A Shared Moment: Antipoverty Policy under the New Democrats and New Labour, 1992-2005

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Abstract

This thesis seeks to answer two research questions. Firstly, building on a small corpus of literature that has identified welfare-to-work programmes as a key commonality between the New Democrats and New Labour, it asks whether there were other common aspects of their antipoverty policies. Drawing on a range of archival sources, as well as a variety of other primary materials, it finds that there were two other key areas of commonality: efforts to ensure the value of work through the use of in-work tax credits and minimum wages; and attempts to reduce teenage pregnancy rates. Both parties, it is argued, saw these three strands of policy as complementary. It is also shown that the specific policies that they implemented in each area were, at times, the result of the active sharing of policies through transatlantic networks of advisors and intellectuals. It is also acknowledged that different national contexts affected the precise nature of these common policies.

Secondly, this thesis considers whether this common New Democrat-New Labour approach to poverty might be considered distinctive. Whilst much literature has suggested that both parties hewed to a conservative approach to poverty, or reflected neoliberal ideas, it is argued here that the New Democrats and New Labour presented an approach which, taken as a whole, went beyond the two existing intellectual approaches to poverty—that James T. Patterson has termed "neoconservative" and "structuralist"—and the policies that they generated. Drawing on Daniel T. Rodgers' concept of a transatlantic "moment" in social policy, it insists on the existence of a distinctively New Democrat-New Labour "moment" on antipoverty policy between 1992 and 2005. Their distinctiveness was rooted in their analysis of the new economy, and the need for antipoverty policy to stress the themes of both responsibility and opportunity.

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List of Abbreviations

AEITC	Advance Earned Income Tax Credit
AFDC	Aid to Families with Dependent Children
AFDC-UP	Aid to Families with Dependent Children—Unemployed Parent
APP	American Presidency Project
BPSA	British Political Speech Archive
CBI	Confederation of British Industry
DLC	Democratic Leadership Council
DPMP	(Senator) Daniel Patrick Moynihan Papers
DSS	Department of Social Security
DWP	Department for Work and Pensions
EITC	Earned Income Tax Credit
EMA	Education Maintenance Allowance
FSA	Family Support Act (of 1988)
G-8	Group of Eight
GAIN	Greater Avenues to Independence
GOP	Grand Old Party
HHS	Department of Health and Human Services
IEA	Institute of Economic Affairs
IPPR	Institute for Public Policy Research
IRS	Internal Revenue Service

JCP	JobCentre Plus
JSA	Jobseeker's Allowance
LPC	Low Pay Commission
MDRC	Manpower Demonstration Research Corporation
NAFTA	North American Free Trade Agreement
NEET	Not in Education, Employment, or Training
NI	National Insurance
NMW	National Minimum Wage
OMB	Office of Management and Budget
PAYE	Pay As You Earn
PAYGO	Pay As You Go
PPI	Progressive Policy Institute
PRWORA	Personal Responsibility and Work Opportunity Reconciliation Act (of 1996)
SEU	Social Exclusion Unit
SSI	Supplemental Security Income
TGTP	(Governor) Tommy G. Thompson Papers
W-2	Wisconsin Works
WFTC	Working Families Tax Credit
WJCPL	William J. Clinton Presidential Library
WRA	Work and Responsibility Act (1994)
WTC	Working Tax Credit

Introduction

Brother, Can You Paradigm?[1]

> *We must go beyond the competing ideas of the old political establishment: beyond every man for himself on the one hand, and the right to something for nothing on the other.*
> —Bill Clinton, 1991[2]

> *In each area of policy a new and distinctive approach has been mapped out, one that differs from both the solutions of the old left and those of the Conservative right.*
> —Tony Blair, 1997[3]

In 1999, as President Bill Clinton prepared for a gathering of centre-left leaders from around the world, he received a memo from two of his domestic policy advisors. They suggested some of the major areas of Clinton's domestic agenda that the president may wish to discuss with other leaders, including British Prime Minister Tony Blair: efforts to incentivise work through in-work tax credits and minimum wages; welfare-to-work programmes, and a national campaign to reduce teenage pregnancy. Taken together, Clinton's advisors argued, these policies represented a new "paradigm"; a new approach to social policy and, in particular, to the issue of poverty, in a way that acknowledged the realities of the "new marketplace" that centre-left leaders around the world were contending with.[4]

These three policy areas formed the major aspects of Clinton's antipoverty policy; an area to which he devoted significant time as president, reflecting both his longstanding personal interest in poverty, and his party's historic association with

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[1] Thomas Freedman and Bruce Reed to the president, memo, undated, Third Way, Box 127, Bruce Reed Subject Series, William J. Clinton Presidential Library, Little Rock, Arkansas (hereafter WJCPL).
[2] William J. Clinton, "The New Covenant: Responsibility and Rebuilding the American Community," Georgetown University, Washington DC, October 23, 1991, transcript, http://www.c-span.org/video/?23518-1/clinton-campaign-speech.
[3] Tony Blair, introduction to *New Labour: Because Britain Deserves Better,* ed. New Labour (London: Labour Party, 1997).
[4] Freedman and Reed to the president, undated, WJCPL.

antipoverty efforts. However, he was not the only centre-left leader for whom in-work tax credits, welfare-to-work programmes, and efforts to reduce teenage pregnancy were vital. Across the Atlantic, in Britain, Tony Blair's New Labour government similarly devoted significant attention to reducing poverty, an area of policy that also had historical and emotional significance for the party. This brief comparison prompts two research questions, which will guide this study: firstly, were there commonalities in the antipoverty policy of the New Democrats and New Labour; and secondly, could any commonalities be seen as representing a distinctive approach to poverty?

In offering answers to these questions, this thesis argues that the New Democrats and New Labour took a common approach to antipoverty policy, rooted in a common identification of the challenges and solutions to existing policy. Between 1992, when Clinton first won election to the presidency, and 2005, when New Labour won its third consecutive term in office and Clinton's landmark welfare reform law was reauthorised, the two parties pursued fundamentally similar policies. In several instances, these commonalities were the result of the active sharing of ideas and policy designs between New Democrat and New Labour officials, and those associated with them. But it is argued here that their common approach to poverty ran deeper than this: it represented two parties of the centre-left developing a common understanding of the causes and nature of poverty in the modern economy, and the ways in which governments in a globalising, deindustrialising and technologically changing world might work to reduce it.

Their common analysis of a changing world relates to the second argument advanced within these pages. Not only did the New Democrats and New Labour have a common approach to poverty, but it was distinct from the two intellectual

traditions of thought on poverty that had existed in America and Britain since the 1960s. Broadly, one of these veins of thought, termed "structuralist" by the historian James T. Patterson, emphasised the structural causes of poverty—in particular, major economic change—whilst the other, labelled as "neoconservative" by Patterson, and which originally emerged in America in the 1980s, viewed poverty as primarily the result of personal behaviour.[5] The common approach adopted by the New Democrats and New Labour, developed during the late 1980s and early 1990s, consciously sought to move beyond these ideas, viewing both of them as ill-fitted to the economic and social realities of the new economy. While accepting the need to discuss personal behaviour and to demand responsibility from those on welfare programmes, they also related behaviour to the major economic changes afoot, and stressed the need for opportunities to be created for the poor by the state. Their common, distinctive approach was therefore one that was rooted in responsibility and opportunity: the state demanded responsibility from the poor and bore the responsibility to create opportunities; whilst the poor were offered opportunity and had the responsibility to take it.

In advancing these two central arguments, this thesis firstly makes its original contribution by expanding and deepening the surprisingly small corpus of literature that has identified welfare-to-work programmes as one common aspect of antipoverty policy under the New Democrats and New Labour. Drawing on a broad range of primary materials, including archival sources, it paints a broader and deeper account of their commonalities than has previously been offered. Secondly, it intervenes in the debate over the distinctiveness of the antipoverty policy of the New Democrats and New Labour, offering a new perspective by

[5] James T. Patterson, *America's Struggle Against Poverty in the Twentieth Century,* rev. ed. (Cambridge MA: Harvard University Press, 2000), 214.

viewing the two parties' policies in tandem. The second half of this chapter outlines the contribution of the thesis to existing literatures in greater detail, after first establishing the approach and context of the study and the themes discussed within it.

Atlantic crossings in 'new times'

Historians have already recognised the value of taking a transnational approach to social policy, particularly across the Atlantic world. Key to this is Daniel T. Rodgers's seminal 1998 work *Atlantic Crossings.* Rodgers offered an account of common social policies in Europe and America between the 1870s and World War II, focusing in particular on "transnational borrowings and imitation, adaptation and transformation."[6] Previous works had, he noted, tended to be conducted within national frameworks, but this could result "in histories lopped off at precisely those junctures where the nation-state's permeability might be brought into view, where the transnational forces do their most important work."[7] In short, Rodgers suggested, looking for commonalities in policy across countries could shed light on the forces that operated at a transnational level, influencing and constraining actors in different nations. More than this, it could also throw into relief the different political cultures and institutions of countries, even as they confronted the same transnational forces. This was not a work of explicitly comparative history, instead choosing to traces themes and ideas across Europe

[6] Daniel T. Rodgers, *Atlantic Crossings: Social Politics in a Progressive Age* (Cambridge MA: Belknap Press of Harvard University Press, 1998), 7. Rodgers's later work, exploring fractures in modern American thought, is also important to this thesis, and is engaged with in particular in Chapter One. Daniel T. Rodgers, *Age of Fracture* (Cambridge: MA, Belknap Press of Harvard University Press, 2011).
[7] Ibid., 2.

and America as they grappled with the challenges of industrialisation. As Rodgers wrote,

> the result is not comparative history as that term is generally understood.... In the end, however, it is the connections between the industrializing countries of the late nineteenth and early twentieth centuries—their vulnerability to the same economic forces, the closeness with which they read each others' experiences and policy experiments—that makes the differences between their policy choices historically interesting.[8]

This approach led Rodgers to identify a transatlantic, progressive "moment" in social policy, in which "American politics was peculiarly open to foreign models and imported ideas—when the North Atlantic economy formed, for many strategically placed Americans, a world mart of useful and intensely interesting experiments."[9] In this "moment," American policymakers were influenced by a range of ideas and policies from across Europe, from British and French urban planning, to Bismarck's pension reforms.[10]

Subsequent critical works have drawn on Rodgers's approach, adapting it to different eras. One recent collection of essays has taken a more modern focus, identifying areas of commonality in a range of social policies across Europe and America, and suggesting that when viewed through a different chronological frame, policy similarities appear more conservative than progressive.[11] Daniel Stedman Jones, in his account of the influence of neoliberal ideas in America and Britain in the late twentieth century, has offered an exploration of commonalities in

[8] Ibid., 5.
[9] Ibid., 4.
[10] Although not covered in Rodgers's work, it is interesting to note that the Progressives were also influenced by some policies from New Zealand and Australia, including on education and welfare. This is discussed in Peter J. Coleman, *Progressivism and the World of Reform: New Zealand and the Origins of the American Welfare State* (Lawrence, KS: University Press of Kansas, 1988).
[11] Daniel Scroop and Andrew Heath, eds. *Transatlantic Social Politics: 1800-Present* (Basingstoke: Palgrave Macmillan, 2014).

housing and urban policy.[12] Other works have offered an historical account of unemployment policy in America and Britain, identifying points of similarity throughout the twentieth century.[13] Paul Pierson also adopted a transnational, Anglo-American approach in his influential study of the welfare state under Ronald Reagan and Margaret Thatcher.[14] Moreover, as discussed later in this chapter, a range of political and social scientists have uncovered one significant area of commonality in the antipoverty policies of the New Democrats and New Labour.

These works provide the methodological basis of this thesis. This study identifies and traces similarities in one area of policy between two political parties in a specific timeframe, and in so doing seeks to shed light on the broader forces that shaped, influenced, and constrained actors in both America and Britain. It demonstrates the ways in which the New Democrats and New Labour identified similar problems with antipoverty policy in their respective countries, and how their responses to this were rooted in a common analysis of the impact of economic and social change on poverty. In this way, it takes a narrower and deeper approach than Rodgers, focusing on only one area of social policy—antipoverty policy—and two countries, rather than the broader study of the Atlantic world that Rodgers offered. This is not to suggest that other countries were not influential on either the New Democrats or New Labour. Indeed, British antipoverty policy has historically

[12] Daniel Stedman Jones, *Masters of the Universe: Hayek, Friedman, and the Birth of Neoliberal Politics* (Princeton, NJ: Princeton University Press, 2012), esp. chapter 7.
[13] Desmond King, *Actively Seeking Work? The Politics of Unemployment and Welfare Policy in the United States and Great Britain* (Chicago, IL: University of Chicago Press, 1995). As the publication date of this work suggests, it did not extend to cover the period discussed in this thesis, although King's subsequent work did, as outlined later in this chapter.
[14] Paul Pierson, *Dismantling the Welfare State? Reagan, Thatcher, and the Politics of Retrenchment* (Cambridge, MA: Harvard University Press, 1994).

been influenced by the Scandinavian countries, as detailed by Hugh Heclo.[15] Some British scholars, such as Claire Annesley, have suggested that this Scandinavian influence remained under New Labour.[16] Anthony Giddens, a close associate of both Bill Clinton and Tony Blair, also wrote in 1998 that Scandinavian welfare-to-work policy was important in the development of New Labour's policies.[17] Alternatively, some have viewed Australian welfare-to-work efforts as influential on the British approach and as will be seen, New Labour often articulated their antipoverty policy using the vocabulary of social exclusion, a term that originated in France.[18] Others have suggested the presence of a distinctly Anglo-American antipoverty policy, which was then exported to continental Europe, with Britain acting as a way-station.[19] The arguments advanced in this thesis should not be taken as denying the impact of policies from outside of America and Britain on New Democrat and New Labour policy. Rather, it chooses instead to focus solely on America and Britain in this time period because of the similar political, economic, and intellectual contexts that they faced, a theme that this chapter returns to. This narrower focus also allows for the commonalities in New Democrat and New Labour antipoverty policy to be discussed in detail.

Nevertheless, this thesis identifies a "moment" in the antipoverty policy of the New Democrats and New Labour, and in so doing seeks to shed light on the broader forces and constraints that both parties faced. It traces their shared

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[15] Hugh Heclo, *Modern Social Politics in Britain and Sweden: From Relief to Income Maintenance* (New Haven CT: Yale University Press, 1974).
[16] Claire Annesley, "Americanised and Europeanised: UK Social Policy since 1997," *British Journal of Politics and International Relations* 5, no. 2 (May 2003): 143-65.
[17] Anthony Giddens, *The Third Way: The Renewal of Social Democracy* (Cambridge: Polity Press, 1998), ix.
[18] Rodney Lowe, *The Welfare State in Britain since 1945,* 3rd ed. (Basingstoke: Palgrave Macmillan, 2005), 402.
[19] Jamie Peck, *Workfare States* (New York: Guildford Press, 2001), 5; Anne Daguerre and Peter Taylor-Goodby, "Neglecting Europe: Explaining the Predominance of American Ideas in New Labour's Welfare Policies since 1997," *Journal of European Social Policy* 14, no. 1 (February 2004): 35.

approach to poverty to a common understanding of poverty in a globalising, deindustrialising and technologically changing economy, in which poverty was increasingly concentrated both geographically and demographically. It argues that both parties viewed these broad economic trends, along with changing social patterns of work and family life, especially for women, as immutable, requiring them to search for solutions that went beyond existing intellectual approaches to poverty. Rodgers's work in *Atlantic Crossings* seems, broadly, to paint a picture of American policymakers drawing on European ideas, rather than *vice versa.* Yet his study is also richer than this, identifying policymakers across the Atlantic world as dealing with common challenges, and sharing ideas and responses to them. This thesis should be read in the same way. Superficially, it appears to present ideas flowing in the opposite direction, from America to Britain. In part, this is the result of chronology: Clinton entered office five years before Blair, meaning that many of his administration's key antipoverty policies were developed and implemented even before New Labour formed a government. As will be seen shortly, many British scholars and commentators perceived this—with some concern—as the "Americanisation" of British antipoverty policy. This study suggests, however, something more complicated. The story that is told here is not merely one of British policymakers drawing on American ideas and policies—although that is certainly part of it—it is also one of two parties responding in similar ways to common challenges, and drawing on common ideas and analyses. New Labour did not simply follow the policies of the New Democrats, but instead perceived themselves as grappling with the same fundamental issues as their American counterparts, and therefore as engaged in common work.

Yet like Rodgers, in locating policy in two countries as a common response to broadly similar challenges, this study also acknowledges difference. Heeding the call of one scholar to avoid "glib comparisons" between New Democrat policy and that of other countries, it recognises the institutional, political, and historic differences between the US and Britain, and the ways in which these shaped New Democrat and New Labour policy.[20] A theme woven throughout the antipoverty measures studied here is the extent to which, whilst rooted in common analyses and common ideas, specific policies had nuanced differences of emphases between the two countries. Although this study does not evaluate policy, it suggests that New Labour's policies represented a broadly more progressive approach than those of their American counterparts, but that much of this can be explained by the differing political cultures and political realities that each party faced.

It is worth here offering a brief outline of these historical and institutional differences. Generally, the British welfare state has taken a more universal approach than the American, as is most obvious in the National Health Service, which offers free healthcare at the point of access. Although the growth of "residual" benefits, which were specifically targeted at the poor, brought Britain closer to the American distinction between insurance-based Social Security programmes and "welfare" programmes, such as Aid to Families with Dependent Children (AFDC), the British welfare state has tended to be more comprehensive than in America, and less reliant on private provision.[21] The British welfare state has also been more centralised, in contrast to America, where state governments have had varying levels of control over antipoverty programmes through

[20] Brendon O'Connor, "Policies, Principles, and Polls: Bill Clinton's Third Way Welfare Politics," *Australian Journal of Politics and History* 48, no. 3 (September 2002): 398.
[21] Discussion of the differences, and similarities, between the American and British welfare states, and the British move towards residual benefits, can be found in Pierson, *Dismantling the Welfare State?* 130.

complicated funding and cost-sharing provisions. This reflects a major difference between the two countries' political systems: the federal nature of America, and the separation of powers between the legislative and executive (as well as judicial) branches contrasts sharply with the British merging of executive and legislative. New Labour's consistently large parliamentary majorities in each of their three terms in office therefore gave them far more scope to pass their own policy with little need for compromise, whilst Clinton had to contend with the takeover of Congress in 1994 by Republicans enthused by the *Contract with America.*[22] A final major, if more abstract, difference is that discussions of race have largely been absent from British debates over poverty, whilst American debates have consistently been laced with racial coding. As will become clear over the course of the thesis, these differences had a clear impact on the ways in which the common New Democrat and New Labour approach to poverty was actually translated into policy.

