those provided with opportunity to take it”.

Indeed I think that matching opportunity and responsibility is the only way to obtain consent from the public to fund the welfare state. It has to become the new deal for 21st century welfare. (1996: 10)

What this ‘new deal’ would mean in practice was outlined in subsequent speeches and then set out more fully in the government’s Green Paper on welfare reform, *A new contract for welfare* (DSS, 1998). The key was to be a move to a welfare system which was active not passive, which combined opportunity and responsibility, and which was delivered through new partnerships between the public, private, and voluntary sectors. By far the most dramatic example of this shift was, of course, the new deal on welfare to work.

### **The centrality of paid work**

The Green Paper is explicit that the government’s aim “is to rebuild the welfare state around work” (DSS, 1998: 23)

Our ambition is nothing less than a change of culture among benefit claimants, employers and public servants – with rights and responsibilities on all sides.... Our comprehensive welfare to work programme aims to break the mould of the old passive benefit system. (1998: 23)

It is in planning this transition from passive to active labour market policies that New Labour has drawn most extensively upon European thinking. As a senior Treasury official told Nikolas Theodre and Jamie Peck in June 1998,

The model that we looked at closely is Sweden, Denmark a little bit, Holland a little, but mainly Sweden, that's where the job subsidy was first tried. Australia too, with the Job Compact. (Theodore and Peck, 1998: 30)

The European influences upon the New Deal have also been highlighted by Michael White. He goes on, however, to note that it is "in the domain of active job search that the UK is seen, elsewhere in Europe, to have made its original contribution to employment policy" (1998: 14).

The important point here, of course, is that if it is true that the UK did adopt active job search policies more quickly than other European countries, then that in itself is a reflection of the greater influence of American ideas in the UK. Indeed there is a striking resonance between New Labour's agenda and that originally put forward by the first Clinton administration (King and Wickham-Jones, 1999). Both combine programmes to move people from welfare to work with benefits to make that work 'pay' and measures to enforce child support obligations. The commonality of the themes reflects a common influence – David Ellwood. New Labour thinking has been strongly influenced by Ellwood's formulation of the 'helping conundrums'. In particular its approach is premised on the assumption that poverty among those capable of work can not be alleviated through cash assistance without this generating unsustainable disincentives to work. It thus accepts the need to establish a clear and enforceable distinction between those who should look to the labour market and those who should not in order to avoid the "inevitable conflicts in incentives and values that undermine the credibility and effectiveness" of benefits-based systems (Ellwood, 1988: 7).

There are, of course, important differences between the British New Deal and the workfare programmes which have been introduced in the US following the passage of the 1996 Personal Responsibility and Work Opportunity Reconciliation Act. Indeed it is the former which is more faithful to Ellwood's original ideas (DeParle, 1996; Ellwood, 1996; Edelman, 1997). Nevertheless, the British approach follows the American in its redefinition of welfare as a period of temporary assistance during which

claimants would be re-equipped with the skills and capacities to re-enter the labour force, and then required to do so. Indeed, the rejection of both a benefits-based approach and a residual marginalised role for welfare enables the green paper to present its proposals as yet another candidate for the new holy grail of transatlantic politics.

We propose a third way. A modern form of welfare that believes in empowerment not dependency. We believe that work is the best route out of poverty for those who can work. (DSS, 1998: 19)

The implementation of this particular 'third way' has also been influenced by developments in the US. The implementation of workfare has attracted considerable attention in Britain, both before and after the 1996 Act. Much of the academic commentary has been critical, but the chief lessons drawn by policy makers have been the need for a committed, high-quality bureaucracy and the central role of the personal adviser in ensuring compliance with work requirements (Field, 1997b).

