SHREDDING THE SAFETY NET

WELFARE REFORM AS WE KNOW IT

It's time to honor and reward people who work hard and play by the rules. That means ending welfare as we know it—not by punishing the poor or preaching to them, but by empowering Americans to take care of their children and improve their lives.'

Bill Clinton, 1992

"Everyone has the right to a standard of living adequate for the health and well-being of himself (herself) and his (her) family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his (her) control."

Article 25, Universal Declaration of Human Rights, 1948

At Colonel Sanders they used to put the left-overs in the garbage bin. There used to be 10 to 15 people every night looking for food in the garbage, including myself—just looking for something to eat. I have really seen hunger, especially in the faces of children. I know it's hard on them. It was hard on me. Rufus Herold, former homeless senior, now on the staff at St. Mary's Center, Oakland

Rufus Herold may not be an expert on welfare reform, but he does know about hunger. Herold could write a book on his experiences while looking for something to eat. Today he helps other seniors find their way out of dehumanizing hunger, poverty, and homelessness.

continued on page 2

By Anuradha Mittal, Peter Rosset and Marilyn Borchardt. Anuradha Mittal is Policy Director at Food First and coordinator of the "Economic Human Rights: The Time Has Come!" campaign. Peter Rosset is Executive Director and Marilyn Borchardt is Development Director at Food First.
While Herold ladles out soup, our government leaders tell us that the economy is booming, with low employment, rising incomes, and shrinking welfare rolls. But more and more people are sliding through the cracks. Herold wishes that policy makers, who have never known hunger, could get a closer look at the people waiting in food lines. Then maybe they would understand, and maybe they would change things.

On August 22, 1996 in the Rose Garden of the White House, President Clinton signed into law the Orwellian-sounding Personal Responsibility and Work Opportunity Reconciliation Act, better known as Welfare Reform, the most sweeping change in our welfare system in sixty years. With his signature, Clinton's talk of "not punishing or preaching" became indistinguishable from the Republican Party's poor-bashing Contract with America. How Mr. Clinton slid from a welfare plan that would have added about $10 billion more in spending to embracing one that would cut $54 billion is a sad tale of American politics. Furthermore, it raises the specter of systematic violations of basic human rights here in the United States of America, if we are judged by the international standards of the Universal Declaration of Human Rights, adopted fifty years ago by the United Nations General Assembly.

In this report we tally the impact of welfare reform, expose seldom reported corporate profit-taking, and conflict of interest in privatizing parts of the system, and examine the human rights implications of current policies. We end with a call to join our Economic Human Rights: The Time Has Come campaign.

CHANGES IN THE WELFARE SYSTEM

On the eve of passage of the new welfare act, the Urban Institute estimated that 2.6 million people—including 1.1 million children—would be pushed into poverty, and 1 million families would lose all Aid to Families with Dependent Children (AFDC) funding. [The U.S. already has the highest child poverty rate in the industrialized world.] In addition, state cutbacks could push another 2.5–7.5 million people into poverty.

According to the report, 11 million families—10 percent of all American families—would lose income under the bill, including more than 8 million families with children.

Welfare reform couples budget cuts with delegation of responsibility to the states. AFDC has been replaced by Temporary Assistance to Needy Families (TANF) block grants. AFDC

continued from page 1

continued on page 3
provided monthly cash benefits to 12.8 million including more than 8 million children; almost as many whites as blacks, with women accounting for nine out of 10 adult recipients. AFDC rules were national—under TANF states create and implement their own rules. Now there is no guarantee that all who need help will receive it. A significant problem is that the $16.4 billion provided yearly in block grants contains no additional new funding for job creation, training, or placement. The federal funding level is fixed until the year 2002 with no provision for inflation, population growth, or increased unemployment. Furthermore, states can lose their block grants if they do not remove enough people from the rolls, whether those people find work or not.

Food stamps have been slashed. More than half of the $54 billion in welfare cuts ($27.7 billion) are coming from the food stamps that 25 million poor Americans depend on. Over 80 percent of food stamps go to families with children. Another $3 billion has been cut from child nutrition programs, including child care and summer care programs. Food stamps for adult without dependents have been slashed to three months out of every three years, and anyone convicted of felony drug charges is now denied food stamps and all other benefits.