Most importantly, these institutional and political differences do not impede the ability to study the antipoverty of the New Democrats and New Labour in tandem. Scholars of comparative public policy have established theoretical similarities between the American and British welfare states, most notably in the work of Danish sociologist Gøsta Esping-Andersen, who in 1990 attempted to classify different "welfare regimes," recognising "the relation between state and economy [in which] a complex of legal and organizational features are systematically interwoven."[23] Esping-Andersen identified three "clusters" of welfare

[22] In 1997, New Labour won a majority in the House of Commons of 179. In 2001, this was 167 and after 2005, it fell to 65. In the 103rd Congress (1993-1995), there were 265 Democrats, 181 Republicans, and 1 Independent in the House; and 57 Democrats and 45 Republicans in the Senate. During the 104th Congress (1995-1997), the House was comprised of 236 Republicans, 208 Democrats and 1 Independent; and the Senate of 55 Republicans and 48 Democrats.
[23] Gøsta Esping-Andersen, *The Three Worlds of Welfare Capitalism* (Cambridge: Polity Press, 1990), 1-2.

regimes: liberal, social democratic, and corporatist. The American welfare state was categorised as a liberal welfare state, in which "means-tested assistance, modest universal transfers, or modest social-insurance plans predominate."[24] Increasingly, he argued, the British system was moving into this same category through its greater reliance on residualist—means-tested—welfare programmes targeted at the poorest.[25] His conclusions and methodology have since been the subject of considerable debate, but Esping-Andersen's work nevertheless demonstrated that the differences between the American and British welfare states are not enough to preclude a study that takes the two in tandem.[26]

Nonetheless, whilst this study is not a work of comparative public policy analysis, it has proceeded to uncover commonalities in New Democrat and New Labour antipoverty policy in a way that respects differences. To this end—and to keep this study manageable—some boundaries have been applied. Firstly, the focus is on antipoverty programmes for the able-bodied, and not for the disabled. The latter is an important area of research, and is deserving of its own study. Secondly, this thesis is concerned with efforts that aimed to reduce poverty among those of working-age, and children. These were important areas of focus for both parties, as reflected in particular in New Labour's 1999 commitment to eradicate child poverty within a generation. This study does not, therefore, consider policies designed to reduce poverty among pensioners. Third, the focus is on policy debates, and policies, that operated at a national level. There is one exception to this. In Chapter Three, welfare reform experiments in the state of Wisconsin are discussed, due to their considerable influence on American and British policy at the

[24] Ibid., 26-7.
[25] Ibid., 33.
[26] A useful overview of this debate is offered by Wil Arts and John Gelissen, "Three Worlds of Welfare Capitalism or More? A State-of-the-Art Report," *Journal of European Social Policy* 12, no. 2 (May 2002): 137-158.

national level.[27] Finally, once more drawing on the approach of Rodgers, this thesis does not work from the premise of studying specific policies and identifying commonalities within them. Rather, it proceeds thematically, focusing on three common aspects of the New Democrat and New Labour approach to poverty.

In practice, this means that the policies discussed within the first common area—common efforts to 'make work pay'—are the Earned Income Tax Credit (EITC) and federal minimum wage in the American context; and the Working Families Tax Credit (WFTC) and national minimum wage (NMW) in Britain. The second point of commonality, which focuses on efforts to reorient welfare programmes around work, draws on the AFDC programme in the US, and the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) that replaced it. In the British context, the various New Deal programmes—for young people, lone parents, the long-term unemployed (and their partners)—are the focus. Finally, the third common theme, of efforts to reduce teenage and out-of-wedlock pregnancy, studies Clinton's National Campaign to Prevent Teen Pregnancy, and various anti-teenage pregnancy policies pursued by New Labour's Social Exclusion Unit (SEU). These policies are discussed in greater detail in the appropriate chapters.

These policies also explain the use of the term "antipoverty policy" in this thesis. In part, this term is helpful as it points more specifically at efforts to reduce

[27] It should be noted that New Labour was also responsible for overseeing the devolution of certain powers to administrations in the constituent nations of the UK. The Scottish Parliament and the National Assembly for Wales were established in 1998, following referenda in both nations. The Northern Ireland Assembly was created following the 1998 Good Friday Agreement. In the period covered by this thesis, however, powers over the antipoverty measures considered here remained the preserve of Westminster. The exception to this is the work of the British Social Exclusion Unit, especially on teenage pregnancy, which covered only England. For more on devolution and New Labour's antipoverty efforts, see Pete Alcock, *Understanding Poverty,* 3rd ed. (Basingstoke: Palgrave Macmillan, 2006), 240-50; and Tania Burchardt and Holly Holder, "Inequality and the Devolved Administrations," in *Towards a More Equal Society? Poverty, Inequality and Policy since 1997,* ed. John Hills, Tom Sefton, and Kitty Stewart (Bristol: Policy Press, 2009), 245-92.

poverty than does the term "welfare." As has been pointed out, the term "welfare" has always had a specific meaning in America, referring to "means-tested assistance paid primarily to lone mothers and their children"—in short AFDC. In Britain, Alan Duncan argues, the term historically had a broader meaning, but increasingly came to refer to means-tested benefits targeted at the poorest, distinguishing them from social security programmes in a way similar to the American distinction.[28] As outlined above, however, the policies discussed in this study were all conceived of as combating poverty, but were not all policies that have traditionally been regarded as "welfare" in either country.[29]

This Introduction now turns to flesh out its research questions, and detail the rationale behind them, as well as the literatures in which this study intervenes.

The centre-left analogue to the New Right

In the early hours of 2 May 1997, as Tony Blair flew through the night from his north eastern constituency to London, with election results making it clear that he was to form a new government, he received a congratulatory call from Clinton. "I'm really happy for you," the President told the incoming Prime Minister. "Yes, well, you showed the way," responded Blair.[30] The call reflected the close personal relationship between the two men, something highlighted by the release of transcripts of their phone calls in January 2016 by the Clinton Presidential Library. More than this, their conversation also gestured towards the political relationship

[28] Alan Deacon, *Perspectives on Welfare: Ideas, Ideologies, and Policy Debates* (Buckingham: Open University Press, 2002), 5.
[29] When references to "welfare" are made in this study, reflecting the vocabulary of the period, these should be read as referring to means-tested programmes for the poorest, such as AFDC in America and Income Support (IS) in Britain.
[30] Bill Clinton-Tony Blair telephone conversation, transcript, May 1, 1997, Declassified documents concerning Tony Blair, National Security Council and Records Management Office, WJCPL.

between their respective parties. As is widely acknowledged, both men were part of groups—the New Democrats and New Labour—which interpreted their long spells in the electoral wilderness as signs that their parties needed to modernise and adapt. This thesis is more concerned with the specific antipoverty policies of the two parties, rather than with studying them as political entities. However, a brief overview of the political context that they inhabited is important in establishing the rationale for this thesis.

The processes and reasoning behind the renewal of both parties has been extensively covered by numerous historians and does not require repeating here. Kenneth Baer has offered a detailed, and sympathetic, history of the Democratic Leadership Council (DLC), the prime New Democrat organisation that Clinton chaired, and Jon Hale has also explored the genesis of the New Democrats.[31] Still other work has sought to identify antecedents of the New Democrats, particularly among Southern Democrats, or among the "Atari Democrats" who were interested in the emerging knowledge and technology economy.[32] The DLC's influence in the 1992 campaign platform has also been the subject of study.[33] More recently, some of those involved in this story, including the DLC's founder Al From, have offered their own takes on the New Democrats' birth.[34] Whilst largely self-justificatory, such insider accounts have nonetheless offered an insight into the broad ideas that gave birth to the New Democrats. They express a desire to return to the White House by moving away from what they saw as the misguided and electorally

[31] Kenneth Baer, *Reinventing Democrats: the Politics of Liberalism from Reagan to Clinton* (Lawrence, KS: University Press of Kansas, 2000); Jon Hale, "The Making of the New Democrats," *Political Quarterly* 110, no. 2 (Summer 1995): 207-32.
[32] On Southern antecedents, see Nicol Rae, *Southern Democrats* (New York: Oxford University Press, 2004). A recent discussion of the Atari Democrats is in Lily Geismer, "Atari Democrats," *Jacobin* (Winter 2016): 45-50.
[33] Stephen A. Borrelli, "Finding the Third Way: Bill Clinton, the DLC, and the Democratic Platform of 1992," *Journal of Policy History* 13, no. 4 (2001): 429-62.
[34] Al From, *The New Democrats and the Return to Power* (New York: Palgrave Macmillan, 2013). The DLC was disbanded in 2011.

damaging liberalism of the Democrats in the 1970s and 1980s. The DLC believed this brand of liberalism was too focused on rights, entitlements, and spending. Clearly, there was a strong political impulse behind this. Clinton's foreword to From's recollections, for example, begins by noting the embarrassment he felt at Walter Mondale's defeat in the 1984 election, which spurred his belief that the party needed to change.[35] Woven throughout these accounts is also a clear emphasis on ideas, representing the degree to which the New Democrats saw their work as intellectual as much as political: From, especially, stressed that the party was rebuilt intellectually.[36]

The literature on New Labour's origins is far richer, reflecting the greater centralisation of British political parties, which rendered them easier to treat as relatively homogenous organisations. Much interest has concentrated on the processes through which New Labour came into being, including its symbolic rejection of older policies, such as the commitment to public ownership enshrined in Clause IV of the party's constitution.[37] Others have focused on identifying a longer-term process of renewal that began prior to Blair's election as leader in 1994, examining the role of Neil Kinnock and John Smith in the party's modernisation.[38] As with the New Democrats, so too have some of the key architects of New Labour, such as Philip Gould and Peter Mandelson, offered their perspectives of the nature of their project.[39] These accounts again seek to offer a *post hoc* justification of the impetus behind New Labour as an electoral and political project: regaining power after years in the political wilderness, especially after the shock election defeat in

[35] William J. Clinton, foreword to From, *New Democrats and the Return to Power,* x.
[36] From, *New Democrats and the Return to Power,* 1.
[37] Peter Riddell, "The End of Clause IV, 1994-95," *Contemporary British History* 11, no. 2 (1997): 24-49.
[38] Tudor Jones, *Remaking the Labour Party: From Gaitskell to Blair* (London: Routledge, 1996), 83-96.
[39] Philip Gould, *The Unfinished Revolution: How the Modernisers Saved the Labour Party* (London: Abacus, 1999); Peter Mandelson, *The Third Man: Life at the Heart of New Labour* (London: HarperPress, 2010).

1992. Like the New Democrats, those associated with New Labour believed that the party had veered too far to the left under Michael Foot and the influence of groups such as Militant, so that the electorate perceived them as economically incompetent, focused on high spending. Their works also gestured towards a broader intellectual project: Gould recollected that "winning the battle of ideas was central to everyone…"[40] Reading the memoirs of New Democrats and New Labourites — two genres which have swelled in recent years — the broad similarities between their respective political projects are readily apparent.

It is unsurprising, then, that there were links between the two on electoral strategy. Key figures from both parties met prior to 1997, and many of those who would be involved in New Labour had closely observed the Clinton campaign in 1992, learning lessons about electoral and campaign strategy.[41] This was often a source of tension within Labour, as many feared what they perceived as the "Americanisation" of their party.[42] In part, this reflected the complex relationship that the Labour Party historically had with America, a country whose politics they viewed with some distaste.[43] Several of those associated with the New Democrats have also highlighted, with no small amount of pride, the influence that they had on New Labour.[44] Yet it is also clear that the links between the two parties ran far

[40] Gould, *Unfinished Revolution,* 237.
[41] For academic acknowledgement of the sharing of campaign and governing strategy from the New Democrats to New Labour, see Colin Campbell and Bert A. Rockman, "Third Way Leadership, Old Way Government: Blair, Clinton, and the Power to Govern," *British Journal of Politics and International Relations* 3, no. 1 (April 2001): 36-48. For recollections, see in particular Gould, *Unfinished Revolution*; Mandelson, *Third Man,* 149-51 and Patricia Hewitt and Philip Gould, "Labour and Clinton's New Democrats," *Renewal* 1, no. 1 (1993): 45-51; *The Alastair Campbell Diaries,* ed. Bill Haggerty, Vol. 1 (London: Hutchinson, 2010), 360-2. The two parties also shared a pollster, whose reflections on both are contained in Stanley B. Greenberg, *Dispatches from the War Room: In the Trenches with Five Extraordinary Leaders* (New York: Thomas Dunne Books, 2009).
[42] Mandelson, *Third Man,* 151 recalls the antipathy of John Prescott and Neil Kinnock to meetings between Blair, Brown, and members of the Clinton Administration.
[43] Peter Jones, *America and the British Labour Party: The Special Relationship at Work* (London: I.B. Tauris, 1997).
[44] From, *New Democrats and the Return to Power,* 239-48 stresses the impact of the New Democrats on New Labour.

deeper than this. In addition to sharing campaign strategies, key figures from the New Democrats and New Labour regularly met throughout the 1990s to discuss ideas and policies, including around poverty. The memoirs of Sidney Blumenthal, the aide who helped to arrange these meetings, detail numerous formal and informal meetings, including two seminars between senior New Democrat and New Labour officials known as "Chequers I" and "Chequers II," in 1997 and 1998.[45] At other times, centre-left leaders from across the globe joined them: in New York in 1998, Florence in 1999, and Berlin in 2000. These meetings were held under the auspices of the Third Way, an idea about progressive governance in a modern age that is most identified with the British sociologist Anthony Giddens.[46] Such discussions and seminars—recently labelled a "Third Way International"—were clearly not solely confined to the New Democrats and New Labour, but it was those two parties who met the most frequently, demonstrating the strength of their common intellectual and political project.[47]

It is easy, therefore, to view the relationship between Clinton and Blair as the centre-left analogue of the conservative relationship between Reagan and Thatcher. In the latter case, the chronology was broadly different because Thatcher was elected prior to Reagan. This led to a comic episode in Reagan's efforts to congratulate the new Prime Minister which contrasted with Clinton and Blair's late-night phone call: Reagan attempted to call Thatcher on election night but, as he had no official political role at the time, the Downing Street switchboard failed to put his call through. The two did not speak until several days later.[48] The two

[45] See Sidney Blumenthal, *The Clinton Wars* (London: Penguin, 2004). A useful discussion can also be found in the memoirs of another key participant in these meetings: Hillary Rodham Clinton, *Living History* (London: Headline, 2003), 422-33.
[46] Giddens, *Third Way*.
[47] Curtis Atkins, "The Third Way International," *Jacobin* (Winter 2016): 51-8.
[48] Charles Moore, *Margaret Thatcher, The Authorised Biography: Not For Turning,* Vol. 1 (London: Allen Lane, 2013), 441.

had met on several prior occasions, and shared basic political principles. As Peter Riddell, a longstanding observer of British and American politics, phrased it: "underpinning both Thatcher's and Reagan's approaches was a strong commitment to individual freedom and private enterprise and a rejection of the consensus welfare capitalism of the post-war era."[49] One account of their relationship defines it as "a political marriage."[50] Similarly, Dominic Sandbrook wrote that their "close ideological alliance was simply without precedent in Anglo-American history."[51] He argued that this relationship was not merely based on shared foreign policy goals, as previous Anglo-American relationships had been, but one that was grounded in a common political philosophy. Thatcher reflected in her memoirs that with Reagan,

> I knew that I was talking to someone who instinctively felt and thought as I did; not just about policies but about a philosophy of government, a view of human nature, all the high ideals and values which lie—or ought to lie—beneath any politician's ambition to lead his country.[52]

Charles Moore's recent biographies of Thatcher have complicated this earlier analysis, demonstrating that the new Reagan administration was concerned about having too close a relationship with Thatcher, who they perceived to be struggling to implement her ideas. Aides to Reagan suggested that Thatcherism was not succeeding, and that the President ought to distance himself from her. One State Department memorandum advised Reagan to "exchange views with Thatcher on her experience, in part to learn from British mistakes."[53] However, the two

[49] Peter Riddell, "Ideology in Practice," in *A Conservative Revolution? The Thatcher-Reagan Decade in Perspective,* ed. Andrew Adonis and Tim Hames (Manchester: Manchester University Press, 1993), 20.
[50] Nicholas Wapshott, *Ronald Reagan and Margaret Thatcher: A Political Marriage* (New York: Sentinel, 2007).
[51] Dominic Sandbrook, "The Baptist and the Messiah: Ronald Reagan and Margaret Thatcher," in *Ronald Reagan and the 1980s: Perceptions, Policies, Legacies,* ed. Cheryl Hudson and Gareth Davies (New York: Palgrave Macmillan, 2008), 178.
[52] *Margaret Thatcher: The Autobiography,* abr. ed. (London: HarperPress, 2013), 334-5.
[53] Moore, *Margaret Thatcher,* 539-44.

continued to share a personal bond, and recognised that they fundamentally shared the same vision. Following Reagan's inauguration, as the pair discussed the difficulties Thatcher was encountering, she told him, "well, you know it makes it worth it because you are fighting for the things we are fighting for." Reagan responded, "we'll lend strength to each other."[54] At a 1994 dinner in honour of Reagan's birthday, Sandbrook reports, Reagan stated that "from the moment we met, we discovered that we shared quite similar views of government and freedom… Margaret Thatcher is one of the giants of our century. For me, she has been a staunch ally, my political soulmate."[55]

Part of the common political philosophy of Reagan and Thatcher was their approach to poverty. Both criticised antipoverty programmes in their respective countries, and did so along the same lines: their cost, size, and the role they afforded to government. This went hand-in-hand with the New Right criticism of the post-war Keynesian economic consensus, which gained strength following the economic turmoil of the early 1970s. Reagan had strongly criticised the American welfare state, as it had expanded following the War on Poverty, since at least his 1966 gubernatorial campaign in California. Most infamously, he had helped to establish the idea of the "welfare queen," partially based on the case of a fraudulent AFDC claimant in Chicago, but turned into a racialised and gendered stereotype by Reagan. As president, he oversaw cuts to major programmes such as Food Stamps, unemployment insurance, and AFDC. This, as James Patterson has argued, distinguished him from Richard Nixon, who as president had operated from the premise of reducing poverty; Reagan, by contrast, was more concerned with cutting

[54] Ibid., 540.
[55] Quoted in Sandbrook, "Baptist and the Messiah," 175.

costs.[56] Following the 1981 Omnibus Budget Reconciliation Act, 400,000 AFDC recipients lost their benefits, and over 250,000 saw their benefits reduced. Over a million people lost their right to Food Stamps. Additionally, states were given greater freedom to experiment with welfare-to-work programmes, although the ability of recipients to keep a portion of their earnings before losing benefit (as they moved into work) was reduced.[57] Generally, historians have seen Reagan's presidency, combined with a conservative intellectual backlash against welfare, taxes, and civil rights, as marking a rightwards turn in the history of American welfare policy.[58] As William C. Berman has written, "once the backlash against the 'rights revolution' converged with the tax revolt of the late seventies and powerful business mobilization, the ideas and ideology of big government liberalism… quickly lost their attraction for a majority of voters."[59]

In Britain, Margaret Thatcher's premiership has similarly been associated with retrenchment and criticism of welfare programmes. The value of many benefits was frozen or increased at a below-inflation rate. Moreover, the number of recipients was reduced, as in America, through the tightening of eligibility criteria: for example, those aged under eighteen lost their right to Income Support.[60] The number of people living below 40 per cent of the national average income rose to 7.7 million.[61] In 1996, John Major, Thatcher's successor, abolished the old

[56] Patterson, *America's Struggle,* 205-6.
[57] Gareth Davies, "The Welfare State," in *The Reagan Presidency: Pragmatic Conservatism and its Legacies,* ed. W. Elliot Brownlee and Hugh Davis Graham (Lawrence, KA: University Press of Kansas, 2003), 211-3.
[58] On the combination of antipathy to AFDC, and taxes, see Molly Michelmore, *Tax and Spend: the Welfare State, Tax Politics, and the Limits of American Liberalism* (Philadelphia, PA: University of Pennsylvania Press, 2012). An influential discussion of race, taxes, and AFDC was provided by Thomas Byrne Edsall and Mary Edsall, *Chain Reaction: The Impact of Race, Rights, and Taxes on American Politics,* rev. ed. (New York: Norton and Company, 1992).
[59] William C. Berman, *America's Right Turn: From Nixon to Clinton,* rev. ed. (Baltimore: John Hopkins University Press, 2001), 3.
[60] Lowe, *Welfare State in Britain,* 342-4.
[61] Ibid., 348.

contributions-based Unemployment Benefit, replacing it with Job Seeker's Allowance, for which claimants were required to be "actively seeking work."[62]

Rodney Lowe has therefore argued that from the late 1970s onwards, there was a "crisis" in antipoverty policy that was "not unique to Britain but was experienced, to varying degrees of intensity in all Western industrialised countries.... Everywhere Keynesian economics and welfare programmes, or at least projected increases in welfare programmes, were either being abandoned or modified."[63] Reflecting this, not only did Reagan and Thatcher pursue similar policies based on common principles, but they also drew more directly on each others' ideas. David P. Dolowitz has studied the influence that American welfare-to-work policies had on Conservative politicians, many of whom travelled to America to learn about state and federal policy, and made references to this in their speeches and statements. The Thatcher government was, he argues, "highly reliant upon American ideas, attitudes, and programs in the development of the British welfare-to-work system."[64] In a similar vein, Desmond King has demonstrated that policy in America and Britain moved towards a greater emphasis on attaching work requirements to the receipt of benefits, arguing that during the 1980s, "British and American policymakers succeeded in tightening the rules governing participation in work-welfare schemes and in linking participation directly with the receipt of benefits or as substitutes for benefits."[65] Although more recent work has questioned the extent to which Reagan and Thatcher were successful in their efforts to reduce the cost and size of government antipoverty policies—a point returned to in short

[62] Howard Glennerster, *British Social Policy: 1945 to the Present,* 3rd. ed. (Oxford: Blackwell, 2007), 209-10.
[63] Lowe, *Welfare State in Britain*, 3.
[64] David P. Dolowitz, "British Employment Policy in the 1980s: Learning from the American Experience," *Governance: An International Journal of Policy and Administration* 10, no. 1 (January 1997): 39.
[65] King, *Actively Seeking Work?* 205.

order—it is apparent that the two like-minded leaders held a broadly common set of beliefs about poverty.

