

Professor says welfare state contains too much flexibility

By John J. Jesse III

An economics professor Thursday traced the development of the U.S. welfare state to the time of Henry VIII.

"The welfare state of America today contains little or no original social thought," said Jonathan R.T. Hughes of Northwestern University. "It is a hodge-podge of concepts ranging in time from Henry VIII to the present."

The presentation at Sheldon Art Gallery was the second in a seven-lecture series funded by the Dr. Scholl Foundation, which is administered by the Association of Private Enterprises Education. The forum is entitled "Security in the '80s: Private Enterprise and Public Policy." It is hosted by the College of Business Administration's Department of Economics along with the Center for Study of the American Business System.

Dr. Hughes' talk was on "Security and the 'Safety Net': From Henry VIII to the Social Security Act."



Jonathan R.T. Hughes

He spoke of the origins and development of relief for the poor.

"Poverty is by no means a modern concept," Hughes said. "We can trace poor relief programs all the way back to Henry VIII's time."

Hughes said during the Middle Ages care of the indigent was mainly the responsibility of the Church, along with private charities. The transition of this responsibility to the state began during Henry VIII's reign in 1535. He prohibited private charity and instructed local governments to administer the program.

The people's attitude during these times, which was greatly supported by Henry VIII, was that care for indigents was fine, but able-bodied poor and unemployed tended to severely harm a society's economy.

"Today it is felt that voluntary unemployment is a luxury we can afford," Hughes said.

The infirm and aged were cared for by the state Hughes said, but it was still an enforced social net against starvation.

It was not until the late 19th century that unemployment and poverty were regarded as social problems. These drawbacks had been widely visible since as early as the 1830s, Hughes said. The notion of a guaranteed annual income developed, and was considered to be about 30 percent of a common laborer's wage, he said.

Hughes added that this did not change until the 1970s when government realized this did not constitute a living wage.

During this period of the 1800s the call began for federal intervention in aid for the poor, Hughes said. The old system of local care was not equipped to handle the

great influx of indigent. The government tried monetary reforms, but, Hughes explained, this failed to relieve the pressures on local agencies.

However, with the outbreak of World War I, the U.S. economy became a command one, and little thought was given to the poor, Hughes said. After 1918 though, attitudes changed and government tried to achieve rational solutions to social problems. Reforms in labor and industrial areas were initiated, but little else was done.

According to Hughes, the deficiencies of the system were made glaringly apparent between 1929 and 1933. The number of unemployed reached 15 million by 1933 and only one-quarter of this number received aid. This led to a call by many for a system which not only aided the crippled and the aged, but the able-bodied poor as well.

When Franklin D. Roosevelt drafted the Social Security Act of 1935, he was against direct relief to the poor, but favored a federal social insurance program, Hughes said.

"This was weakened by the fact that local control and responsibility was still quite strong, and there was no standard set on payment," he said.

There are two major problems with our welfare program today, Hughes added. First, there is "too much flexibility" with the administration of the Social Security System and its benefits. Hughes said pensions should be put on a straight contractual basis.

"I also feel that the government should draft a set schedule for payment into and out of the system," he said.





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