The new law requires most recipients to find work within two years, and imposes a cumulative life-time limit of five years on benefits paid with federal money, with states free to impose shorter time limits if they like. Mothers who do not or cannot help establish their children’s paternity, have their regular welfare payments cut by as much as 25 percent. Federal funding for social services has been cut by a six-year total of $2.5 billion.

Welfare reform cut social security income for some disabled, food stamps for almost 900,000 legal immigrants who formerly received SSI, and for nearly all future immigrants. SSI benefits were restored later to some 250,000 immigrants who were in the U.S. by August 22, 1996. States still have the option of denying immigrants Medicaid and welfare. New immigrants are excluded from most programs, including Medicaid, for the first five years they are in the U.S. This is a $22 billion cut over the six year period, accounting for about 40 percent of the total cuts in the reform bill.

Those completely cut off to date have been mostly immigrants and disabled children. The definition of SSI eligibility for disabled children has been narrowed, denying benefits for 315,000 of the 965,000 low-income children previously covered. Others will be cut off when the new time limits go into effect, in a maximum of four years, or less if a state so chooses, or when a recession hits.

THE FIRST CASUALTIES

By the first anniversary of the law, there were 9.9 million people left on welfare—a drop of more than 2.2 million. This dramatic shrinkage conveys the impression that welfare reform has been a resounding success. While administration officials rush to take credit for the decline in welfare rolls, some acknowledge that they do not know what has happened to families who have lost assistance.

FOOD BANKS ARE STRAINING

Welfare reform has hit hardest those who cannot afford to buy or grow enough food to feed themselves and their families. The food stamp cuts average $4 billion per year while the total value of all food in all food banks in the country is just $1 billion a year. Second Harvest, the country’s largest chain of food banks, reported in 1997 that it provided some food for almost 26 million people—nearly 10 percent of America’s population. Not all who needed food received it; an estimated 2.3 million hungry people were turned away because of lack of food.

To compensate fully for the government cuts in food programs each of the 350,000 churches in the U.S. would have to contribute an average of $150,000. Very few churches have total budgets that large. To make up for the shortfall, non-profit sector would have to distribute a total of 24.5 billion pounds of food over the next six years; four times more than current distribution—and enough to fill 5 million Army National Guard trucks.

Total federal spending for food programs before welfare reform was only 2.5 percent of the federal budget. Economists expect that cutting these programs is actually going to cost the government more through increased health care and other costs of hunger.

STATE CUTS: BALANCING THE BUDGET ON THE BACKS OF THE POOR

The promise of welfare reform was to improve the economic well-being of poor families. This goal, however, is not being achieved in most states. Under TANF block grants, 42 states have adopted policies that are likely to worsen the economic security of poor families, and 35 have implemented policies that push many families with children off the rolls. Changes that have reduced economic security for low-income families include reducing benefits and restricting eligibility; time limits for benefits; work requirements; restrictions for legal immigrant families; limited assistance in obtaining work; and limited subsidized child care.

Many states have adopted stricter work requirements and shorter time limits than Congress and the President envisioned, with 45 states and the District of Columbia either adopting the federal lifetime limit of 60 months, or imposing stricter limits. Texas has the shortest limit of 12 months. Tennessee’s is 18 consecutive months, continued on page 4
RG GOU DY I'm a workfare worker along with some 2,000 others in San Francisco. On October 8, 1997 a car cleaning supervisor ordered that windows on the busses be closed due to impending rain. Without consulting with me or even considering my health, I was ordered to clean graffiti out of the interiors of these busses with a noxious solvent. After an hour I became dizzy and nauseous. I had to leave, and was later informed that I was entitled to workers' compensation. When I asked for proper forms and transportation to the hospital they refused to provide me with either. Most of us have little or no knowledge of what health and safety protections actually exist for us. Cal-OSHA requires that every safety training done at a job site must be documented. If you press the official channels for such documentation you will find nothing with my signature on it prior to October 23, 1997, although I've been working at the SF Muni Presidio yard since November 1992.

The next day I was fired. When I asked why, I was told "they'll never let you back on this yard after what you did yesterday." For having the gall to be the first workfare worker to ask for care after an injury on the job and ruining my supervisor's perfect safety record [sic] I and my fellow workfare workers are today experiencing retaliation. After protest I was eventually reinstated. I cannot stress too strongly that many workfare workers are openly discriminated against solely for their economic condition. Clearly written rules protecting our health and safety are a necessary first step in the protection of our very lives.

and Connecticut's is 21 months. Ten states have 24 month limits. Idaho offers a flat grant of $276 per month, while West Virginia's benefits are capped at $477 per month, and Wisconsin's are $518 or $555 per month, without regard for family size.