This returns us to the set of questions that underpin this thesis. If Reagan and Thatcher were two leaders with a broadly shared political philosophy, which included an antipathy to the cost and role of government antipoverty programmes, then did their centre-left analogues, Clinton and Blair, also share a common set of beliefs and policies regarding poverty? And, if they did, to what extent might these be considered distinctive from earlier approaches to poverty? It is to the existing answers to these questions that this chapter now turns.

A common approach to antipoverty policy

A brief trawl through newspapers and magazines from the 1990s suggests that contemporary commentators felt that the New Democrats and New Labour shared a broad approach to reducing poverty. One 1997 article in the *Economist* noted that "the Blairites have developed an intellectual cosiness with the American Democrats that rivals the intimacy of the Reagan-Thatcher era… A constant stream of Blairites has trooped across the Atlantic to observe American welfare policy."[66] The magazine identified several examples of antipoverty policy that the New Democrats had shared with New Labour, including in-work tax credits.[67] Similarly, Peter Riddell noted that whilst the New Democrats and New Labour had mainly shared lessons around electoral strategy, the latter "did examine in detail and partially adopt, some policies developed in the United States and developed by the New Democrats," among which he cited welfare-to-work programmes and tax

[66] "The American Connection," *Economist,* November 8, 1997, Gale Cengage Archives (hereafter Gale Cengage), http://find.galegroup.com/econ/.
[67] Ibid.

credits.[68] The Clinton biographer Martin Walker also wrote in the *Guardian* of the similarities between Clinton and Blair, including welfare.[69] Other journalists similarly identified a New Democrat influence on antipoverty policies, around welfare-to-work and in-work tax credits.[70] To some on the British left, the similarities between New Labour and New Democrat policy were so apparent that they expressed concerns about the perceived "Americanisation" of British antipoverty policy.[71]

However, the corpus of literature that has sought to explore and analyse the common aspects of antipoverty policy under the New Democrats and New Labour remains surprisingly small, limited to a handful of works that have largely been undertaken by social and political scientists, rather than historians. For the most part, histories of antipoverty policy under both parties have tended to take a nation-specific approach, meaning that they do not illuminate the extent to which—as Rodgers pointed out—intellectuals and politicians within a time period were identifying challenges and addressing them ways which transcended national boundaries. Some histories of New Labour's antipoverty policy have recognised a degree of similarity with New Democrat policy, but they have done so only in passing. These treatments also paint New Labour as copying and adapting American policy designs, rather than the more nuanced analysis offered here.[72] Others have been more reluctant to recognise any similarity at all, with one scholar

[68] Peter Riddell, *Hug Them Close: Blair, Clinton, Bush and the 'Special Relationship,'* rev. ed. (London: Politico, 2004), 66.
[69] Martin Walker, "Reborn in the USA," *Guardian,* June 30, 1995, ProQuest Historical Archives (hereafter ProQuest), http://search.proquest.com/docview/187774195/.
[70] Peter Beaumont, "How Brown Borrowed to Give Britain a New Deal", *Observer,* July 6, 1997, ProQuest, http://search.proquest.com/docview/477919008/.
[71] Melissa Benn, "Yes, But is there a Philosophy to Welfare-to-Work?" *Guardian,* June 3, 1997. ProQuest, http://search.proquest.com/docview/188038423/.
[72] See, for example, Lowe, *Welfare State in Britain,* 320-1; Howard Glennerster, "Social Policy," in *The Blair Effect: The Blair Government, 1997-2001,* ed. Anthony Seldon (London: Little, Brown and Company, 2001), 395-6; Nicholas Timmins, *Five Giants: A Biography of the Welfare State,* rev. ed. (London: HarperCollins, 2001), 538-40; Luke Driver and Stephen Martell, *Blair's Britain* (Cambridge: Polity Press, 2002), 187-99.

arguing that "it would be a mistake to see welfare reform under the first Blair government primarily in terms either of policy transfer or of a British manifestation of a world-wide trend."[73] Nevertheless, those who work on New Labour's policy have been more willing to acknowledge, albeit briefly, similarities with New Democrats than have those who work on the latter. Key works that encompass Clinton's antipoverty policies, with few exceptions, make no reference to New Labour.[74]

It is only when looking to work by social and political scientists that a more thorough sense of commonalities in New Democrat and New Labour policy emerges. In particular, much of this work has been borne out of an interest in the processes by which policy is transferred from one jurisdiction to another. Anne Daguerre argues that New Democrat policy on welfare-to-work programmes was successful because of the similar discourses and labour market structures in the two countries, and uses this to examine the concept of policy transfer.[75] This was also a theme running through Daguerre's study with Peter Taylor-Goodby, which stressed that historical institutional similarities between America and Britain made it easier for ideas about antipoverty policy to flow between the two.[76] Robert Walker took a more expansive view, noting that both welfare-to-work programmes and in-work tax credits were a point of commonality between American and British

[73] Andrew Connell, *Welfare Policy under New Labour: the Politics of Social Security Reform* (London: I.B. Tauris, 2001), 11.
[74] A work which does cautiously note similarity with New Labour is Alex Waddan, *Clinton's Legacy: A New Democrat in Governance* (Basingstoke: Palgrave Macmillan, 2001), 4-5. However, New Labour is not mentioned in Daniel Béland and Alex Waddan, *The Politics of Policy Change: Welfare, Medicare, and Social Security Reform in the United States* (Washington, DC: Georgetown University Press, 2012). It is also not mentioned in Steven M. Teles, *Whose Welfare: AFDC and Elite Politics,* rev. ed. (Lawrence KA: University Press of Kansas,1998); Patterson, *America's Struggle*; or Michael B. Katz, *The Undeserving Poor: America's Enduring Confrontation with Poverty,* rev. ed. (New York: Oxford University Press, 2013).
[75] Anne Daguerre, "Importing Workfare: Policy Transfer of Social and Labour Market Policies from the USA to Britain under New Labour," *Social Policy and Administration* 38, no. 1 (February 2004): 41-56.
[76] Dageurre and Taylor-Goodby, "Neglecting Europe," 27.

policy, and an example of policy transfer, and the "Americanisation" of British policy, rooted in the shared political agenda of the New Democrats and New Labour.[77]

Others were more interested in foregrounding the common policies, instead of using them as examples of policy transfer. The geographer Jamie Peck has attempted to map what he terms "workfare" policies in both countries, viewing them as components of a "regulatory logic" that was part of an accommodation to the labour market imperatives produced by neoliberalism. In making this argument, Peck offered one of the most detailed accounts of the ways in which ideas and policies had spread from America to Britain, identifying visits by New Labour officials to America as especially important.[78] This was also the approach adopted by Desmond King and Mark Wickham-Jones, who have explored the ways in which New Democrat policies that reoriented traditional welfare programmes around work were exported to New Labour. In particular, they noted the links that existed between Gordon Brown's economic advisors and members of the Clinton administration. This, they argued, related to the broader political project of the two parties, as they sought to renew their electoral appeal to the middle class.[79] On the subject of welfare-to-work policy in particular, Nik Theodore and Jamie Peck identify an "Anglo-American orthodoxy," rooted in a common belief among the New Democrats and New Labour that welfare dependency was increasing. Exploring how this was manifested in six welfare-to-work programmes across America and Britain, they argue that this constituted an "American way" in British

[77] Robert Walker, "The Americanization of British Welfare: A Case Study of Policy Transfer," *International Journal of Health Services* 29, no. 4 (October 1999): 679-97.
[78] Peck, *Workfare States,* 317.
[79] Desmond King and Mark Wickham-Jones, "Bridging the Atlantic: the Democratic (Party) Origins of Welfare to Work," in *New Labour, New Welfare State? The 'Third Way' in British Social Policy,* ed. Martin Powell (Bristol: Policy Press, 1999), 265-71.

policy.[80] Similarly, Alan Deacon has provided a thoughtful study of how commonalities in American and British debates about poverty—in particular around a concern about welfare dependency—were ultimately reflected in the shared aspects of welfare-to-work policy under the New Democrats and New Labour.[81]

These studies have provided a useful starting point for understanding the New Democrat-New Labour approach to poverty. They have identified a discernible similarity between American and British policy in the 1990s and early 2000s, and demonstrated that studying the two in tandem can shed light on ideas and forces operating at a transnational level. Nonetheless, this body of literature has some limitations, which this thesis seeks to address in offering its original contribution.

Firstly, these works have tended to be narrow in their focus, concentrating on commonality between the New Democrats and New Labour on welfare-to-work policy, as exhibited in PRWORA and the New Deals. Peck; Theodore and Peck; and Daguerre and Taylor-Goodby all focused on welfare-to-work efforts. So, too, has Simon Prideaux's study of the ways in which old functionalist ideas influenced both New Democrat and New Labour policy.[82] Only the works by Deacon and Walker have noted another area of commonality, in efforts to make work pay through the use of in-work tax credits and minimum wages. In both accounts, this has nevertheless tended to play a secondary role to discussions of welfare-to-work policy.[83] This thesis makes its primary original contribution by expanding the focus

[80] Nik Theodore and Jamie Peck, "Welfare-to-Work: National Problems, Local Solutions?" *Critical Social Policy* 19, no. 4 (November 1999): 486.
[81] Deacon, *Perspectives on Welfare,* 102-16.
[82] Simon Prideaux, "New Labour, Old Functionalism: the Underlying Contradictions of Welfare Reform in the US and UK," *Social Policy and Administration* 35, no. 1 (March 2001): 85-115.
[83] See Deacon, *Perspectives on Welfare,* 98; 108-113; and Walker, "Americanization of British Welfare," 684-91.

of these works. It builds on their identification of welfare-to-work as an important point of commonality, but also insists on the existence of two other common aspects of antipoverty policy under the New Democrats and New Labour: efforts to ensure the value of work; and to reduce teenage pregnancy.

Only by understanding these three areas of commonality can a full picture be painted of antipoverty policy under the New Democrats and New Labour. As has been recognised, identifying instances of policy transfer, or commonality in policy, can in itself be a political act.[84] It is notable that many of the accounts outlined above, through their focus on welfare-to-work programmes—or "workfare," as they more commonly referred to them—were intensely critical of both the New Democrats and New Labour, and often began from a starting point of criticising policies that they saw as pernicious. Peck was particularly explicit in this, writing that in his work, he sought to "open up lines of attack that might lead to their [policies] transcendence."[85] Similarly, much of Desmond King's work on commonalities in antipoverty policy has been motivated by a desire to explore what he perceived as a worrying tendency towards "illiberal" policy, which placed increasing compulsion on welfare recipients.[86] In seeking to highlight American influences, and focusing on the area of welfare-to-work policy, these authors sought to understand and critique a trend which concerned them. They believed that a predominance of conservative ideas and policies in America was shaping both federal, and then British, policy. As Prideaux has written, "the basic premise of deliberate welfare dependency and poverty entrapment has influenced New

[84] Dolowitz, "British Employment Policy," 30.
[85] Peck, *Workfare States,* 24.
[86] Desmond King, *In the Name of Liberalism: Illiberal Social Policy in the USA and Britain* (Oxford: Oxford University Press, 1999).

Labour's perceptions."[87] This, of course, does not negate their value: they still identified an important area of commonality that did exist between New Democrat and New Labour policy. Nevertheless, it is suggested here that by expanding these works and identifying other areas of commonality, a different perspective can be found. This perspective stresses the distinctiveness of their common approach, demonstrating how it sought to transcend the neoconservative and structuralist approaches to poverty that Patterson has identified.

This corpus of literature also largely dates from between 1999 and 2004. Whilst these works were able to consider the majority of the Clinton presidency, and in particular the 1996 PRWORA, they were also writing at the same time as many of the New Labour policies were being implemented. For example, the New Deals were introduced in 1998, the Working Families Tax Credit in 1999, and it was only in 2003 that a major overhaul of in-work tax credits was undertaken. This, along with the authors' political views, may explain the narrow focus of their work. From the perspective of the historian, there is therefore considerable scope to both enhance and deepen these works using sources that have subsequently become available. Thus the second original contribution that this thesis makes is to draw together a wide range of primary sources—many of which have only become available in recent years—in a more extensive way than any existing study has done. In the American context, this thesis makes extensive use of archival materials from the Clinton Presidential Library, and in particular the papers of the two chairs of Clinton's Domestic Policy Council, Carol Rasco (1993-6) and Bruce Reed (1996-2001), who was a former DLC staffer. It also draws on the series of interviews on the Clinton presidency conducted by the Miller Center of the University of Virginia, which only became publically available in 2014. This author has conducted further

[87] Prideaux, "New Labour, Old Functionalism," 93.

interviews with David Ellwood and Mary Jo Bane, two of the three co-chairs of Clinton's Welfare Reform Working Group (Bruce Reed being the third). In assessing the impact of antipoverty experiments in Wisconsin, this study draws on the archival papers of former Governor Tommy G. Thompson, which have been little used by historians. To understand the politics that impacted on the New Democrats' ability to translate their ideas about poverty into policy, this thesis also uses the extensive papers of Senator Daniel Patrick Moynihan (D-NY), who had a longstanding interest in the subject of poverty. These archival sources are combined with the numerous diaries and memoirs produced by former members of the Clinton administration, with all the necessary caution that such sources require the historian to take. Laws around the release of British government documents have required a more creative approach and this thesis therefore makes extensive use of the diaries and memoirs of many former senior officials. This author also conducted an interview with Keith Bradley, a former minister in the Department of Social Security (DSS), which helped shed light on the discussions of antipoverty policy that occurred between the New Democrats and New Labour. These are combined with government policy papers and speeches. Taken together, this array of sources allows this thesis to paint a deeper and richer account of the common New Democrat and New Labour approach to poverty than any previous study, whilst also expanding it beyond the one area of commonality identified by previous works.

A distinctive approach to antipoverty policy

Literatures on the antipoverty policies of the New Democrats and New Labour—both those that study them independently, and in tandem—tend to suggest that neither party pursued an approach to poverty that was particularly distinct. This suggestion tends to take one of three different forms. Firstly, some literature presents their respective policies as broadly continuing—even accelerating—the ideas of neoconservative intellectuals, and the policies that they influenced. A second, but related form of this argument portrays their policies as accommodations to the market imperatives of neoliberalism. These two arguments form the preponderance of the literatures and both suggest that whilst the policies pursued by the New Democrats and New Labour may have represented departures from their own parties' historic policies, they were part of a broader ascendancy of neoconservative ideas and policies. A third and alternative argument posits that both parties drew on earlier strands of liberal thought in their parties' histories, returning to ideas that they moved away from in the 1970s and 1980s. It is only a small number of works that have so far sought to identify anything distinctive in the antipoverty policy of the New Democrats or New Labour and this thesis intervenes in that debate, arguing that both parties did take an approach to poverty that moved beyond existing traditions of thought about poverty. Studying their approach in tandem throws their distinctive approach into sharper relief.

A theme running through the corpus of literature that does identify commonality in the antipoverty policy of the New Democrats and New Labour is that their approach represented a broad move to the right. In this view, the ideas of American intellectuals such as Charles Murray and Lawrence Mead, who also exported their views to Britain, are perceived as having exerted a pull to the right

which the New Democrats and New Labour failed to significantly challenge. Murray focused on out-of-wedlock births as a key determinant of poverty, whilst Mead suggested that the work ethic was lacking among the poor and required stronger enforcement. In this way, both were part of the neoconservative tradition, emphasising poverty as primarily behavioural. To Jamie Peck, this tradition manifested itself in "workfarist" policies, which in America "became common currency in what has developed into a bipartisan onslaught against traditional, rights- and eligibilities-based welfare systems."[88] These policies were exported to Britain, where he maintains that they had a sympathetic audience in New Labour, so that "the British work-welfare regime consequently exhibited the fundamental features of workfarism by the mid-1990s: it combined coerciveness, conditionality, and compulsion."[89] Anne Daguerre concurs, stating that "policy transfer from the USA [was] in terms of the diagnosis of the problem (welfare dependency), the perceived solution (the centrality of paid work) and the instruments (a greater use of compulsion)."[90] Where Alan Deacon offers a more nuanced account of the broad convergence of American and British intellectuals, he nonetheless stresses that this occurred around a neoconservative emphasis on combating dependency, rather than reducing poverty. [91] Prideaux similarly identifies New Labour's policy as indicating a "lack of original solutions to present-day social problems," instead drawing on the ideas of conservative Americans, and of Thatcherism.[92] Others identify a nexus between the sharing of antipoverty policy between American and British conservatives during the 1980s that Dolowitz has outlined, and the subsequent New Democrat-New Labour approach. Daguerre and Taylor-Goodby

[88] Peck, *Workfare States,* 9-10.
[89] Ibid., 271.
[90] Daguerre, "Importing Workfare," 47.
[91] Deacon, *Perspectives on Welfare,* 3.
[92] Prideaux, "New Labour, Old Functionalism," 93-4.

suggest that the fact that Thatcher and Reagan had shared political ideas, and that antipoverty policy under Thatcher and Major drew on American ideas, means that Blair's drawing on American ideas was part of a longer-term trend that was importing the conservative approach to poverty dominant in America.[93]

Those who have focused more specifically on policy within each country have nonetheless offered a similar interpretation, particularly regarding the New Democrats. Béland and Waddan have argued that Clinton's signature of PRWORA represented the pervasiveness of conservative ideas about welfare dependency, a shift away from a focus on poverty.[94] In a similar vein, others have located PRWORA within a longer-term conservative "war on welfare", where it "put an end, once and for all, to the policies of a discredited 1960s liberalism."[95] To Ellen Reese, Clinton's decision to sign PRWORA was part of a longer-term history of deeply gendered, and racialised, backlashes against welfare mothers.[96] Such interpretations are well-summarised by Michael B. Katz: "the conservative narrative of poverty and welfare triumphed with the 1996 welfare bill.... [it] pulled in the center left, which had been largely if not entirely won over by the main lines of the conservative story about welfare, poverty, and dependence."[97] Steven M. Teles has explored the ways in which a Republican emphasis on devolution moved debates increasingly in the direction of ending the federal entitlement to welfare, and giving more control to the states.[98] A recent essay by the historian Premilla Nadasen in a special issue of the left-wing journal *Jacobin* focused on the New Democrats and New Labour, argues that "rather than offering a reprieve from

[93] Dageurre and Taylor-Goodby, "Neglecting Europe," 27.
[94] Béland and Waddan, *The Politics of Policy Change,* 46.
[95] Marisa Chappell, *The War on Welfare: Family, Poverty, and Politics in Modern America* (Philadelphia, PA: University of Pennsylvania Press, 2010), 1.
[96] Ellen Reese, *Backlash Against Welfare Mothers: Past and Present* (Berkley: University of Califorina Press, 2005).
[97] Katz, *Undeserving Poor,* 200-1.
[98] Teles, *Whose Welfare,* 176-81.

punitive austerity, Clinton took the Reagan-Bush agenda a step further."[99] These critiques have not been limited to America, however: Ruth Levitas, in a similar vein, wrote that "far from being a centre-left project, New Labour could more accurately be characterised as centre-right, combining a neoliberal commitment to the market with notions of community replacing the role of the state in Thatcherism."[100]

Such interpretations are vulnerable on two counts. Firstly, they tend to focus largely on welfare-to-work policy, as manifested in PRWORA and the British New Deals, rather than the broader sweep of antipoverty policies adopted by both parties. Secondly, they are premised on assumptions of conservative intellectual and political dominance, which more recent works have increasingly challenged. In an essay on the historiography of American conservatism, Kim Phillips-Fein has suggested that new work has required historians to re-evaluate their understandings of "the trajectory of the conservative movement in the Reagan era and after."[101] Indeed, historians of antipoverty policy under both Reagan and Thatcher have indicated that their assaults on the welfare state were less deleterious than they may, at first, appear. Paul Pierson's exhaustive study argued, "although the welfare state has been battered, its main components lie intact," as Reagan and Thatcher both struggled to achieve any systematic retrenchment. Programmes targeted at the poor were, he suggests, already so small that there was little to further cut.[102] As one historian has written,

> both had more in common with the controversial conservative disappointments who preceded them than they cared to admit: while Reagan, like Richard Nixon, could be accused of running from the right and

[99] Premilla Nadasen, "How a Democrat Killed Welfare," *Jacobin* Winter 2016: 59.
[100] Ruth Levitas, *The Inclusive Society? Social Exclusion and New Labour,* rev. ed. (Palgrave Macmillan, 2005), x.
[101] Kim Phillips-Fein, "Conservatism: A State of the Field," *Journal of American History* 98, no. 3 (December 2011): 741.
[102] Pierson, *Dismantling the Welfare State,* 5.