## **The significance of the Americanisation of British welfare**

An assessment of the influence of US thinking on the British debate must begin with two important qualifications. The first is that people may arrive at similar conclusions independently. A convergence of ideas does not necessarily imply that one thinker has influenced another. A good example is Frank Field. There is an obvious similarity between Field's analyses and those of Charles Murray. Both assume that the great majority of people will act rationally in pursuit of their self-interest, and that the primary objective of welfare reform is to establish a framework of incentives and sanctions which lead them to act in ways which promote social well-being. Indeed, Field's central contribution has been his critique of the perverse incentives generated by means tests. It would be a mistake, however, to see this as the straightforward application of Murray's ideas to British circumstances. As Field himself

has emphasised, his thinking was stimulated initially by his perception of what was happening ‘on the ground’ in his Parliamentary constituency during the early 1980s (1995: 11).

The second qualification is that to suggest that a particular argument has been influential in the UK is not to imply that it has been widely read in its original form. Charles Murray recently told a British audience that although  *Losing ground*  was often regarded as the ‘Bible for the Reagan administration’, he knew of only one person in the entire administration who had actually read the book. “It worked its influence ... much more indirectly” (1998: 57). The same is true of the books and essays discussed here.

Given these qualifications, there are three conclusions which can be drawn. First, that US thinking has had a greater influence upon British policy makers and think tanks than it has had upon the academic community. Second, that that influence has been much greater in respect of work obligations than it has been in respect of out-of-wedlock births or patterns of partnering and parenting. Third, and most importantly, that that influence has increased the attention paid to ‘welfare’ issues as opposed to ‘affordability’ or ‘entitlement’ issues within the British debate.

The Titmuss Paradigm remains a massive influence upon the British welfare debate. This is reflected in both the hostility of most British academics to the concept of the underclass and their scepticism about the use of compulsion in welfare to work programmes. It is true that a number of distinguished scholars have responded with enthusiasm to New Labour ideas about the ‘third way’ and the restructuring of welfare (Giddens, 1998; Le Grand, 1998). Many others, however, remain committed to a more redistributive agenda (Lister, 1997, 1998; Piachaud, 1998). They are also apprehensive about the implications for policy of the revival of interest in human agency in analyses of welfare. Ruth Lister, for example, notes that there has been a shift away from “what could be interpreted as an excessive structuralism” and a recognition that members of disadvantaged groups “are also agents or actors in their own lives”.

However, as actors they will make mistakes and ‘wrong’ decisions, like the rest of us, and there is a fine line between ac-

knowledging the agency of people in poverty and blaming them for that poverty. (1996: 12)

No such caution has been shown by those active in the think tanks and research groups which have burgeoned in recent years. It is here that the new policy agenda has been explored with enthusiasm and the role of ‘ideas brokers’ such as David Green at the Institute of Economic Affairs or Roderick Nye at the Social Market Foundation has been crucial.

There is one issue on which opinion has shifted more dramatically in the US than it has within even the more radical think tanks in Britain. This is the relative importance of worklessness or of out of wedlock births as causes of social pathology. In 1998, Charles Murray told a British audience that a welfare bill which moved large numbers of women off the welfare rolls but did nothing about the illegitimacy ratio would have achieved “nothing” (1998: 61). Murray’s call for welfare to be withdrawn entirely from lone mothers had a major influence upon the Republican party during the debates surrounding the passage of the 1996 Act in the US (Ellwood, 1996; Bryner, 1998). The position is very different in Britain. It was noted earlier that there is considerable unease about requiring the mothers of young children to seek work let alone denying them benefits completely. Indeed the withdrawal of additional benefits paid to lone parents provoked intense opposition (Walker 1998). This reflects a much greater scepticism in Britain about the role of benefits in encouraging lone parenthood, and about the capacity of the family or of charities to replace state support for children.