Federal law requires adults to work within two years of receiving cash assistance, but several states have adopted stricter work requirements. Florida, Tennessee, and Texas expect adult welfare recipients to go to work immediately. And at least 19 states do not increase payments for women who have additional children while receiving public assistance.

CATCH 22: SHORTAGE OF LIVING WAGE JOBS

"Work!" It is an order to recipients, a philosophy for administrators, and a mandate under Federal law. Welfare reform is big on personal responsibility but short on work opportunities. Minimum wage jobs coupled with a severe shortage of subsidized child care make working impossible for many recipients.

Many cities have actually lost jobs over the past five to ten years. Since 1990 New York City, with more than 300,000 adults in the AFDC case load, lost 227,000 jobs. Many remaining jobs do not pay enough to support a family. The odds against a typical welfare recipient finding a job that pays a living wage are about 97 to 1 in the midwestern states of Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin. The non-partisan California Budget Project calculated that for every available job in California, there are seven welfare recipients and unemployed workers. The odds are even worse in 17 California counties where unemployment is at recession-level 11 percent or greater.

For most of the population targeted for "welfare-to-work," job prospects are about as grim as the average worker faced during the depression. Hard hit are women, especially single mothers with no high school diploma and little work experience. Women with less than a high school education face an unemployment rate of 13.6 percent and an underemployment rate of 24.3 percent. For black women, many of whom live in areas where jobs are particularly scarce, the rates are 20.9 percent and 35 percent, respectively. A serious obstacle is the low wage that women leaving welfare can expect to earn. Women leaving welfare usually find low-paid service, administrative, and clerical positions, mostly at minimum wage. This doesn't pay enough to support a family.

THE CHILD CARE NIGHTMARE

For many welfare recipients, the most serious obstacle to gaining employment is the lack of child care. Almost half the children supported by AFDC were under age six, and in a survey about one-third of unemployed welfare recipients cited lack of child care as reason for their unemployment. Requiring TANF recipients to work for their benefits has greatly increased the need for child care. Of the 6.5 million children under the age of 13 in welfare households, only 19 percent receive federally subsidized day care.

WELFARE CUTS HURT ALL WORKERS

Across the country, thousands of people on welfare are going to work, but generally not at new jobs. Instead many are replacing employees whose salaries were higher. This displacement is falling most heavily on the 38 million working poor holding jobs that pay $7.50 an hour or less. It is projected that the influx of former welfare recipients into the low-wage labor market will lower workers' wages by 12 percent by the year 2000. Workers who make $7 per hour could see their wages fall by roughly 84 cents per hour.

continued on page 5
HEATHER MCKELVEY

My name is Heather McKelvey. I'm a 23 year old single mother of two. Since 1996 I have attended the Temple University School of Social Work Administration. In addition I completed a 16 hour a week internship with the TOPS Program at Washington High School. I was also waitressing three nights a week plus a double shift on Saturday from 10 A.M. to midnight. I had no time for my children. Most nights I made only $30, not enough to pay my bills.

In November 1997 my son, who had just started first grade, began having problems at school. His teacher had difficulty controlling him and suggested he might have Attention Deficit Hyperactivity Disorder (ADHD). I had to drop out of Temple University mid-semester to deal with this crisis.

I applied for medical assistance and food stamps so my son could be tested and we could eat. Because of the problems caused by my not being home with my children, I changed to a day job as a full time receptionist at a hair salon. I was now making $218 dollars a week, of which I was paying $105 in child care. I asked the welfare office for child care, but I was turned down.

In May I had to quit my job because I wasn't making enough money to pay for child care. Also in May they cut my food stamps from $300 to $136 based on my income in March—at a time when I needed food stamps more than ever. In May 1998 I went back to school. I applied for cash assistance which I would become eligible for in July. I was told if I wanted to go to school, I would have to do it on my own time. However, I have to go through job training or independent job search. I asked about the independent job search program. My case worker told me that they will not work around my class schedule, and if they called me the night before for an interview at 10 A.M. at McDonald’s, I must go or be cut off from my assistance.