> governing from the center, Thatcher, like Edward Heath, issues ferocious statements about rolling back the state before doing no such thing.[103]

In a similar vein, Gareth Davies has argued that, on welfare, Reagan "achieved hardly any of his policy objectives."[104] Other than the spending cuts contained within OBRA, measures proposed by Reagan—such as the New Federalism, or greater cuts to AFDC—failed. By the time that Reagan left office, AFDC spending was higher than when he entered the White House.[105] In the British context, John Hills has pointed out that the story of the Thatcher (and Major) governments "is not that of the continuous rolling back of the welfare state which many of the Conservative's opponents might have portrayed at the time—or indeed, which its supporters might have hoped for on its election."[106] Spending shifted away from housing education towards health and social security, but roughly the same amount was spent on the welfare state as under previous Labour governments.[107] As Peter Riddell has suggested in the case of both Reagan and Thatcher, both largely failed to retrench antipoverty programmes as much as they wished, in part because "neither leader succeeded in undermining popular and political support for the welfare state—and to a large extent they never tried."[108] Of course, none of this is to suggest that Reagan and Thatcher did not launch attacks on antipoverty efforts, or see poverty rates significantly increase during their time in office. However, these works complicate any simple interpretation of the New Democrats and New Labour as merely continuing a rightwards movement in antipoverty policy. Interestingly, several of the works cited above suggest that the real test of

[103] Sandbrook, "Baptist and the Messiah," 183.
[104] Davies, "Welfare State," 209.
[105] Ibid., 212.
[106] John Hills, *Thatcherism, New Labour, and the Welfare State*, CASE paper 13 (London: Centre for Analysis of Social Exclusion, 1998), 2, https://core.ac.uk/download/files/67/93746.pdf.
[107] Ibid.,2.
[108] Riddell, "Ideology in Practice," 31.

whether Reagan and Thatcher did pull antipoverty debates and policy to the right is what came after them. Davies argues that the passage of PRWORA "looked a lot like a Reagan revolution had materialized," whilst Sandbrook writes that "there is a case that the conservative revolution reached its high point not in the 1980s but in the decade that followed.... Indeed, it was the 1990s that saw some of the most audacious attacks on the old social democratic state."[109] This thesis paints a more complex picture, suggesting that the New Democrats and New Labour went beyond this conservative approach to poverty, as well as beyond the more liberal, structuralist approach, articulating and, most especially in the case of New Labour, pursuing a new understanding of poverty.

In a different, but similar interpretation, the antipoverty policy of the New Democrats and New Labour is portrayed by critics as an accommodation to the market imperatives of neoliberalism. In part, this reflects their focus on efforts to reorient traditional welfare programmes around work. Peck, drawing on Frances Fox Piven and Richard Cloward's theorisation of welfare programmes as designed to regulate behaviour, argues that "workfarism" sought to "churn" welfare recipients between welfare and the low-wage jobs created by neoliberal forces.[110] The "regulatory logic" of the common move by the New Democrats and New Labour to reform traditional welfare programmes around work was, Peck argues, about regulating the labour market in a neoliberal age. Theodore and Peck also argued that policy under the New Democrats and New Labour focused on "neoliberal orthodoxy," reflecting their concern with moving people into work that was often insecure and low-paid.[111] The sociologist Loïc Wacquant argues that

[109] Davies, "Welfare State," 209; Sandbrook, "Baptist and the Messiah," 186-7.
[110] Peck, *Workfare States,* 12-4. See also Frances Fox Piven and Richard A. Cloward, *Regulating the Poor: the Functions of Public Welfare* (New York: Pantheon Books, 1971).
[111] Theodore and Peck, "Welfare-to-Work," 487.

"workfare," along with what he terms "prisonfare," were key features of New Democrat and New Labour policy, that directly sought to push the poor "into the peripheral sectors of the booming secondary labor market."[112] This was a direct result of neoliberal ideas, Wacquant stresses, where elites sought "to establish a new economic regime based on capital hypermobility and labor flexibility and to curb the social turmoil generated at the foot of the urban order by the public policies of market deregulation and social welfare retrenchment that are core building blocks of neoliberalism."[113] A version of this argument from an historical perspective is offered within Daniel Stedman Jones's work on "transatlantic neoliberalism," in which he posits that whether or not New Democrat and New Labour policy "amounted to anything more than an accommodation with the market-dominated reforms of the 1970s and 1980s is open to doubt."[114] Others have suggested that New Labour implicitly accepted the primacy of the free market, leaving behind the party's historic commitment to full employment.[115] In this reading, the New Democrats and New Labour accommodated neoliberalism and their antipoverty policy was both part of, and facilitated, this accommodation.

In part, this is a theme that runs through much broader literature on the two parties. A forceful version of this critique has recently been offered by Thomas Frank, who argues that the modern Democratic Party, including the New Democrats, "offer the same high-minded demurrals and policy platitudes that they've been offering since the 1980s. They remind us that there's nothing anyone can do about globalization or technology. They promise charter schools, and job

[112] Loïc Wacquant, "Crafting the Neoliberal State: Workfare, Prisonfare, and Social Insecurity," *Sociological Forum* 25, no. 1 (June 2010): 199.
[113] Ibid., 209-10.
[114] Stedman Jones, *Masters of the Universe,* 327.
[115] Nick Ellison, "Labour and Welfare Politics," in *Labour: A Centenary History*, eds. Brian Brivati and Richard Heffernan (Basingstoke: Macmillan, 2000), 441.

training, and student loans, but other than that—well, they've got nothing."[116] Critics of New Labour have similarly offered what Richard Heffernan has termed the "accommodationist thesis," which contends that the party "neoliberalised" as it failed to "offer a distinctive political strategy dramatically at odds with the Thatcherite project."[117] Famously, Stuart Hall referred to New Labour as part of "the long march of the Neoliberal revolution."[118]

However, this interpretation of the two parties' antipoverty policy raises a number of questions. Firstly, it is often unclear what, precisely, is meant by the term "neoliberalism." As Hall acknowledges, "neoliberalism is not *one* thing. It evolves and diversifies."[119] Scholars' definitions of the term have proven equally evolutionary. To David Harvey, "neoliberalism" is a political project carried out by a "corporate capitalist class" in order to reduce the power of organised labour, the core components of which were deregulation and privatisation, and the movement of jobs overseas through globalisation.[120] More recent work, however, has suggested that neoliberalism is instead about "reregulation" rather than deregulation: "its major distinguishing characteristic is instead a set of proposals and programs to infuse, take over, and transform the strong state, in order to impose the ideal form of society, which they conceive to be in pursuit of their very curious icon of pure

[116] Thomas Frank, *Listen, Liberal: Or, Whatever Happened to the Party of the People?* (New York: Metropolitan Books, 2016), 8-9.
[117] Richard Heffernan, *New Labour and Thatcherism: Political Change in Britain* (Basingstoke: Palgrave, 2001), 173. For a similar argument, see Colin Hay, *The Political Economy of New Labour: Labouring under False Pretences?* (Manchester: Manchester University Press, 1999).
[118] Stuart Hall, "The Neoliberal Revolution," *Cultural Studies* 25, no. 6 (2011): 709.
[119] Ibid., 715.
[120] David Harvey, "Neoliberalism is a Political Project," *Jacobin* July 2016, https://www.jacobinmag.com/2016/07/david-harvey-neoliberalism-capitalism-labor-crisis-resistance/. An earlier statement of Harvey's position is found in David Harvey, *A Brief History of Neoliberalism* (Oxford: Oxford University Press, 2005).

freedom."[121] In short, "a primary ambition of the neoliberal project is to redefine the shape and functions of the state, *not to destroy it.*"[122]

This points towards a secondary question, which concerns the issue of motive. If neoliberalism has been a political project, and in particular if it has been one designed to capture and redirect the state, then does this require policymakers to have deliberately sought to do this, in order to be defined as neoliberal? Is there, in short, a difference between policymakers actively pursuing and accepting neoliberal ends, or accepting that some of the forces often equated with neoliberalism — such as globalisation, deindustrialisation, and technological change — are immutable, and need to be managed in a way that reduces poverty as much as possible? This thesis grounds its argument for the distinctiveness of the New Democrat-New Labour approach in their common analysis of the impacts of these forces on poverty. Some may therefore read it as offering evidence of neoliberal accommodation. This study seeks, however, to paint a more nuanced picture. It argues that to the New Democrats, and New Labour, the new economy changed the nature of poverty, and required new solutions that fitted these unstoppable forces.

Whilst many literatures have placed the New Democrats and New Labour within a rightwards turn in antipoverty policy, there are those who have placed them within a more liberal tradition that harks back to earlier approaches to poverty taken by their parties. Gareth Davies, for example, wrote in the year PRWORA was signed that "Bill Clinton simply rediscovered a temporarily discarded old covenant whose principles had been central to the Economic

[121] Philip Mirowski, *Never Let a Serious Crisis Go to Waste: How Neoliberalism Survived the Financial Meltdown* (London: Verso, 2013), 40.
[122] Ibid., 56. Emphasis original.

Opportunity Act of 1964."[123] The New Democrat approach to poverty realigned the party with the structuralist, opportunity-based attitude of earlier times, moving it away from the "entitlement liberalism" of the 1970s and 1980s.

This tendency has been more pronounced in the literature on New Labour, constituting one of the three dominant interpretations of the party.[124] Andrew Connell locates New Labour's antipoverty policy within an "identifiable Labour tradition," a point also made by Pat Thane.[125] Others have placed New Labour's policy within the bounds of Keir Hardie's approach in the early twentieth century, or as of a piece with the liberalism of early social reformers such as Edwin Chadwick.[126] Certainly, many intellectuals at the time called on New Labour to align itself with liberalism in order to present a progressive alternative to Thatcherism.[127] Still others have viewed New Labour as inheritors of the revisionist tradition of mid-century figures such as Anthony Crosland and Hugh Gaitskell, who sought to distinguish between the ends and means of policy, updating it to fit contemporary needs.[128] Elements of this interpretation can be glimpsed at points during this thesis, and in particular within its argument that the New Democrats and New Labour adopted their distinctive approach to poverty as they felt existing ones to be ill-fitted to the modern economy. However, as José Harris cautions, "the

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[123] Gareth Davies, *From Opportunity to Entitlement: The Transformation and Decline of Great Society Liberalism* (Lawrence KA: University Press of Kansas, 1996), 243.
[124] See Stephen Driver and Luke Martell, *New Labour,* rev. ed. (Cambridge: Polity Press, 2006). The two other interpretations which they identify are New Labour as part of a narrative of conservative ascendancy, and New Labour as a multifaceted entity.
[125] Connell, *Welfare Policy under New Labour,* 14; Pat Thane, "Labour and Welfare," in *Labour's First Century*, ed. Duncan Tanner, Pat Thane and Nick Tiratsoo (Cambridge: Cambridge University Press, 2000), 113-4.
[126] Martin Powell, "New Labour and the Third Way in the British Welfare State: A New and Distinctive Approach?" *Critical Social Policy* 20, no. 1 (February 2000): 57. See also Raymond Plant, "Blair and Ideology," in Seldon, *Blair Effect*, 566; and Steven Fielding, "New Labour and the Past," in Tanner, Thane, and Tiratsoo, *Labour's First Century,* 378.
[127] David Marquand, *The Progressive Dilemma* (London: Heinemann, 1991).
[128] Interpretations advancing this argument are offered by Martin J. Smith, "From Old to New Labour, 1994-2000," in *Labour: A Centenary History,* ed. Brian Brivati and Richard Heffernan (Basingstoke: Palgrave Macmillan, 2000); and Plant, "Blair and Ideology."

historian who bores holes into such [theoretical] controversies may well be struck by the artificiality of the fixed ideological lineages frequently proclaimed."[129]

Finally, only a small number of studies have suggested that the antipoverty policy of the New Democrats and New Labour was distinct from earlier intellectual approaches to poverty, and the policies that they shaped. These assessments have often been heavily qualified. Alex Waddan wrote that Clinton's own 1994 welfare reform plan was a distinctive Third Way; but that his decision to sign PRWORA represented a movement towards the ideas of the neoconservatives: "any classification of the various options for welfare reform being discussed in 1992 would have placed the ideas in PRWORA as being on the far right of the spectrum."[130] Brendon O'Connor concurs, seeing some elements of a Third Way distinction in Clinton's approach, but ultimately concluding that his signature of PRWORA was "suggestive of just how slippery the centre of Third Way politics can be, particularly when elections loom."[131] Only the journalist Joe Klein, who was sympathetic to the New Democrats, has insisted on a coherent, distinctive vision held by Clinton, which was rooted in his belief in the need to "manage the nation's transition from the Industrial Age to the Information Age."[132]

There has been a somewhat greater inclination for New Labour's antipoverty policy to be perceived as distinct, but again, this has been limited. Nicholas Timmins acknowledges that the party moved away from many of its old verities, as well as from those of more neoconservative antipoverty thought, to "reconstruct" policy for "a new world." Ultimately, however, he suggests that any

[129] José Harris, "Labour's Political and Social Thought," in Tanner, Thane and Tiratsoo, *Labour's First Century*, 9-10.
[130] Waddan, *Clinton's Legacy?* 126.
[131] O'Connor, "Policies, Principles, and Polls," 411.
[132] Joe Klein, *The Natural: The Misunderstood Presidency of Bill Clinton,* 2nd ed. (New York: Broadway Books, 2003), 12.

search to find a distinctive Third Way approach is "fruitless."[133] Martin Powell similarly contends that under New Labour, "the new welfare state has merely taken some old policies from the shelf, dusted them down, and given them a new gloss."[134] Although Powell recognised that every government inherits a policy landscape which necessarily shapes their own approach, any "third way" policy under New Labour was, he argued, "all things to all people: a poorly specified, pick and mix strategy, largely defined by what it is not."[135] Those who have identified a distinctive approach include Howard Glennerster, and Stephen Driver and Luke Martell, who argue that their policy was rooted in an analysis of "new times" in which deindustrialisation and globalisation were major forces.[136] Alan Deacon, in his joint study of the New Democrats and New Labour, suggests that the latter came closer to a distinctive approach than the former.[137]

It is worth noting there that the general tendency not to view their policies as distinct is perhaps a measure of both public and academic suspicion of both parties, and of Clinton and Blair more personally. Although Clinton is widely reputed to have an encyclopaedic knowledge of policy, he is also perceived as unintellectual, and, in the words of William C. Berman, "ever malleable."[138] Similarly, Blair and, to a lesser extent, his Chancellor Gordon Brown are portrayed as lacking in substance. One study of intellectuals within Labour's history completely excluded Blair and whilst Brown was studied, he was described as

[133] Timmins, *Five Giants,* 611.
[134] Powell, "New Labour and the Third Way," 57.
[135] Ibid., 57.
[136] Howard Glennerster, "The Health and Welfare Legacy," in *The Blair Effect, 2001-5,* ed. Anthony Seldon and Dennis Kavanagh (Cambridge: Cambridge University Press, 2005), 305; Driver and Martell, *Blair's Britain,* 72.
[137] Deacon, *Perspectives on Welfare.*
[138] Berman, *America's Right Turn,* 178.

"fairly unphilosophical."[139] The association which both leaders had with "spin" and media management, combined with episodes of deceit — around personal matters, in the case of Clinton, and the Iraq War, in the case of Blair—has further reinforced this. These factors, along with the complex politics of each party, have been conflated, so that the New Democrats and New Labour as entities—and their policies—have often been regarded with suspicion. Colin Campbell and Bert Rockman wrote, for example, "when Clinton has put on his New Democrat hat, he has done so in a way that oozes artifice."[140] Their ideas are, to some, no more than disposable political identities, to be cast off as the electorate demands. Implicitly, this thesis seeks to delve beyond this level of analysis and examine the common, distinctive ideas that the two parties shared.

This study builds on the small number of works that have presented the antipoverty policy of the New Democrats and New Labour as distinct from the existing neoconservative and structuralist approaches to poverty. This raises an obvious question, which several of the works above have posed: if there was a distinctive New Democrat-New Labour approach to poverty, did it constitute a Third Way, the idea that Clinton and Blair are so associated with? This thesis does not seek to offer an answer to this question. There are several reasons for this. Firstly, the term Third Way is a contested one that even Giddens moved away from using.[141] Giddens defined the term as connoting "a framework of thinking and policymaking that seeks to adapt social democracy to a world which has changed fundamentally over the past two or three decades. It is a third way in the sense that

[139] Matt Beech and Kevin Hickson, *Labour's Thinkers: the Intellectual Roots of Labour from Tawney to Gordon Brown* (London: Tauris Academic Studies, 2007), 265-6.
[140] Bert A. Rockman, "Leadership Style and the Clinton Presidency," in *The Clinton Presidency: First Appraisals,* ed. Colin Campbell and Bert Rockman (Chatham: Chatham House Publishers, 1996), 338.
[141] Andrew Gamble, "Commentary: The Third Way," in Seldon and Kavangah, *Blair Effect 2001-5,* 430. See also Anthony Giddens, "Better than Warmed-Over Porridge," *New Statesman,* February 12, 1999.

it is an attempt to transcend both old-style social democracy and neoliberalism," yet it can also be viewed as a more prescriptive set of policy positions.[142] As Andrew Gamble has written, "the Third Way… does not have a single meaning. It can be viewed as an electoral strategy as a new politics and as a programme."[143] This confusion renders it difficult to assess whether or not the two parties were Third Way adherents. Secondly, the Third Way is a label that has been applied to governments in countries beyond America and Britain: to Gerhard Schroeder in Germany; to Wim Kok in the Netherlands; Lionel Jospin in France; and Fernando Henrique Cardoso in Brazil. Thus, the debate over the Third Way is much broader than this thesis. Finally, given the number of leaders associated with a Third Way idea, Driver and Martell are surely right to suggest that there have been multiple Third Ways in different locations.[144] Taken together, these factors mean that any effort to determine whether the New Democrats and New Labour adhered to a Third Way is based on a number of moving parts. Instead, this thesis focuses on, firstly, establishing their common antipoverty policy and, secondly, outlining how it moved beyond the neoconservative and structuralist approaches to poverty. It is for future work to assess whether this constituted a Third Way.