The real significance of the American influence upon the British debate, however, lies beyond immediate questions of policy. It was argued at the beginning of the paper that the debate in Britain is a complex one. There is not the same divide as can be observed in the US between debates about the sustainability of spending on social policy and debates about the impact of welfare upon personal behaviour and family structures. The fact that these two concerns are intertwined so closely in the British debate does not mean, of course, that they necessarily pull in the same direction. Sometimes they do. Measures to combat fraud, for exam-

ple, have been justified in terms of the need to ensure that the welfare system sends out the right signals about which behaviour is to be encouraged and which penalised. Such measures also provide nominal savings which are very helpful when drawing up a budget. At other times, however, the two concerns conflict. Attempts to reduce costs or to 'make work pay' by an expansion of means-tested benefits may run directly counter to claims that means tests undermine incentives to self-improvement. There is thus a clear tension in New Labour rhetoric between arguments about modernisation and the efficient use of resources and arguments about behaviour and character. This is in turn a reflection of a broader ambiguity about what it means by family values and social morality. Should, for example, the greater diversity of family forms be taken as a given, as something which policy has to come to terms with? Or should it be viewed as evidence of moral decline to be challenged and confronted? Different answers to this question have been offered by different ministers, and, on occasion, by the same Prime Minister (Deacon and Mann, 1997, 1999).

The influence of US thinking has served to highlight these issues of behaviour and character. It has meant that the British debate has been less dominated by economic considerations than it would otherwise have been. The question has not just been one of fact – "do poor people respond to incentives?" – but also one of value – "are poor people irresponsible?". Moreover, in focusing upon behavioural issues, the American writers have highlighted and reinforced the commonalities between New Labour and Thatcherism, and indeed between New Labour and the postwar Labour government of Clement Attlee.

In an important essay David Marquand has argued that the "familiar distinction between collectivism and individualism" is cross-cut by a "more subtle distinction between two conceptions of the Self, of the good life, and of human possibilities and purposes".

On the one side of the divide are those who see the Self as a static bundle of preferences and the good life as one in which individuals pursue their own preferences without interference from others. On the

other are those for whom the Self is a growing and developing moral entity, and the good life is one in which individuals learn to adopt higher preferences in place of lower ones. (Marquand, 1996: 20)

The former can be termed 'hedonist' or 'passive', the latter 'moralist' or 'active'. This gives a four-fold classification between hedonistic or passive collectivists, hedonistic or passive individualists, moralist or active collectivists, and moralist or active individualists. Marquand argues that each of these has held sway at one time or another since the Second World War.

The significance of Marquand's argument for this article lies in the continuities which he identifies between the moralist collectivism of postwar social democracy, the moralist individualism of early Thatcherism, and the 'new form of moral collectivism' embraced by New Labour.

For the Attlee government, "rights went hand in hand with duties, security with activity". Collective action would redistribute resources but it would also "rescue their beneficiaries from dependence, indignity and passivity" (p 21). This had more in common with Thatcherism's emphasis upon personal responsibility than "ideologues of left or right could bring themselves to admit" (p 28). The same "serious and sober virtues" of hard work, self-help, and the acceptance of responsibility for self and family which had animated the postwar Labour movement also gave Mrs Thatcher's rhetoric "a popular resonance that the hedonistic collectivists of the 1960s and 1970s could not emulate". Now, in a further twist, the 'moral activism' of the Blair generation of collectivists is drawing upon "essentially the same reservoir of virtues and traditions" (p 28). The crucial point here, of course, is that it is precisely those selfsame 'serious and sober virtues' which are promoted by the American writers discussed in this article: by Ellwood and Etzioni as much as by Murray and Mead.

## Conclusion

The importance of the Americanisation of the British welfare debate, then, lies primarily in the contribution which it has made to the shift in the focus of New Labour thinking from the problem

of inequality to the problem of dependency. More specifically, the impact of the American literature has served to increase the attention which New Labour has paid to issues of values and social morality. In so doing it has enhanced and sustained a moralism which is shared by Blair and Thatcher, but distrusted by both Old Labour and One Nation conservatism. That is an important contribution to the debate by any standard.

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