As of today I am still not receiving assistance and I am living on a student loan. I am paying $600 a month child care because my son is not in school for the summer, $400 for rent, $120 for electricity, and, $35 for phone. The total is $1,155 dollars a month. It's horrible and frustrating trying to go to school.

Over the past two months, the hardest thing has been to get food for my family and give my son the attention he needs. I don't understand why they are making it so hard for me and others to go to college and get a good education to better ourselves. It's difficult to get a good job without a degree and they're making it impossible for a single parent to get a degree. They consider getting a job at $7 or $8 an hour a success, but that's not success. I'm here to testify because what is happening to me, and to many others, is not right.

continued on page 6
CARLA ROBERTS

My name is Carla Roberts. I am a mother of three boys. I first started on AFDC in 1989 as a teenage parent. Today I am a Substance Abuse Coordinator for the Homeless Prenatal Program. I help women get into substance abuse programs so they can start rebuilding their lives. The new federal law passed at the beginning of this year bars women who have a felony crime involving substance use, distribution, or possession of a controlled substance from receiving Calworks. There are no exemptions for those who have the illness of being addicted to drugs. The remainder of the aid for these families and their dependents will be distributed through voucher payments for rent and utilities, leaving families with no cash aid. This is not fair and it’s not human. Substance abuse is treatable. We should work on the alternatives for these women instead of punishment. We should help people rebuild their lives and not destroy them.

Today because of the support welfare gave me, I have a full-time job with health benefits. I am also going to college part time to earn my bachelors in Social Work. I regret that my sisters, who are currently in the system are less likely to exit poverty and provide an adequate standard of living for their children under welfare reform. I urge you to uphold the economic human rights of all mothers and their children.

MEMBERS OF THE "NEW FREEDOM BUS" TRAVELED TO POOR COMMUNITIES THROUGHOUT THE COUNTRY IN AN EFFORT TO HIGHLIGHT THE ECONOMIC HUMAN RIGHTS ABUSES IN SUMMER OF 1998.

recipients at risk. In our America of “personal responsibility” and welfare reform, the basic economic and social human rights guaranteed under the UDHR are being systematically violated.

ECONOMIC HUMAN RIGHTS: THE TIME HAS COME!

Why should we apply a human rights standard to these issues? Human rights standards take priority over economic efficiency. Economic efficiency dictates that policy makers settle on policies that allow a certain percent of the population to fall through the cracks, a threshold calculated with cost-benefit analysis. For example, the factor of economic efficiency allows policy makers to decide that 30 million hungry people are too many, but 15 million would be acceptable, or even economically “optimal.” A human rights standard would change that. Even one family going hungry would constitute a human rights violation, and thus would make such a policy option unacceptable. If we have zero tolerance for torture and political prisoners, why should we accept anything else for hunger?

Mere ratification of an international treaty does not ensure economic human rights for all, any more than the 14th Amendment to the U.S. constitution ended racial discrimination. Human rights may be inalienable, but they are never ensured without a fight.

On the 50th anniversary of the Universal Declaration, Food First’s national campaign, Economic Human Rights: The Time Has Come!, is working with more than 180 groups across the country to recommit our country to the goal of human rights for all.

We have organized Congressional hearings on the human rights implications of increasing hunger and poverty in the United States. At these hearings Rufus Herold, along with single mothers, homeless men and women, low wage workers, seniors, and veterans, courageously told Congressional representatives of their daily struggles against poverty and hunger. The testifiers, some of whose stories are excerpted here, demanded that Congress apply internationally recognized human rights standards to the U.S. We support them in that goal and invite you to join our campaign.

Yes!
I want to join the campaign
Economic Human Rights—
the Time Has Come!
www.foodfirst.org

-6-
CORPORATIONS CASH IN ON WELFARE

The company that builds stealth bombers is now in the business of jettisoning families off welfare. The potential market: more than $30 billion a year. Lockheed Martin, America's largest weapon manufacturer and the world's largest defense contractor, along with IBM, Anderson Consulting, and Electronic Data Systems (Ross Perot's firm), to name a few, now run the "business of welfare," assuming the role of welfare administrator and tapping into billions of government dollars.

Corporate America is promising to reduce welfare rolls, place welfare recipients in jobs, streamline services, and eliminate public sector jobs. Private companies already have many contracts to perform jobs that were once the government's, including screening of welfare applicants, administration of benefits, welfare-fraud investigations, job training and placement, and automation of information systems in 49 states. In their drive for contracts, corporations have hired some of the same state officials who helped engineer welfare privatization while in public office, violating state ethics, and revolving-door laws by lobbying their public agencies. For example, seven former Texas state officials have landed on Lockheed's payroll.