Here, it is also helpful to offer some remarks about the terminology used throughout this thesis. In insisting on a common, and distinctive approach to poverty taken by both parties, it labels these, respectively, the "New Democrat" and "New Labour" approaches, or the "New Democrat-New Labour" approach. The term "New Labour" is easy to define as referring to the Labour Party, and the Labour governments under Tony Blair between 1997 and 2005, the period this study covers. The centralised nature of British political parties made it easy for the entire

[142] Giddens, *Third Way*, 25.
[143] Gamble, "Commentary: The Third Way," 431.
[144] Driver and Martell, *Blair's Britain,* 67-8.

party to be branded as "New Labour," even if not all of its members accepted the term. The party's 1997 manifesto was entitled *New Labour, New Life for Britain,* and other official materials also used the name "New Labour."[145] Upon entering office, Blair unequivocally stated that "we ran for office as New Labour. We govern as New Labour."[146] In large part, as with the New Democrats, the term "new" was intended to connote to the electorate that both parties were moving away from their "old" manifestations, though this obscured precisely what was meant by "old" Labour and the "old" Democrats.

By contrast, "New Democrat" is a slipperier term. No similar rebranding exercise of the whole of the Democratic Party was undertaken. Clinton did not consistently employ the term, at other times referring to himself and his ideas as the "New Covenant," "Third Way," or the "New Choice."[147] Such was the confusion that journalist Joe Klein referred to "The Third Way New Whatever Party."[148] Moreover, the strong identification of the DLC with the New Democrat idea means that the two might be taken as synonymous. Some have therefore chosen to write instead of "Clintonism."[149] As used in this thesis, "New Democrat" refers to the policies of Clinton and his White House, as well as to the politics and ideas espoused by those associated with the DLC. Ultimately, however, the aim is to underscore the commonality between them. As Hillary Rodham Clinton, an active participant in New Democrat-New Labour meetings, wrote in her memoirs: "whether you call it New Democrats, New Labour, the Third Way or the Vital Center, Tony Blair and Bill Clinton clearly shared a political vision."[150]

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[145] Labour Party, *New Labour, New Life for Britain* (London: Labour Party, 1996).
[146] Quoted in Michael White, "We are Servants—Blair," *Guardian,* May 8, 1997, ProQuest, http://search .proquest.com/docview/187964800/.
[147] Klein, *Natural: The Misunderstood Presidency,* 13.
[148] Ibid., 62.
[149] Waddan, *Clinton's Legacy,* 1-2. Waddan uses this interchangeably with "New Democrat."
[150] Rodham Clinton, *Living History,* 423.

Outline of the thesis

This thesis proceeds as follows. Chapter One focuses on the emergence of the distinctive approach to poverty taken by the New Democrats and New Labour, and the commonalities it shared. It provides an overview of intellectual debates over poverty in America and Britain since the 1960s, establishing that debate was broadly divided into two schools: structuralist and neoconservative. It then turns to the work of future New Democrat and New Labour figures on poverty during the 1980s and early 1990s. Through this it traces the development of a distinctive approach to poverty, rooted in an analysis of major economic and social change, and emphasising the need to ensure that work paid; to reorient the welfare system around work; and to reduce teenage and out-of-wedlock pregnancy. It also shows that these commonalities, were, at least in part, the result of collaboration on and the sharing of work between future New Democrat and New Labour figures. This emerging approach, it is argued, was distinct from the intellectual arguments that had preceded it, incorporating elements of the neoconservative and structuralist approaches but moving beyond them, due to their sense of a new economy necessitating a new approach.

Chapter Two explores the first of the three common aspects of the New Democrat and New Labour approach to poverty: efforts to make work pay, through the use of in-work tax credits and national-level minimum wages. It demonstrates how, in both countries, these policies were presented as necessary to ensure that work in the modern economy represented a true opportunity to leave poverty. This, it is argued, was conceived of as a necessary corollary to the welfare-to-work efforts

discussed in Chapter Three. It is demonstrated that this common element of antipoverty policy drew on the analysis of a changing economy that both parties had developed. In this area, it is argued, the theme of opportunity was most apparent.

In Chapter Three, attention shifts to the common efforts of the New Democrats and New Labour to reorient welfare programmes around work. The chapter firstly offers a detailed study of welfare reform efforts in the state of Wisconsin, showing how they significantly influenced both New Democrat and New Labour policymakers. It then focuses on Clinton's failed 1994 welfare reform proposal, the 1996 PRWORA, and New Labour's New Deal programmes, to outline the ways in which both parties believed that welfare programmes needed to be more active, and place conditions on the receipt of benefits, to push people into work. This, it is argued, was the corollary of the 'make work pay' efforts discussed in the prior chapter. The measures discussed in this chapter were where the theme of responsibility was at its strongest.

Chapter Four focuses on antipoverty efforts in a very different, and more intimate, setting. It argues that a third core aspect of the approach to poverty that the New Democrats and New Labour shared was in efforts to reduce teenage and out-of-wedlock pregnancy. This drew on the neoconservative moral emphasis on the family, but it also exhibited the structuralist recognition that personal behaviour was shaped by poverty and a lack of opportunity. In this way, this area of policy exhibited themes of responsibility and opportunity. Whilst very different in focus from the policies outlined in the preceding challenge, this chapter insists on the need to understand that these measures were also conceived as a vital part of antipoverty policy.

In drawing this thesis together, I conclude by offering an overview of the mixed legacy of these policies, and offer some final thoughts on the significance of this study, and the common, distinct New Democrat-New Labour approach that it identifies.

Chapter One

Poverty in 'New Times'

> *It [the 1988 Family Support Act] is an example of the kind of thing our country is going to have to do more of in the future, breaking out of the old, liberal and conservative preconceptions and merging the best elements of both into a program with common sense.*
> —Bill Clinton, 1990[1]

> *The old left resisted that change [in the global economy]. The new right did not want to manage it. We have to manage that change to produce social solidarity and prosperity.*
> —Tony Blair, 1998[2]

Three weeks after New Labour's 1997 victory, Tony Blair met with Bill Clinton for the first time as prime minister. After Clinton was introduced to the new Cabinet, and the meeting adjourned, Clinton, Blair, and the new Chancellor of the Exchequer Gordon Brown continued the discussion. Much of their conversation focused on labour markets, employment, and the changes being wrought in a deindustrialising, globalising, increasingly technologically advanced world. The nature of these changes, Blair stated, "doesn't mean giving up the social compact but it is a new world. The role of government is not about hostilities with business, but to equip people with the skills and technology they need and help families."[3] Clinton agreed, before Brown added his analysis:

> In Great Britain, the long-term unemployed make up 40 percent of our unemployed, compared with 20 percent in the United States. We have no way to get them back to work ....We need to demonstrate that growth and social programmes can work together—you do not have to sacrifice one for the other.[4]

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[1] "Hearings on the Family Support Act of 1988," April 30, 1990, in *Welfare: A Documentary History of US Policy and Politics*, eds. Gwendolyn Mink and Rickie Sollinger (New York: New York University Press, 2003), 540.
[2] Quoted in Giddens, *Third Way,* 1.
[3] Bill Clinton-Tony Blair telephone conversation, transcript, May 29, 1997. Declassified documents concerning Tony Blair, National Security Council and Records Management Office, WJCPL
[4] Ibid.

The chancellor then linked unemployment to another issue: single parenthood. "Since they [single parents] are not required to work," he told Clinton, "no long-term unemployed single parents are included in our statistics. That means unemployment is really close to 20 percent in some cases. We have the biggest single parent population in Europe."[5] Clinton, reflecting, offered his suggestion for dealing with these issues; a suggestion that had underpinned much of his antipoverty policy over the previous five years: "if the culture says it is no longer necessary to have a marriage to have children, then that means single parents should have to work."[6]

The transcript of this conversation, only released in January 2016, demonstrates how important these issues were to New Democrat and New Labour figures at the highest level. More than this, their conversation also points towards the common ideas about poverty, and antipoverty, that the two parties held. Their common approach to antipoverty policy was rooted in a perception that they faced similar challenges resulting from the new economy of the late twentieth century, and the changes that it wrought. The existing traditions of thought on poverty that had developed in America and Britain by this time—the neoconservative and structuralist approaches—were, both parties believed, unable to offer a response to this poverty in "new times." The two parties therefore developed their own distinctive approach to poverty that sought to move beyond the neoconservative and structuralist explanations. It took elements of the neoconservative emphasis on the behaviour of the poor, and the need for antipoverty programmes to inculcate values of work and marriage, and combined these with elements of the structuralist emphasis on the broader economic and social determinants of poverty. Thus, their

[5] Ibid.
[6] Ibid.

approach emphasised both opportunity and responsibility: the responsibility of the state to create opportunities for those struggling to compete in the modern economy, and the responsibility of the poor to take these opportunities. Three areas of policy were key to this in both countries: efforts to make work pay through the introduction or expansion of in-work tax credits and minimum wages; to move people into work through welfare-to-work programmes; and to reduce teenage pregnancy, which was viewed as both a cause and effect of poverty.

This chapter explores the development of this distinctive approach, drawing on the works on poverty of future New Democrat and New Labour figures. Many of those who would go on to occupy senior roles in the Clinton and Blair governments were, throughout the 1980s, actively involved in debating poverty and developing antipoverty policy, albeit in different ways. Clinton, as governor of Arkansas, had to respond to job losses across the state; and later, as chair of the National Governors' Association, led a welfare reform effort that culminated in the passage of the 1988 Family Support Act. Blair and Brown, along with other key New Labour figures such as David Miliband and Ed Balls, were involved in contributing to the landmark 1994 report of the Commission on Social Justice. They also produced essays and academic work focused on poverty and antipoverty policy. These examples demonstrate the emergent New Democrat-New Labour approach to poverty, with its emphasis on opportunity and responsibility.

Moreover, instances of the active sharing of ideas about poverty between these figures can be seen. The sharing of these emergent ideas between future New Democrat and New Labour figures mostly occurred through collaboration on articles and in essay collections, as well as through personal and academic networks that spanned the Atlantic. This further underlines the extent to which they saw themselves as identifying, and responding to, a common challenge:

poverty in the new economy. By understanding these instances of sharing, and the commonalities in their emergent thought, the distinctiveness of their approach is thrown into sharper relief.

This first half of this chapter sketches out the two explanations of poverty that were dominant in America and Britain by the mid-1990s, detailing the major works forming these two traditions of thought, and pointing towards the different strands within each of them. It outlines how the neoconservative response to poverty, first formulated in America, was exported to Britain, finding a receptive audience among the media and some politicians. This stressed the need to demand responsibility of the poor, including around work and marriage. It outlines how this grew out of the earlier structuralist tradition of thought, dominant in America and Britain in mid-century, which focused on the major economic and social causes of poverty, and stressed the need for governments to create opportunity. From there, the second half of the chapter explores the work on poverty conducted by future New Democrat and New Labour figures before they entered office. It traces the development of their common approach from its grounding in their understanding of poverty in the new economy, and shows how the New Democrats and New Labour stressed both responsibility and opportunity. In so doing, it was taking elements of the neoconservative and structuralist traditions of thought and moving beyond them.

The structuralist and neoconservative explanations of poverty

By the turn of the 1990s, a sense of crisis among liberals and conservatives alike pervaded discussions of antipoverty programmes on both sides of the Atlantic. In America, the journalist Jason DeParle was able to write by 1991 that,

"nobody likes welfare."[7] In Britain, as Rodney Lowe has argued, antipoverty programmes were "beginning to be seen by many to be not just politically but morally bankrupt."[8] In both countries, debates over poverty were part of what Rodgers, in the American context, has described has the "age of fracture": the period in the latter decades of the century, coinciding with conservative political and intellectual resurgence, where old economic, political, and social assumptions were challenged.[9] This was particularly the case because, as Rodgers notes, the subject of poverty and antipoverty policy encompassed so many other topics:

> The era's great debate about the poor was more than a debate about policy. It was a debate between visions of society.... Who was inside and who was outside the imagined spheres of obligations and responsibilities? Who belonged? Whose needs required public response? Whose claims counted? In a world of deepening inequalities, who stood inside the social contract and who stood outside it altogether?[10]

In part, this sense of crisis stemmed from rising poverty rates in both countries. By 1984, the official poverty rate in America stood at 14.4 percent, while in Britain, the number of people living on less than 40 percent of the national average income rose to 7.7 million by 1990.[11] The proportion of children aged under six living in poverty in American rose from 18 percent to 24 percent between 1979 and 1982.[12] In part, these worrying figures reflected the recessions that dogged both countries: in 1981-2 in America, and in 1979-81 in Britain. These recessions, combined with the supply-side economic policies of Reagan and Thatcher, helped to significantly increase unemployment: by 1982, there was 10 percent unemployment in America,

[7] Jason DeParle, "As Funds for Welfare Shrink, Ideas Flourish," *New York Times,* May 12, 1991, ProQuest, http://search.proquest.com/docview/108687791/.
[8] Lowe, *Welfare State in Britain,* 319.
[9] See Rodgers, *Age of Fracture*.
[10] Ibid., 200.
[11] Patterson, *America's Struggle,* 205; Lowe, *Welfare State in Britain,* 348.
[12] Katz, *Undeserving Poor,* 88.

and some three million people in Britain were unemployed in 1983.[13] The numbers of people receiving welfare benefits had also experienced considerable growth over the past decades. In America, the numbers of people receiving AFDC rose from 7 million in 1970 to 14 million in 1992.[14] More than this, the composition of those receiving AFDC had changed. When first enacted as part of the 1935 Social Security Act, AFDC was a relatively small programme, designed to provide aid to widows and deserted women, who had no male breadwinner to provide for them. Continuing racial discrimination meant that many non-white women were kept off the rolls, especially in the South. As African Americans gained civil rights, eligible women previously excluded from the rolls were able to receive AFDC. Partly because of this, the number of women receiving AFDC increased throughout the 1960s. At the same time, changing patterns of gender roles and relationships meant that there were higher numbers of households headed by women than before: in 1984 alone, the number of such households rose from 11 to 16 percent. This occurred among both whites and African Americans, although attention tended to focus on the latter. Thus, by 1986, women headed more than half of all poor families. Due to the decline in the real value of AFDC benefits, the programme was only lifting 10 percent of these families above the poverty line; whereas in 1970 it had moved 19 percent of households headed by women out of poverty.[15]

In Britain, there was no similarly gendered programme, although benefits such as Income Support (established in 1988 to replace National Assistance) bore the same "welfare" label as AFDC, so were set apart from insurance-based programmes. Moreover, there was a similar expansion in the number of poor households headed by women: by 1995, 80 percent of lone parents depended on

[13] Patterson, *America's Struggle,* 205.
[14] Stephen Page and Mary Larner, "Introduction to the AFDC Program," *The Future of Children* 7, no. 1 (Spring 1997): 23.
[15] Katz, *Undeserving Poor,* 86-7.

Income Support.[16] Rates of benefits for the unemployed, and of Income Support, remained largely stagnant in real terms.[17] Thus in both countries, even under Reagan and Thatcher, spending on welfare programmes for the poorest actually rose.[18] This combination of high spending, but increasing unemployment and poverty rates, seemed to suggest to policymakers on all sides that antipoverty policy was not working.

Antipoverty programmes were also under sustained intellectual attack from a new tradition of thought about poverty that emerged in America during the 1970s and 1980s, borne out of disillusionment with the War on Poverty. James T. Patterson defines this as the "neoconservative" explanation of poverty, reflecting the degree to which many of its exponents were New Deal liberals who had moved to the right over time. The neoconservatives saw poverty as primarily behavioural, arguing, variously, that having children outside of wedlock, or failing to work, were the key determinants of poverty. This, Patterson argues, contrasted with the previously dominant "structuralist" explanation of poverty, which stressed the economic and social factors that caused people to fall below the poverty line.[19] Others have used different terms to describe these two schools of social thought: Michael B. Katz, for example, uses "liberalism" and "conservatism," arguing that the latter emphasised cultural and personal matters more than the former. Katz also notes that liberals tended to believe in government action to reduce poverty, whilst conservatives looked to the market.[20] This thesis uses Patterson's more specific terms in order to more immediately highlight the key differences between these two explanations of poverty, and in particular to convey the sense of

[16] Hills, *Thatcherism, New Labour and the Welfare State*, 8.
[17] Tim Rutherford, *Historical Rates of Social Security Benefits* (London: House of Commons Library, 2013), 7-8.
[18] Davies, "Welfare State," 209; Hills, *Thatcherism, New Labour and the Welfare State,* 7.
[19] Patterson, *America's Struggle,* 214.
[20] Katz, *Undeserving Poor,* xi-xii.

disillusionment with antipoverty programmes that created a distinct conservative response in the latter decades of the twentieth century.[21] However, it is also acknowledged below that neither tradition of thought was homogenous: there were subtleties and nuances of emphasis among both structuralists and neoconservatives.

Extensive histories of the structuralist and neoconservative explanations of poverty in both America and Britain have already been written, and this section does not seek to replicate them.[22] Rather, it traces some of the key works within each tradition, in order to give a sense of the very different approaches that they took to the question of poverty. It also demonstrates how these ideas were influential—albeit to different extents—in both countries, so that the New Democrats and New Labour faced a similar intellectual climate as they began to formulate their understanding of poverty. It was in seeking to go beyond these existing approaches to poverty that they formulated their own common, distinctive response.

The most notable neoconservative work on poverty, for the interest it evoked in both America and Britain, was Charles Murray's 1984 work *Losing Ground.* The book was a fiercely critical history of American antipoverty efforts since Lyndon Johnson's War on Poverty, but was "presented with the tone of measured detachment common to most analytic research."[23] Two conservative think-tanks, the Manhattan Institute and the Heritage Foundation, sponsored Murray's research and attention around the book was at least partly generated by active promotional campaigns on behalf of the sponsors. The book sold as many as

[21] The term "neoconservative" is therefore used more in an intellectual than political sense throughout this thesis.
[22] See, in particular, Katz, *Undeserving Poor*; Deacon, *Perspectives on Welfare*; and Alice O'Connor, *Social Science, Social Policy, and the Poor in Twentieth Century US History* (Princeton, NJ: Princeton University Press, 2001).
[23] O'Connor, *Social Science, Social Policy,* 256.

30,000 hardcover copies alone.[24] Murray's central thesis was that antipoverty programmes, and in particular AFDC, had actively perpetuated, and even worsened, the existence of poverty, creating an "underclass" of the poor who were mired in welfare dependency and exhibited self-destructive behaviours.[25]

At the core of Murray's argument was "illegitimacy," a term which pointed towards the moral stance that was intertwined with his analysis. Drawing on a deeply gendered and pessimistic conception of human behaviour that also saw individuals as *homo economicus*, Murray argued that the existence and design of AFDC allowed women to have children without marrying the fathers. Murray illustrated this with a hypothetical couple, Harold and Phyllis, who after learning of Phyllis' pregnancy, decide not to marry as Phyllis would be better off claiming AFDC benefits.[26] This, he suggested, was their natural inclination; and it was an arrangement that suited men, whose natural proclivity was not to marry. In Murray's analysis, this had a twofold effect: men had less incentive to work, and women were reliant on the state, rather than a male breadwinner. Thus, the very programmes designed to combat poverty were responsible for perpetuating it.