These changes spell uncertainty for poor families. Unions and advocates for the poor argue that in their zeal to make a profit, companies are going to shortchange the nation's most vulnerable people by witholding benefits from the deserving, discouraging people from applying, or providing inferior service to children in foster care. Inner-city welfare recipients aren't the only ones left out in the cold. These contractors also avoid rural recipients who are more geographically difficult to reach.

Poverty reduction, and not caseload reduction, should be the country's priority for genuine welfare reform. The new law, however, requires states to reduce their caseload numbers in order to continue receiving federal funds; increasing the pressure to push people off welfare as quickly as possible. It also allows states to keep federal welfare dollars they don't spend. The fewer people served, the larger the savings. While the jobs for recipients just aren't there, companies are still being rewarded for reducing caseloads.

Another restructuring plan, the automation of welfare eligibility reviews and benefit payments, has further distanced government from the poor. Cities in 26 states dispense welfare and food stamp funds through ATM-style cards from cash machines known as electronic benefit transfer (EBT), operated by Lockheed Martin's IMS and Citibank. EBT technical failures on several occasions have left welfare recipients with no cash or food stamps. Privatization is allowing private companies to run government programs, making huge profits with little or no accountability or liability when such technical failures and cost overruns occur.

Corporate takeover of welfare is not going unnoticed. State employees' unions and anti-poverty groups are up in arms as the corporate stranglehold on welfare administration seriously threatens the job security of thousands of public sector workers (the most highly unionized in the country), and endangers services to the poor. In the name of efficiency, private sector contractors are taking over state jobs, putting state employees on the unemployment lines, and possibly, on welfare. Unions fear the potential loss of 250,000 public-employee jobs nationwide.

For more information on how to fight this "Corporate Welfare," contact:

Service Employees International Union (SEIU)
1313 L Street NW, Washington, DC 20005
Fax: 202-842-9868, email: coufalb@seiul.org

WHAT YOU CAN DO

GET INVOLVED. By joining the Economic Human Rights: The Time Has Come! Campaign, you can make a difference. Join hundreds of organizations and thousands of individuals across the country who are fighting to make human rights a reality in the United States. We will provide you with activist tools on organizing town hall meetings on human rights implications of the welfare law in the U.S., and how to educate media and the policy makers.

SIGN ON AT: www.foodfirst.org

NOTES

1 Bill Clinton and Al Gore, Putting People First: How We Can All Change America, cited in "Charge to the Working Group on Welfare Reform, Family Support and Independence." This group was formed by President Clinton in June 1993 to develop his welfare reform plan.

2 Potential effects of Congressional Welfare Reform Legislation, Urban Institute, Washington D.C.


7 Ibid.


11 Tell Congress: Hunger Has a Cure, 1997

12 Ibid.


14 Ibid.


Yes! I want to join the Economic Human Rights—the Time Has Come! Campaign

☐ Please add me to your e-mail Food Rights Watch list to receive regular updates on the campaign. My e-mail address is ____________________________

☐ Please send me an organizing kit. I want to work with my local officials on a resolution to make my community a supporter of human rights as outlined in the International Covenant for Economic, Social, and Cultural Rights.

☐ Here’s my special donation to help Food First continue to work with groups around the country who are organizing to have their local officials adopt the International Covenant for Economic, Social, and Cultural Rights signed by President Carter but never ratified by the U.S. Senate.

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NOTES CONTINUED

17 Mark Weisbrot, Welfare Reform: The Jobs Aren’t There, The Preamble Center for Public Policy, Washington, DC, 1997. The report also concluded that since these states compare favorably to the rest of the country, that these odds are not significantly better, on average, in the national economy as a whole.


19 Ibid.


25 Ibid.


29 Article 23, UDHR, 1948.


31 Adam Fifield, “Corporate Caseworkers,” In These Times, June 1997.


33 John Hirschboe (D-Wichita Falls), opposed the privatization push in Texas on the grounds that for-profit companies would skim those that are most easily employable, and would be less interested in taking care of special needs clients such as those in rural areas where transportation is more expensive. Christopher Cook, “Texas Move to Privatize State Welfare Programs Draws Fire,” The Christian Science Monitor, March 1997.