Murray's work, therefore, suggested that the balance of opportunity and responsibility between individuals and the state had been upset. Structuralists, he argued, had decided, "Poverty was not a consequence of indolence or vice. It was not the just desserts of people who didn't try hard enough. It was produced by conditions that had nothing to do with individual virtue or effort. *Poverty was not the fault of the individual but of the system.*"[27] He argued that in taking it upon itself to reduce poverty, the government had reduced the need for the poor to take

[24] James A. Smith, *The Idea Brokers: Think Tanks and the Rise of the New Policy Elite* (New York: Free Press, 1991), 192; Thomas Medvetz, *Think Tanks in America* (Chicago: University of Chicago Press, 2012), 2-3.
[25] Charles Murray, *Losing Ground: American Social Policy, 1950-1980* (New York: Basic Books, 1984).
[26] Ibid., 156-9.
[27] Murray, *Losing Ground,* 29. Emphasis original.

responsibility for themselves. As O'Connor neatly summarises, according to Murray, "the burden was no longer on the individual to make the best of every opportunity but on society to guarantee equal results.... Unemployment, illegitimacy, crime, and welfare dependency were more rational, in the short term, than marriage, respectability, individual responsibility, and low-wage work."[28] His solution was therefore premised on moving back towards the balance between opportunity and responsibility, and state and individual, that existed prior to the Great Society: where responsibility rested with the poor, and not the government.

Murray's work reflected a broader neoconservative critique of antipoverty programmes that was emerging in this period. Alongside Murray's book went works by other prominent American conservatives, many of whom were associated with the journal the *Public Interest,* founded in 1965 by Daniel Bell and Irving Kristol. As Andrew Hartman has recently argued, the *Public Interest* was "instrumental in undermining the idea that government policy could solve problems related to racism and poverty."[29] Initially supportive of federal antipoverty efforts under the aegis of the War on Poverty, the journal became more critical from around 1968 onwards, and gave more space to neoconservative condemnations of these programmes.[30] Figures such as Nathan Glazer occupied this space. He argued that the failure of antipoverty programmes to enforce certain "superstitions," or normative behaviours, had perpetuated poverty.[31] George Gilder, a former advisor to Reagan, was even more blunt, questioning the very existence of poverty in America, whilst simultaneously describing the American poor as "the most wretched poor people on the face of this earth," who "lived for sex, alcohol,

[28] O'Connor, *Social Science, Social Policy,* 257-8.
[29] Andrew Hartman, *A War for the Soul of America: A History of the Culture Wars* (Chicago: University of Chicago Press, 2015), 41.
[30] Medvetz, *Think Tanks in America,* 194.
[31] Nathan Glazer, *The Limits of Social Policy* (Cambridge MA: Harvard University Press, 1988).

and other stimuli and are scarcely capable of getting out of bed in the morning, let alone going regularly to work."[32] What these critiques shared was a sense of the failure of liberal antipoverty programmes, and an emphasis on the behaviour of the poor. This was privileged over structural economic and social change as a cause of poverty, reflecting a broader concern among neoconservatives with the concept of moral relativism, and a sense that certain behaviours and values ought to be upheld and reinforced by antipoverty programmes.[33]

These works reflected a broader intellectual resurgence on the part of conservatives in America. As recent works on the history of American think-tanks have shown, the growth of organisations such as the Heritage Foundation and American Enterprise Institute (AEI) gave a considerable platform to this neoconservative approach to poverty. By 1991, of the 100 or so policy research groups in Washington D.C., around two-thirds had been established after 1970, and many of these were conservative in outlook.[34] As Ellen Reese has noted, this had a particular impact on discussions of poverty. By the time of PRWORA's passage in 1996, conservative think-tanks were cited seven times more often than progressive ones.[35] This created a conservative "ideas industry", which was focused on reforming, or even abolishing, many existing antipoverty programmes.[36] Thus, the structures were created through which figures such as Murray could influence American debates on poverty.

Another important trait that these neoconservative responses to poverty shared was terminology. Two terms in particular stood out. Firstly, many of the

[32] George Gilder, "Welfare's New Consensus," *Public Interest,* Fall 1987: 23.
[33] Key conservative critiques of moral relativism included Allan Bloom, *The Closing of the American Mind* (New York: Simon and Schuster, 1988); Gertrude Himmelfarb, *Marriage and Morals Among the Victorians: Essays* (London: Faber, 1986); Gertrude Himmelfarb, *Poverty and Compassion: the Moral Imagination of the Late Victorians* (New York: Knopf, 1991).
[34] Smith, *Idea Brokers,* 214.
[35] Reese, *Backlash Against Welfare Mothers,* 153.
[36] Smith, *Idea Brokers,* 7.

neoconservatives referred critically to "welfare dependency." This was not, as has been acknowledged, a new concept, as earlier policymakers, including President Franklin R. Roosevelt, had made use of it. However, in the hands of the neoconservatives, it was fused with a critique of Great Society programmes, which Murray and others portrayed as the cause of dependency. As Nancy Fraser and Linda Gordon have argued, this corresponded with the neoconservative emphasis on behaviour, rather than economics, as the primary cause of poverty: "naming the problems of poor solo mothers and their children 'dependency'... tends to make them appear to be individual rather than social problems, as much moral or psychological as economic."[37]

Secondly, many neoconservatives referred to the "underclass." As James Patterson has pointed out, this was not a new term, and had been used since the 1940s, originally deriving from the political left, and the Marxist concept of the *lumpenproletariat.*[38] In fact, the term had also been used by the economist Gunnar Myrdal in 1964, somebody much more firmly part of the structuralist tradition.[39] Yet, in the 1980s, the term acquired a new purchase in America, and was popularised by the work, in particular, of Ken Auletta in the *New Yorker* and Nicholas Lemann in the *Atlantic Monthly,* who wrote vivid accounts of the American underclass.[40] By focusing on poverty in northern urban centres, the term became, as Patterson has written, "an unflattering euphemism for the most

[37] On the language of dependency, see Nancy Fraser and Linda Gordon, "Dependency Demystified: Inscriptions of Power in a Keyword of the Welfare State," *Social Politics* 1, no. 1 (1994): 4.
[38] Patterson, *America's Struggle,* 209.
[39] Gareth Davies, "War on Dependency: Liberal Individualism and the Economic Opportunity Act of 1964," *Journal of American Studies* 26, no. 2 (August 1992): 214.
[40] Auletta's series of essays was subsequently collected into a book: Ken Auletta, *The Underclass* (New York: Random House, 1982). For Lemann, who focused on the underclass in the South Side of Chicago, see Nicholas Lemann, "The Origins of the Underclass I," *Atlantic Monthly* (June 1986); and "The Origins of the Underclass II," *Atlantic Monthly* (July 1986). These essays formed the basis of a later book: Nicholas Lemann, *The Promised Land: The Great Black Migration and How it Changed America* (London: Macmillan, 1991).

deprived black masses in the ghetto."[41] As Martin Gilens has demonstrated, "the most salient contemporary images of the poor—the homeless beggar, the welfare queen, the teenage ghetto gang member, the heroin addict shooting up in an abandoned building—are strongly associated with minorities in both the mass media and the public imagination."[42] This language became particularly associated with the works of American neoconservatives, who used it to describe both an economic group, and a segment of society that supposedly engaged in certain behaviours, including welfare dependency, worklessness, and having children outside of wedlock. Katz describes the term as synonymous with the old idea of the "undeserving poor," arguing that they were both "moral statuses identified by the source of dependence, the behaviour with which it is associated, its transmission to children, and its crystallization into cultural patterns."[43] Not only did this term gain influence in America in this period, but it also became more widely used in Britain, merging with the exportation of American neoconservative responses to poverty.[44]

A crucial means through which this occurred was the work that Charles Murray did in Britain. Andrew Neill, the editor of the *Sunday Times*, invited Murray to Britain in 1989, and again in 1993. The newspaper also sponsored Murray's time in Britain, and wanted him to explore whether his critiques of American programmes could also be applied to those in Britain.[45] In both cases, the conservative think-tank the Institute for Economic Affairs (IEA) reprinted Murray's

[41] Patterson, *America's Struggle,* 209.
[42] Martin Gilens, *Why Americans Hate Welfare: Race, Media and the Politics of Antipoverty Policy* (Chicago: University of Chicago press, 1999), 68. At the time of Gilens's writing, Americans believed that African Americans constituted half of all the poor in the US; in fact, they were around 27 percent of the poor, 102.
[43] Katz, *Undeserving Poor,* 2.
[44] For a Britain-focused analysis of the term, see John Welshman, *Underclass: A History of the Excluded, 1880-2000* (London: Hambledon Continuum, 2006).
[45] Bob Franklin ed., *Social Policy, the Media, and Misrepresentation* (Abingdon: Routledge, 1999), 240. Franklin contends that the *Sunday Times* was part of a strong interest amongst the right-of-centre media in Britain in issues of poverty, welfare, and the "underclass."

work, reflecting the degree to which Murray's work evinced considerable interest in British policymaking circles, as well as in the media.

In his first exploration of British poverty, Murray found—perhaps unsurprisingly—that his analysis of the American underclass and the failures of antipoverty programmes was also applicable to Britain. Reporting on his visits to various parts of the country, Murray drew explicit comparisons with the US, writing that "life in Birkenhead and Easterhouse was described to me in terms that sounded almost exactly like descriptions of life in South Chicago and East Harlem, the main distinction being that the British underclass is still much less violent than the American underclass."[46] In short, he saw that poverty in Britain was concentrated in an underclass that exhibited similarly destructive behaviours to the American underclass: long-term unemployment, dependency on welfare and, in particular, having children out of wedlock. As in his analysis of American poverty, Murray saw British antipoverty programmes as having facilitated and encouraged these behaviours, thus perpetuating poverty and dependency: "my experience in Britain," wrote Murray, "tended to reinforce the conclusion that the etiology of the underclass derives more from cultural context."[47]

Returning to Britain in 1993, Murray concluded that his earlier diagnosis had been correct, and argued that the symptoms he had identified in 1989 had worsened in the intervening period. A British underclass was clearly developing, he argued, and if such trends were not reversed, a "new rabble" would emerge.[48] As before, he laid the blame for this poor underclass at the door of British antipoverty policy. Working through a hypothetical example of a young couple expecting their

[46] Charles Murray, *The Emerging British Underclass,* with commentaries by Frank Field, Joan C. Brown, Alan Walker, Nicholas Deakin (London: Institute of Economic Affairs, 1990), 78.
[47] Ibid., 78.
[48] Charles Murray, "Underclass: The Crisis Deepens," in *Charles Murray and the Underclass: the Developing Debate,* ed. Ruth Lister (London: Institute of Economic Affairs, 1996), 117.

first child—Harold and Phyllis' British cousins, perhaps—Murray claimed that they would receive higher benefits if they remained unmarried (in Murray's analysis, there was little sense that choices around marriage revolved around anything other than sober cost-benefit analyses).[49] Thus, Murray prescribed that the behaviour of the poor needed to change—and that antipoverty policy needed reform so that it demanded greater responsibility from the poor.

Britain was a testing ground for Murray to further hone his ideas, and emphasise the degree to which it was existing antipoverty policies in both countries that were at fault for poverty, through their failure to make people take responsibility for themselves. In fact, Murray drew on the experience in an article for the *Public Interest,* in which he informed American readers of an emergent British underclass generated by the failure of antipoverty programmes to demand personal responsibility among the poor.[50] He suggested that this negated the argument of the left that America's welfare state was too miserly, as British antipoverty programmes were more generous, yet an underclass was still emerging.[51]

In Britain, Murray's analysis evoked considerable attention including from the secretary of state for social security, Peter Lilley, whose 1992 speech at the Conservative Party Conference drew directly on Murray's work.[52] Lilley recited a version of the famous "little list" song from Gilbert and Sullivan's comic opera *The Mikado,* adapted with his own lyrics which spoke of "young ladies who get pregnant just to jump the housing queue, and dads who won't support the kids of ladies they

[49] Ibid., 119.
[50] Charles Murray, "The British Underclass," *Public Interest* 99 (Spring 1990).
[51] Ibid., 4.
[52] Lowe, *Welfare State in Britain,* 328.

have… kissed."[53] This "obnoxious sub-Gilbert and Sullivan doggerel," as Timmins has described it, demonstrated the degree to which the American neoconservative conception of poverty was becoming influential in Britain.[54]

In part, Murray's work also reflected an older, if marginal, tendency in British debates about poverty to express interest in the relationship between the behaviour of the poor and antipoverty programmes. In the nineteenth century, it was fears about reducing work incentives that had led to the strictures of the 1834 Poor Law, which forbade outdoor relief and instead placed the poor inside workhouses.[55] In the modern context, the 1950s had seen debates over the concept of the "problem family", whose poverty was largely seen as the result of their behaviour. In the 1970s, Thatcher's intellectual guru, Sir Keith Joseph, had reignited this debate by making a speech expressing concern about "cycles of deprivation" within certain families, where poverty and specific behaviours, such as poor parenting, were passed down from generation to generation. Following his speech, an eight-year research project was commissioned to investigate the existence of these cycles. It ultimately found that they were not widespread within Britain.[56] Therefore, Murray's work was not falling on completely infertile ground, despite the structuralist thinking that had generally pervaded British debates over poverty.

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[53] Roy Hattersley, "Mr Lilley's Appeal to the Meanest of Minds," *Guardian,* October 12, 1992, Proquest, http://search.proquest.com/docview/187316958/.
[54] Timmins, *Five Giants,* 523.
[55] For more on the Poor Law, see especially Peter Mandler, "The Making of the New Poor Law Redivivus," *Past and Present* 117, no. 1 (1987): 131-157; and Mary MacKinnon, "English Poor Law Policy and the Crusade Against Outrelief," *Journal of Economic History* 47 no. 3 (September 1987): 603-625.
[56] For more on Keith Joseph, see especially Andrew Denham and Mark Garnett, "From 'Guru' to 'Godfather': Keith Joseph, 'New' Labour and the British Conservative Tradition," *Political Quarterly* 72, no. 1 (January 2001): 97-106, and their expanded work: Andrew Denham and Mark Garnett, *Keith Joseph* (Chesham: Acumen, 2001). A discussion of Joseph's speech, and the research project, is provided in John Welshman, "Ideology, Social Science, and Public Policy: the Debate over Transmitted Deprivation," *Twentieth Century British History* 16 no. 3 (2005): 306-41.

Yet for all that Murray's work brought these ideas to Britain, they were contested for several reasons: the structuralist approach to poverty had largely dominated in Britain since WWII; Britain had a broader welfare state than America; and the racial undertones within debates over poverty in America were missing in the British context. As a result many British intellectuals were deeply uncomfortable with Murray's work. One leading sociologist described it as "misleading, perhaps wilfully so," and suggested that Murray was "blaming the victims" of structural economic change for poverty, whilst ignoring these structural factors.[57] Similarly, the social policy expert Pete Alcock argued that Murray "seemed to have moved away from the centre-stage debate about socioeconomic change and social dislocation."[58]

Murray was not the only neoconservative who was influential in American *and* British debates, however. Another American intellectual associated with this tradition was Lawrence Mead. He, like Murray, stressed the importance of responsibility but did so more around work than out-of-wedlock pregnancy. Mead had worked for the AEI, among other think-tanks, and frequently published in the *Public Interest.* He believed that the major problem with existing antipoverty programmes was that they failed to encourage work. Welfare offices were too focused on determining eligibility for AFDC than on trying to move people into work, and needed instead to attach conditions to the receipt of benefit that would prevent people from being "choosy."[59] These ideas were developed across two

[57] Alan Walker, "Blaming the Victims," in, Murray *Emerging British Underclass,* 38.
[58] Pete Alcock, "Back to the Future: Victorian Values for the 21st Century," in Lister, *Charles Murray and the Underclass,* 150.
[59] Lawrence Mead, "The Hidden Jobs Debate," *Public Interest* (Spring 1988): 51; Lawrence Mead, "The New Politics of the New Poverty," *Public Interest* (Spring 1991): 3-20.

books: *Beyond Entitlement* (1986) and *The New Politics of Poverty* (1992).[60] Writing in the former, Mead stated, "the federal programs that support the disadvantaged and unemployed have been permissive in character, not authoritative. That is, they have given benefits to their recipients to their recipients but have set few requirements for how they ought to function in return."[61] In part, Mead suggested, this related to the influence of interest groups on federal politicians. Lawyers responsible for the development of welfare programmes "have usually been interested in defining the claims of the recipients against government even more clearly, not in strengthening government's claims on them."[62]

Mead's solution was for "a more authoritative social policy," in which the responsibilities of the poor—and in particular, the responsibility to work—would be stressed. Highlighting a difference between himself and Murray, Mead suggested that it was misguided to focus on the size or scope of the welfare state. Instead, the issue was the "nature" of the antipoverty programmes that the state provided. Unless their nature made the poor take responsibility for themselves, then antipoverty programmes would continue to fail.[63] Yet as Katz has argued, Mead assumed that people moving off welfare could find work, and believed that it was undesirable for the government to provide jobs.[64] This, he suggested, would only perpetuate dependency.

Like Murray, Mead's work was also exported to Britain. Excerpts from *Beyond Entitlement* were published by the IEA in 1997, alongside a series of commentaries from British policymakers. Among them was Frank Field, the

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[60] Lawrence Mead, *Beyond Entitlement: The Social Obligations of Citizenship* (New York: Free Press, 1986); Lawrence Mead; *The New Politics of Poverty: The Nonworking Poor in America* (New York: Basic Books, 1992).
[61] Mead, *Beyond Entitlement,* 1.
[62] Ibid., 2.
[63] Ibid., 3.
[64] Katz, *Undeserving Poor,* 181-3.

Labour MP who would serve an ill-fated term as Minister for Welfare Reform in Blair's first government. Many of the commentaries accompanying Mead were critical, suggesting that his ideas lacked applicability to the British context.[65] This suggests that Mead's ideas were not entirely welcomed within British policymaking circles, but clearly demonstrates that future New Labour figures were aware of the work of Mead, and his emphasis on the need for antipoverty programmes to demand responsibility in the form of work.

By the 1980s, then, the approach of the American neoconservatives to poverty was increasingly dominant in America, as well as in Britain. This approach was not entirely homogenous, with Mead and Murray stressing the importance of responsibility in different contexts. Nonetheless, they—and figures such as Glazer—shared certain key traits. All believed that the programmes of the Great Society (and Britain's post-war welfare state) had failed, and that they had failed because they had removed responsibility from the poor. Government antipoverty programmes were too focused on rights, they suggested, rather than obligations. As Katz argues, this "represented a new social policy synthesis that rejected the Great Society's emphasis on compassion, empowerment, and entitlement."[66]

Rodgers has suggested that this approach constituted "a new world of social thought."[67] To the extent that it was increasingly dominant, and part of a broader conservative intellectual resurgence—and electoral success—this is an accurate statement. Nonetheless, it is important to understand that the neoconservative approach to poverty, as represented by figures such as Murray, had partly developed out of the other half of the intellectual debate over poverty: the structuralist approach. Since the mid-1960s "rediscovery" of poverty, this approach

[65] For Mead's contribution and commentaries, see Alan Deacon, ed., *From Welfare to Work: Lessons From America* (London: Institute of Economic Affairs, 1997).
[66] Katz, *Undeserving Poor.* 195.
[67] Rodgers, *Age of Fracture,* 40.

had emphasised the degree to which broad economic and social structures—from racial discrimination to the movement of jobs out of inner cities—contributed to poverty. Yet many of those who were a part of this school of thought wrote, sometimes deliberately and sometimes in passing, about the behaviour of the poor and depicted them as an "other" set apart from the mainstream of society. This concept of the "culture of poverty" was over time appropriated by conservatives, who divorced it from its structuralist origins and placed it at the centre of their analysis of poverty. Understanding the differences between these two schools of thought and the overlaps is vital in appreciating both the context in which the New Democrats and New Labourites developed their ideas about poverty, and the degree to which they developed a distinctive approach that moved beyond these two traditions.

The concept of the "culture of poverty" was first used by the anthropologist Oscar Lewis in his study of poverty in Mexico. He wrote that, "One can speak of the culture of the poor, for it has its own modalities and distinctive social psychological consequences for its members."[68] A core part of this culture, he suggested, was the different behaviour of the poor from mainstream society, in particular out-of-wedlock pregnancy.[69] Whilst out-of-wedlock pregnancy was less of a feature in the classic text of the rediscovery of poverty, Michael Harrington's *The Other America* (1962), Harrington similarly portrayed the poor as leading very different lives from the rest of society. They were, he wrote, "a different kind of people."[70] These early responses to poverty were sympathetic, laced with a sense of moral outrage about

[68] Oscar Lewis, *Five Families: Mexican Case Studies in the Culture of Poverty* (New York: Basic Books, 1959), 2.
[69] Ibid., 17-8. See also Oscar Lewis, *La Vida: A Puerto Rican Family in the Culture of Poverty—San Juan and New York* (London: Secker and Warburg, 1967).
[70] Michael Harrington, *The Other America: Poverty in the United States* (New York: Macmillan, 1962), 146. Harrington's work was leant added visibility through one particularly influential review of the book: see Dwight Macdonald, "Our Invisible Poor," *New Yorker,* January 19, 1963, http://www.newyorker.com/magazine/1963/01/19/our-invisible-poor.

the continued existence of relative poverty in America.[71] Moreover, they also understood poverty as something with structural determinants—in particular, the problem of racial discrimination that prevented many from entering stable employment. Whilst they did look at the behaviour of the poor, this was viewed firmly in relation to structural factors.

Similar traits were visible in the concurrent rediscovery of poverty that occurred in Britain in the 1960s. The key text of this rediscovery of poverty rested on a relative definition of the poor as people unable to lead a similar lifestyle to the rest of society, and not just in terms of income. Poverty, Brian Abel-Smith and Peter Townsend wrote, was "not simply a financial condition."[72] Whilst British scholars were interested in the degree to which the poor and their behaviour were different from mainstream society, they also saw this in relation to structural factors. Abel-Smith and Townsend, for example, wrote of the changing economic position of low-income households caused by the failure of benefit levels to keep pace with broader living standards.[73]

Structuralists in the British postwar period offered another idea about antipoverty policy that is woven throughout this study. This was their emphasis on universalism: the belief that welfare state services should be provided to all, rather than means-tested and targeted solely at the poorest. Important to this was the work of T.H. Marshall. Marshall posited a link between citizenship and what he termed "social rights," which were the final development of citizenship following the granting of civil and political rights in the eighteenth and nineteenth

[71] In their understanding of contemporary poverty as relative, rather than absolute, these works drew on John Kenneth Galbraith's argument that modern poverty was different from the struggle for subsistence that had defined poverty for most of history. See John Kenneth Galbraith, *The Affluent Society,* rev. ed. (London: Penguin, 1999).
[72] Brian Abel-Smith and Peter Townsend, *The Poor and the Poorest: Occasional Papers on Social Administration No. 17* (London: G. Bell and Sons, 1965), 63.
[73] Ibid., 62.

centuries.[74] Writing in the 1950s, his work was inherently bound up with the creation of the Beveridgean welfare state, and he argued that universal social rights were a means of controlling the inequality created by capitalism. Because social rights were bound up with citizenship, "all citizens, despite their unequal money income, enjoyed equal status and an 'equal social worth.'"[75] Therefore, universalism in welfare provision was key. In this, Marshall was supported by Richard Titmuss, who believed in the importance of altruism, and criticised means-testing in favour of the universal provision of welfare services.[76] This tension between means-testing and universalism was an important debate within British structuralist thought, that continued to echo through the decades.

The privileging of structural explanations of poverty over behaviour in these early analyses remained in place during the 1960s, although the lines between them became more blurred in the most controversial of all "culture of poverty" analyses. In a leaked internal report, Daniel Patrick Moynihan, then an official in the US Department of Labor, argued that poverty was rising in part due to increased family breakdown amongst African American families. Single-parent families were more likely to live in poverty, as they did not have a male breadwinner, making them reliant on benefits. This was, in his infamous phrase, a "tangle of pathology".[77] Controversy followed the report from the beginning, and many historians have subsequently debated the extent to which conservatives such as Murray appropriated Moynihan's work.[78] Walter Trattner wrote that works such

[74] T.H. Marshall, *Citizenship and Social Class and Other Essays* (Cambridge: Cambridge University Press, 1950), 46-8.
[75] Lowe, *Welfare State in Britain,* 26.
[76] Ibid., 27.
[77] Daniel P. Moynihan, *The Negro Family: the Case for National Action* (Washington, DC: US Department of Labor, 1965), https://web.stanford.edu/~mrosenfe/Moynihan's%20The%20Negro%20Family.pdf.
[78] A detailed account of the immediate controversy surrounding the Moynihan Report can be found in Lee Rainwater and William L. Yancey, *The Moynihan Report and the Politics of Controversy* (Cambridge, MA: MIT Press, 1967). More recent discussions of the report can be found in James T.

as Moynihan's "aided others with a more conservative agenda… those stranded in this so-called culture of poverty were portrayed as different and inferior and quickly became the undeserving poor."[79] This is because Moynihan seemed so focused on the behaviour of the poor, especially around marriage, that he used many of the tropes that later conservative intellectuals would deploy.

Such was the controversy that surrounded Moynihan that many liberals moved away from the culture of poverty as an idea. According to Katz, this allowed the neoconservatives even greater latitude to appropriate the idea, and redirect it towards their criticisms of the Great Society.[80] In this period, during the late 1960s and 1970s, the structuralist vein of thought became increasingly fragmented, representing two strands within it. On the one hand, there were those who believed that antipoverty programmes needed to promote opportunity. As Gareth Davies has demonstrated, this notion of opportunity underpinned the 1964 Economic Opportunity Act (as apparent in its title). Reflecting his New Deal background, President Lyndon B. Johnson and his administration focused on a service-based strategy for reducing poverty, rather than redistributing income. Crucially, they related this to technological change, which they believed was changing the labour market. Therefore, in Davies's words, "simply providing the victims of structural unemployment with income support would not enhance their capacity to meet the changing requirements of the labour market. If, however, the long-term unemployed could be equipped with the relevant skills and motivation, then a

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Patterson, *Freedom is Not Enough: The Moynihan Report and America's Struggle over Black Family Life from LBJ to Obama* (New York: Basic Books, 2010) and Daniel Geary, *Beyond Civil Rights: the Moynihan Report and its Legacy* (Philadelphia, PA: University of Pennsylvania Press, 2015). Also useful is Godfrey Hodgson, *The Gentleman from New York: Daniel Patrick Moynihan—A Biography* (New York: Houghton Mifflin, 2000).

[79] Walter Trattner, *From Poor Law to Welfare State*, 6th ed. (New York: The Free Press, 2007), 329.

[80] Katz, *Undeserving Poor,* 56.

dynamic economy could offer them opportunities for self-advancement."[81] As will be seen in the second half of this chapter, such words might well have been uttered by Bill Clinton. Yet this opportunity-based approach increasingly contrasted with an entitlement approach that "would dominate intellectual and political discourse by the end of the decade."[82] This approach emphasised the need for redistribution, and cash benefits. Its apotheosis was the Family Assistance Plan (FAP) proposed by President Richard Nixon, which sought to offer a guaranteed income, in the hope that this would reduce poverty without affecting work incentives. As Davies has shown, several structuralist intellectuals, such as Michael Harrington, as well as a British economist, Robert Theobold, were involved in these efforts.[83] This strand of structuralist thought, Davies suggests, placed the responsibility for relieving poverty firmly on the shoulders of the government, and instead emphasised the rights of the poor. Like the neoconservatives, then, the structuralists were not a homogenous school of thought.

As Katz wrote, it was only in the 1980s that structuralists attempted to revive their earlier work on poverty, behaviour, and structural economic change. Moving away from the language of the culture of poverty, they employed instead the term "underclass," but did so in a very different way to neoconservatives. Key to this was the work of William Julius Wilson, who would later be a dinner guest at Clinton's White House.[84] In his influential work *The Truly Disadvantaged* (1987), Wilson used the term "underclass", and wrote about the behaviour of the poor, especially with regards to marriage. Yet he explicitly linked these issues back to a theme of broader structural and economic change in the US. Wilson argued that jobs were being lost in urban areas, making it harder for men to find secure employment. Therefore,

[81] Davies, "War on Dependency," 214.
[82] Ibid., 210.
[83] Ibid., 227-9.
[84] Elizabeth Drew, *On the Edge: The Clinton Presidency* (New York: Touchstone, 1994), 351.

these men were less attractive marital prospects for women, who may prefer to have children and raise them alone.[85] In this analysis, it was economic and social change associated with the loss of jobs from inner cities that impacted on the behaviour of the poor. This was further spelled out by Wilson in a later work, in which he emphasised the problem of poor labour force attachment in urban areas.[86] Ameliorating poverty would, in Wilson's approach, require a primary focus on training and education to counteract these economic trends. Despite using the term underclass, and discussing out-of-wedlock births, especially among African Americans, Wilson nonetheless represented a structuralist approach to poverty that was distinct from the neoconservatives. In all of this, Wilson's work bore similarity to that of the psychologist Kenneth B. Clark, who also highlighted a link between unemployment and marriage.[87] As Daniel Matlin has recently argued, the work of figures such as Clark and Moynihan took a "pathologist social science" approach that was interested in the behaviour of the poor but insisted on the primacy of structural economic change as a driver of poverty. Consequently, they viewed behaviour through this lens.[88] For all that their work may have seemed, at first glance, similar to that of Murray and his fellow neoconservatives, there remained these fundamental differences.

Therefore, by the time that future New Democrat and New Labour officials came to formulate their ideas about poverty in the 1980s there were two intellectual approaches to poverty that had some superficial similarities, but were nonetheless fundamentally distinct. One privileged structural economic change as a cause of

[85] William J. Wilson, *The Truly Disadvantaged: the Inner City, the Underclass, and Public Policy,* 2nd ed. (Chicago, IL: University of Chicago Press, 2012).
[86] William J. Wilson, "Another Look at the Truly Disadvantaged," *Political Science Quarterly* 106, no. 4 (Winter 1991): 650.
[87] Kenneth B. Clark, *Dark Ghetto: Dilemmas of Social Power* (New York: Gollanz, 1965).
[88] Daniel Matlin, *On the Corner: African American Intellectuals and the Urban Crisis* (Cambridge MA: Harvard University Press, 2013).

poverty over the behaviour of the poor; the other saw behaviour as the key determinant of poverty, encouraged and facilitated by existing antipoverty programmes. This latter approach was dominant in America, and increasingly in Britain. The common understanding of poverty that the New Democrats and New Labour would formulate was distinct from both these traditions, taking elements from both of them and, crucially, rooting them in an analysis of a globalising, deindustrialising world, and technologically advancing world which neither existing approach was suitable for.

This chapter now turns its attention to the development of this common, distinctive approach during the 1980s and early 1990s.

The emerging New Democrat approach

Before becoming president, Bill Clinton served four terms as governor of Arkansas. In that time, he was engaged with experimental approaches to antipoverty programmes in the state, and also helped to shape policy at the federal level, through his instrumental role in the 1988 Family Support Act. In examining Clinton's involvement with these activities, and the ideas underlying it, it is possible to identify an emerging understanding of poverty, and antipoverty policy, that would be carried through into his presidency, albeit with mixed results.

Reflecting in his memoirs, Clinton noted that his initial interest in poverty and antipoverty policy had been sparked by Arkansas' experiments with its Food Stamps programme, as authorised by the Carter administration.[89] Recipients were required to register for work in exchange for their benefits, giving Clinton a particular interest in work-focused reform efforts. In 1983, Clinton used a federal

[89] William J. Clinton, *My Life* (London: Hutchinson, 2004), 354.

law permitting state-level welfare experiments to create the Project Success programme. This placed AFDC recipients in a two-week scheme that helped them take steps towards work, such as writing a resume. Evaluations suggested that the programme had only a small positive effect, but it continued throughout the 1980s.[90] As governor, Clinton was already developing a belief that antipoverty programmes should provide greater support to help move recipients into work. This was several years before similar ideas would be espoused by the DLC which was founded in 1985.

This emergent belief was shaped by the economic changes that Clinton saw Arkansas undergo during his governorship. The state's economy relied largely on agriculture and manufacturing, and as a result, many of its workers had low skill levels. Over 40 percent of Arkansans had never graduated from high school, and its per capita income was one of the lowest in the country.[91] Throughout the 1980s, globalisation and technological change began to cause problems within the state's economy. As David Osborne—a future member of the Clinton administration—described it, "Arkansas… was caught within a preponderance of industries that were losing out to foreign competition and a shortage of technology-based industries with potential for significant growth in world markets."[92] In the new economy of the period, workers lost their jobs, and, lacking in skills, struggled to find new work. Clinton recounts seeing factories close across the state, where people's livelihoods "were being swept away by forces beyond their control."[93]

This had a profound influence on Clinton's thinking about poverty, and how antipoverty programmes should operate. It led him to believe that major

[90] Jason DeParle, "Arkansas Pushes Plan to Break Welfare Cycle," *New York Times,* March 14, 1992, ProQuest, http://search.proquest.com/docview/108969278/.
[91] David Osborne, *Laboratories of Democracy* (Boston: Harvard Business School Press, 1988), 85.
[92] Ibid., 102.
[93] Clinton, *My Life,* 420.

economic forces of globalisation, deindustrialisation, and technological change were having an impact on poverty that existing programmes were not equipped to deal with. Clinton made this explicit in a 1986 speech. In it he argued all policy needed to be made within a framework which acknowledged that "change may be the only constant in today's American economy," and that "human capital is probably more important than physical capital now."[94] In his analysis this meant that antipoverty programmes needed to properly equip recipients for the changing economy if they were to be able to move into work. Clinton had attempted to do this through his 1983 creation of a state Dislocated Worker Task Force, which brought together representatives of unions, state agencies, and the private sector to provide support to those losing their jobs.[95] By 1992, Clinton was described as a national "leader" in welfare experiments.[96] In his belief that the changing economy necessitated a focus on creating opportunity by offering skills and training, he echoed the ideas of the opportunity-focused structuralists of the mid-1960s.

These emerging sentiments were also in evidence in Clinton's interest in the work of David T. Ellwood, who was beginning to influence Clinton's thinking in this period. Ellwood, a Harvard academic, had conducted a significant amount of research on poverty, and with future Clinton Administration colleagues Lawrence Summers and Mary Jo Bane, had criticised Charles Murray's idea that the structure of AFDC caused out-of-wedlock births. At the same time, Ellwood believed that AFDC could be designed to do more to give people the opportunity to be self-sufficient.[97] His book *Poor Support* (1988) argued that those on AFDC should have responsibilities, in the form of "reasonable expectations" about work, but that these

[94] Quoted in Ibid., 428-9.
[95] Osborne, *Laboratories of Democracy,* 104.
[96] Jason DeParle, "Arkansas Pushes Plan to Break Welfare Cycle," *New York Times*.
[97] David T. Ellwood and Lawrence H. Summers, "Is Welfare Really the Problem?" *Public Interest,* Spring 1986: 60.

should be accompanied by practical support that ensured that work actually paid.[98] To this end, Ellwood proposed a plan with three core parts: support through tax to ensure that jobs were worth more than welfare; transitional assistance for those in temporary need of benefits due to circumstances; and government jobs as a last resort for those unable to leave welfare quickly.[99] These proposals reflected a balance of opportunity and responsibility. The government would be responsible for creating opportunity, whilst those on AFDC would be responsible for taking their opportunities. Ellwood's work was to be particularly influential on Clinton's antipoverty policy as president, although with mixed results.

Even more important in illustrating the New Democrats' emerging approach to antipoverty policy was the 1988 Family Support Act. This represented a major change of the welfare system that had existed since 1935, in particular through Title II of the Act, which established the Job Opportunities and Basic Skills Training Program (JOBS). All states were mandated to establish a JOBS programme providing education, training, or employment to certain AFDC recipients.[100] This replaced the Work Incentive Program (WIN), introduced in 1967, which had required some AFDC recipients to register for work and training. Alongside the requirements of recipients in the JOBS program went support for them. States were required to provide transitional Medicaid and childcare support for those moving into work, in order to ensure that incentives were maintained and no "poverty trap" was created. As Patterson has argued, states did not develop their JOBS programmes quickly, and economic recession meant that many struggled to adequately finance their programmes. Ultimately, JOBS was not particularly

[98] David T. Ellwood, *Poor Support: Poverty in the American Family* (New York: Basic Books, 1988), 11.
[99] Ibid., 12.
[100] Those exempt from the programmes included anyone with primary care responsibility for a child under the age of three (which states could alter to below one year); anyone providing care for a child under six if no childcare could be provided; or anyone ill or incapacitated. See *Family Support Act,* Public Law 100-485, 102 Stat. 2243, October 13, 1988.

effective in achieving its stated aim of ensuring that, "needy families with children obtain the education, training, and employment that will help them avoid long-term welfare dependence."[101] Whilst historians have suggested that these practical constraints meant the Act was not as significant as claimed, it was nonetheless crucial in developing Clinton's thinking on the subject.[102] Studying Clinton's role in passage of the Act allows an appreciation of his emerging, distinctive approach to poverty and of the factors that would complicate his translation of this vision into policy.

Clinton's involvement in the passage of the Act was considerable, and involved public advocacy, testimony before Congress and, in a rare occurrence, the opportunity to sit in on the mark-up of the final version of the bill.[103] As chairman of the National Governors' Association (NGA) in 1986-7, and as co-chairman of the Governors' Task Force on Welfare Reform, Clinton helped the governors to coalesce around a proposal for welfare reform, which later became the FSA. This hinged on the governors' ability to develop a bipartisan proposal; and Clinton's co-chair on the Task Force was the Republican governor of Delaware, Mike Castle. In part, the ability of the governors to do this reflected their greater influence at the national level. This was the result of Reagan's failed effort to devolve welfare to the states, as part of his New Federalism proposals. This made the NGA, in the words of the *New York Times,* "a club" interested in "state government as a laboratory for the development of solutions to economic and social problems."[104] The Act also rested on the Reagan administration's willingness to compromise with these governors. Whilst the administration and the NGA disagreed over the details of the

[101] Ibid. Patterson, *America's Struggle,* 224.
[102] See, for example, Edward D. Berkowitz, *America's Welfare State from Roosevelt to Reagan* (Baltimore: Johns Hopkins University Press, 1991), 145-7; Trattner, *Poor Law to Welfare State,* 376-7.
[103] Clinton, *My Life,* 453.
[104] William Stevens, "Governors are Emerging as a New Political Elite," *New York Times,* March 22, 1988, ProQuest, http://search.proquest.com/docview/110392097/.

programme, Clinton himself expressed surprise at the degree to which Reagan agreed with its key tenets.[105] Davies argues this was suggestive of "a new willingness by liberals to contemplate work requirements, and by conservatives to spend additional federal money on antidependency measures."[106]

Clinton's own experience as a governor had convinced him of the need for changes in antipoverty programmes. As he later wrote,

> I had spent enough time talking to welfare recipients and caseworkers in Arkansas to know that the vast majority of them wanted to work and support their families. But they faced formidable barriers, beyond the obvious ones of low skills, lack of work experience, and inability to pay for child care … if they took a low-wage job, they would lose Food Stamps and medical coverage under Medicaid.[107]

Clinton outlined the same ideas in testimony before the House Ways and Means Committee two years after the Act's passage. Major structural changes were underfoot in the world, he argued, that a system designed in the 1930s was simply not equipped for: "one important reason the welfare system needed drastic reform was because the system in this country was developed decades ago for a society which no longer exists."[108] The changes that Clinton identified included globalisation and deindustrialisation, and he stressed these throughout the development and passage of the FSA. He argued that greater poverty was linked to "a world economy which we no longer dominate and for which we are still largely unprepared."[109] At the NGA's 1987 annual meeting, he stressed that beating poverty required an understanding that "in the final analysis, the best jobs, the largest markets and the greatest profits will flow to the workers and firms that understand

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[105] Spencer Rich, "Reagan Backs Idea Of Welfare Work Plan: President Declines to Endorse U.S. Funding," *Washington* Post, February 24, 1987, ProQuest, *http*://search.proquest.com/docview/139236675/.
[106] Davies, "Welfare State," 222.
[107] Clinton, *My Life,* 431-2.
[108] "Hearings on the Family Support Act," 541.
[109] John Herbers, "Governors Preparing to Challenge President Over Welfare Revision," *New York Times,* August 27, 1986, ProQuest, http://search.proquest.com/docview/111059486/.

the world around them. In most cases, we do not."[110] To Clinton, major economic change had to be taken into account in formulating a new antipoverty policy. Globalisation risked the movement of jobs overseas, making people's livelihoods more precarious, and also underlining the importance of having a productive, skilled labour force. This, he believed, ought to include women, something that AFDC had originally been designed to avoid. In this sense, Clinton's thinking drew on a similar analysis to emerging feminist scholarship on the history of American antipoverty programmes, which were, in this period, outlining the assumptions about traditional gender roles embedded in AFDC.[111] This issue is returned to in Chapter Three.

In all of this, Clinton was calling on antipoverty programmes to offer greater opportunities for the poor. As his remarks above indicated, Clinton felt that people on welfare would prefer to work and that antipoverty efforts could do more to facilitate this. In an anecdote that he would frequently deploy as president, he told the story of Lillie Hardin, an AFDC recipient from Arkansas who had left the programme, and who told the governors at a meeting of her pride in the fact that her son could tell other people that his mother worked.[112] The government could do more to help people move into work and achieve this sense of pride, Clinton argued. JOBS, stressed Clinton, "says to everybody, 'we don't want to maintain you. We don't think you have a right to anything other than assistance in return for your best efforts and we believe in you enough to believe that you can become

[110] William Stevens, "Governors Assert Key to Prosperity is a Global View," *New York Times,* July 26, 1987, ProQuest, http://search.proquest.com/docview/110692136/.
[111] See in particular Mimi Abramovitz, *Regulating the Lives of Women: Social Welfare Policy from Colonial Times to the Present* (Boston: South End Press, 1988); Linda Gordon, ed., *Women, the State, and Welfare* (Madison: University of Wisconsin Press, 1990); Gwendolyn Mink, *The Wages of Motherhood: Inequality in the Welfare State, 1917-1942* (Ithaca, NY: Cornell University Press 1995); and Linda Gordon, *Pitied But Not Entitled: Single Mothers and the History of Welfare* (Cambridge MA: Harvard University Press, 1994).
[112] Clinton, *My Life,* 433.

independent.'"[113] It was for these reasons that Clinton stressed the need for JOBS to provide practical supports for those moving into work, so that they were being given opportunities and the assistance needed to take them. "If we believe in economic independence and self-sufficiency, we must allocate some of our resources to invest in the critical building block—our people," Clinton told Congress.[114]

The theme of opportunity was even clearer in a series of three speeches that Clinton made at his *alma mater,* Georgetown University, in 1991. By this time, Clinton was a presidential candidate, and was more involved with the DLC. Yet the themes he espoused bore considerable resemblance to his advocacy of the Family Support Act, and to the ideas he had outlined in Arkansas throughout his governorship. Discussing antipoverty policies, Clinton emphasised the need for support to be provided to help move people into work, in the form of education, childcare, and healthcare, so that poverty traps could be avoided. Additionally, he stressed the importance of expanding the EITC. This was vital to giving people real opportunity, argued Clinton, because "people who work shouldn't be poor."[115] Therefore, antipoverty programmes needed to ensure that work was actually beneficial, and that support required to undertake it was available. This was also couched in the rhetoric of empowerment: in his Georgetown speeches, he stated that "we need special efforts to empower the poor to work their way out of poverty."[116] Continuing, Clinton stressed that dependency on welfare could only be ended if people were empowered and given real opportunity. This meant that antipoverty programmes needed to emphasise "investing in the development of

[113] "Hearings on the Family Support Act," 542.
[114] Ibid., 542; see also Clinton, *My Life,* 431-2.
[115] Clinton, "New Covenant: Responsibility and Rebuilding the American Community," October 23, 1991.
[116] William J. Clinton, "A New Covenant for Economic Change," November 20, 1991, transcript, Washington, DC, http://textfiles.com/politics/economy.txt.

poor people and giving them the means, the incentives, and the requirement to go to work."[117] In discussing the EITC, Clinton was giving more detailed policy prescriptions than he had before, reflecting a more refined conception of the need for antipoverty programmes to offer real opportunity. By this time Clinton was also drawing on DLC ideas, as detailed by its in-house think-tank, the Progressive Policy Institute (PPI), but this theme of opportunity predated his DLC involvement.

If the role of antipoverty programmes in a globalising world was to provide opportunity, then, in Clinton's thinking, they also needed to demand responsibility from recipients. This had been clear in his advocacy for the Family Support Act, where he had referred to the "best efforts" of recipients.[118] Clinton frequently used the term "responsibility", and also emphasized the need to be a "productive citizen."[119] Responsibility meant taking up work; he pressed for recipients to have to take up contracts with the government outlining their rights and responsibilities, which would include working towards leaving welfare.[120] In his Georgetown speeches, this theme was also clearly apparent. "I can tell you, based on my long experience in public life, there will never be a government program for every problem. Much of what holds us together and moves us ahead is the daily assumption of personal responsibility by millions of Americans from all walks of life," he told the audience.[121] Clinton stressed that this emphasis on responsibility needed to be a part of antipoverty programmes, stating that "welfare should be a second chance, not a way of life."[122] Once again offering more detail on how this would be translated into policy, the Arkansan suggested that under a Clinton presidency benefits would be time-limited, so that after two years, recipients would

[117] Ibid.
[118] "Hearings on the Family Support Act," 542.
[119] Ibid., 542.
[120] Clinton, *My Life,* 421.
[121] Clinton, "A New Covenant for Economic Change," November 20, 1991.
[122] Ibid.

have to move into work."[123] Re-orienting the system in this way, argued Clinton, would help to give the poor dignity: "when people assume responsibility… they acquire a dignity they never knew before."[124]

Additionally, both the FSA and Clinton's Georgetown speeches spoke of another form of responsibility, which he related to poverty: personal responsibility. In advocating the FSA, Clinton spoke of "troubling changes in the fabric of American society", amongst which he included children born outside of marriage, and teenage pregnancy.[125] To this end, he established NGA committees to focus on teenage pregnancy, and family unity, urging the need for recipients to take greater responsibility for their relationships and their children. In his Georgetown speeches, Clinton stressed that antipoverty policy needed to be "pro-family", suggesting that single parenthood was a contributing factor to poverty.[126] Familial breakdown was, in the same speech, cited alongside job losses by Clinton as part of a broader sense that the American Dream "is dying here at home."[127]Speaking directly to "the young men and women who live in American's most troubled urban neighborhoods," Clinton stressed that they would be required to "play by the rules"; amongst which included "stop having children if [you're] not prepared to support them. Governments don't raise children, people do."[128] For all of this emphasis on responsibility, though, it was also clear from his remarks that antipoverty programmes should stress and encourage responsibility as a corollary to opportunity: both themes needed to be present in policy for poverty to be reduced. Balancing the two was the very essence of his proposed New Covenant.

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[123] Ibid.
[124] Ibid.
[125] John Herbers, "Governors Preparing to Challenge President Over Welfare Revision." *New York Times.*
[126] Clinton, "The New Covenant: Responsibility and Rebuilding the American Community." October 23, 1991.
[127] Ibid.
[128] Ibid.

It is, of course, possible to construe all of this as political in nature. Long before Clinton formally announced his candidacy for president in 1991, there had been considerable speculation in the Arkansas and national media that he would run for president. Whilst assisting in the development of the Family Support Act, Clinton had ended speculation about the 1988 race by declaring, in July 1987, that he would not be a candidate.[129] By all accounts, this was a decision made only at the last minute, and so it is conceivable that prior to this, Clinton's actions had been taken with one eye on 1600 Pennsylvania Avenue.[130] Equally, after this point Clinton was, obviously, contemplating a 1992 candidacy. Thus his rhetoric around the Family Support Act was not devoid of political calculations. Moreover, it was during the mid-1980s that Clinton became involved with the nascent DLC, although he did not serve as its chairman until 1990-1.

However, as has been demonstrated here, Clinton was articulating his emergent approach to poverty from the early 1980s, and the key themes contained within it remained largely consistent over the period, albeit with greater detail following his DLC involvement. Clinton saw the need for antipoverty programmes to be reformed, so that they would inculcate responsibility amongst recipients; but in so doing also offer them the opportunity to move into work supported by practical assistance in the form of training, childcare, and healthcare. Within all of this, there was a belief that work—as long as it paid enough to lift people out of poverty—was crucial as it empowered people and gave them dignity. Underpinning these beliefs was an analysis of the contemporary economy that saw globalisation, deindustrialisation, and technological change as major drivers of unemployment and poverty, that existing antipoverty programmes were not

[129] David Broder, "Governors Focus on Economics," *Washington Post*, July 26, 1987, ProQuest, http://search.proquest.com/docview/139174505/.
[130] Clinton, *My Life,* 436-9.

equipped to deal with. His campaign commitment to "put an end to welfare as we know it" may be fairly criticised for encouraging legislation focused only on the former part of the phrase; but the latter was, to Clinton, equally important: the welfare system as it had existed since 1935 needed to change to suit the realities of the contemporary world.[131] As Clinton recalled, "by the end of 1986, I had formed some basic convictions about the nature of the modern world."[132] It was these convictions that led him towards the DLC, because he felt that they were the organisation which best suited the ideas he had developed.[133]

This emergent approach to poverty consciously sought to move beyond the structuralist-neoconservative debate, which Clinton saw as no longer applicable to the modern world. As he told Congress of the Family Support Act,

> welfare reform has the conservative notion that nobody ought to draw a check for the government who can earn one for himself or herself … it also embodies the liberal idea that we will help people who take low wage jobs with no fringe benefits with transitional costs for child care and Medicaid coverage for their children.[134]

By stressing opportunity, Clinton gave voice to the old structuralist belief in the government's ability to combat poverty, and its duty to do so. By advocating greater responsibility amongst welfare recipients, both in terms of moving into work, and in terms of personal relationships, he articulated many of the concerns and criticisms that neoconservatives had levelled at antipoverty programmes. And in rooting this analysis in a conception of major structural change, and emphasising the role of government in creating opportunity, he expressed elements of structuralist ideas. Nonetheless, the Family Support Act in particular received considerable criticism, from both left and right, who each argued that it did not do

[131] Clinton, "The New Covenant: Responsibility and Rebuilding the American Community," October 23, 1991.
[132] Clinton, *My Life,* 427-8.
[133] Ibid., 444.
[134] "Hearings on the Family Support Act," 540.

enough to address the factors that they saw as the key determinants of poverty.[135] This demonstrated early on the degree to which attempting a new approach to poverty could be politically difficult. Moreover, many of the themes involved in shaping Clinton's emerging approach to poverty—the influence of the states, the struggles to fund the FSA, and the bipartisanship that the FSA rested on—foreshadowed the fact that implementing his distinctive ideas as president could be a more complicated story.

The emergent New Labour approach

As Clinton was developing his distinctive approach to poverty in America, so too were many of those who would come to be part of the Blair government. The themes and ideas that they developed in this period bore strong similarity to those that Clinton articulated. Like Clinton, they sought to move beyond the two existing approaches to poverty—structuralist and neoconservative—the latter of which was becoming increasingly influential in British debates. Like Clinton, they conceived of an antipoverty policy that would demand responsibility from people in terms of work and family life; but that would also provide real opportunity to move into work, and the support necessary to do this. And also like Clinton, they rooted this in an analysis of a changing world, in which globalisation, deindustrialisation, and technological change necessitated a new approach to antipoverty policy.

There are several key sources through which this emerging New Labour approach to poverty can be glimpsed. Perhaps the most important was the Commission on Social Justice. The Commission was launched by then-leader John Smith in 1992, and some have suggested that the impact of the Commission was

[135] Patterson, *America's Struggle,* 224-5; Trattner, P*oor Law to Welfare State,* 377.

reduced because of Smith's death, and the fact that Blair therefore inherited the Commission.[136] However, many of those involved with the Commission would go on to occupy key roles in the Blair administration (despite the fact that the Commission was formally independent from Labour), meaning that it remains an important indicator of emerging New Labour thinking. The Commission was based in the Institute for Public Policy Research (IPPR) a think-tank founded by future Cabinet minister Patricia Hewitt. David Miliband, working for IPPR at the time and future head of Blair's Policy Unit within Downing Street, served as the secretary to the Commission. Hewitt and Miliband were viewed as the two main drivers of the Commission's work and also helped with the drafting of the report.[137] Amongst those who submitted evidence to the Commission were numerous future ministers under Blair: David Blunkett, Yvette Cooper, Frank Field, and Ed Balls. Tony Blair, along with Gordon Brown and John Prescott, also gave oral evidence.[138]

The Commission did have a political function: "it was to help exorcise some of the ghosts of Labour's 1992 electoral loss and to convey to the electorate a broader message that the party was changing."[139] Nonetheless, it was equally a serious intellectual and policy inquiry that published two interim reports and thirteen issues papers before its final report in October 1994. Woven throughout the Report and the issues papers that preceded it, were some of the key themes that would underpin New Labour's antipoverty policy in government. In particular, the Report rested on a sense that major structural changes were at work, undermining

[136] Connell, *Welfare Policy Under New Labour,* 37.
[137] Ibid., 7.
[138] A complete list of all those who gave evidence to the Commission can be found at the end of its final report. Commission on Social Justice, *Social Justice: Strategies for National Renewal: the Report of the Commission on Social Justice* (London: Vintage, 1994).
[139] Ibid., 5. Catherine Haddon, *Making Policy in Opposition: the Commission on Social Justice* (London: Institute for Government, 2012) also suggests, based on the accounts of those involved with the Commission, that it was designed to try and "bury" the disastrous Labour shadow Budget of 1992 which is often viewed as part of the reason for their shock electoral defeat, 6.

the assumptions upon which existing antipoverty efforts were premised. As the report stated,

> Over the last forty years the United Kingdom has moved from full employment (for men) to high and lasting levels of unemployment; from a labour market dominated by manufacturing industry and blue-collar jobs to one dominated by services and white-collar jobs; from a workforce that was two-thirds men to one that is nearly half women.[140]

These changes were regarded as affecting the developed world more broadly, and as, therefore, immutable: "we have no option but to engage with the three great revolutions—economic, social, and political—which are changing our lives, and those of people in every other industrialised country."[141] In this new economy employment was less stable than before as jobs were moved abroad to lower-wage economies. Moreover, the labour market was changing in nature too: from manufacturing to services; from male-dominated to increasingly female, and from demanding a relatively low level of skill for well-paid jobs to a higher level of skills for the same level of income.[142] These changes, contended the report, were creating a new kind of poverty based on insecure unemployment that didn't always offer high enough wages, and that condemned the unskilled to lower-paid, less secure work. Existing antipoverty strategy, with its assumptions of full employment and male breadwinners, was increasingly untenable. "Since old ideas do not work," the Commission wrote, "it is a good time to develop new ones."[143]

In doing this, the Report also used a phrase that would infuse New Labour's policy in government. It described economic and social "exclusion" as a major problem in Britain, especially among those hit by the decline in manufacturing jobs. The report referred to people being unable to participate in economic life, as

[140] Commission on Social Justice, *Social Justice: Strategies for National Renewal*, 33.
[141] Ibid., 64.
[142] Ibid., 33.
[143] Ibid., 85.

well as more mainstream life. People were excluded "from work, transport, politics, education, housing, leisure facilities..."[144] "Social exclusion" was, therefore, partly synonymous with "poverty," but also an expanded definition of it, going beyond income and entering the realm of social factors. The term originated from the French *les exclus,* but it has been pointed out that the term seemed similar to the old culture of poverty idea.[145] Others have argued that the New Democrats, whilst not employing the term, implicitly engaged with it, and that it was part of a distinctively Anglo-American vocabulary on poverty.[146] Thus whilst New Labour would often speak of "poverty" and "social exclusion," during their time in office, as will be seen, their language still broadly corresponded to that used in America.

The Report outlined three possible solutions for future antipoverty policy. One, the approach of the "deregulators", broadly mapped onto the neoconservative approach, with an added aspect of neoliberalism, based on reducing the role for government in combating poverty. The "levellers," by contrast, corresponded to the traditional structuralist approach, calling for benefit levels to be maintained, and seeing cash benefits as the key to reducing poverty. Finally, the approach that the Report advocated—that of the "investors"— was one which sought to move beyond these existing responses to poverty. This approach was premised on a belief that "we can combine the ethics of community with the dynamics of a market economy," and it sought to adapt policy to major economic and social change.[147] Within this approach themes of opportunity and responsibility were already clear. The value of work as an avenue for leaving poverty was stressed: "employment is

[144] Ibid., 81.
[145] Robert E. Goodin, "Inclusion and Exclusion," *European Journal of Sociology* 37, no. 2 (November 1996): 345.
[146] Hilary Silver, "Social Exclusion and Social Solidarity: Three Paradigms," *International Labour Review* 133, no. 5-6 (1994): 531-78.
[147] Commission on Social Justice, *Social Justice: Strategies for National Renewal*, 94-5.

inseparable from individual opportunity," stated the Report.[148] However, it was also understood that antipoverty policy needed to provide the opportunity to move into work by offering practical support. This support, they suggested, would need to entail education and training as well as social services. It may also mean other activity to ensure that work did actually offer enough income to lift people out of poverty, including the introduction of a minimum wage.[149] This was couched in the language of empowerment, in which welfare recipients were portrayed as wanting to work, but not receiving the practical support to enable them to do so. In particular, the Report highlighted how the current structure of benefits created poverty traps, disincentivising movement into work.[150] This, they argued, needed to change if antipoverty policy was to offer real opportunity. It ought to be a "springboard" for the poor to leave poverty.[151]

At the same time, the Report also emphasised the importance of responsibility with regards to both work and family life. It talked of the need to "promote responsibility", and stressed the idea that antipoverty policy should enable people to have "personal independence", through which they became responsible for their own lives.[152] This meant that people who could work ought to do so. This extended to both men and women. Whilst the welfare state, as envisaged by Beveridge, had rested on an assumption of a gendered division of labour, the Report argued that this was no longer tenable, given that female employment had become more common. Thus, women ought to be expected to work (with the important caveat that they should be given support to do so). This was presented both as encouraging women—and in particular single mothers—to

[148] Ibid., 151.
[149] Ibid., 201-5.
[150] Ibid., 227-38.
[151] Ibid., 20.
[152] Ibid., 104.

take greater responsibility, and as providing them with greater opportunities.[153] In this way, the Report reflected an understanding of the gendered origins of the British welfare state that feminist scholars were outlining in the same period.[154]

In addition to greater responsibility through work, the Report also called for antipoverty policy to encourage greater family responsibility. "We need to develop a far stronger acceptance of the importance of parenthood and the responsibilities which go with it," stated the Report, although it stressed that this ought not to be read as a condemnation of single parenthood.[155] It was not family structure that was the issue but the functioning of families.[156]

The Report, then, outlined the key themes that would underpin New Labour's approach to poverty. It stressed the need for antipoverty policy to offer opportunity whilst promoting responsibility. All of this was grounded in an analysis of globalisation, deindustrialisation, and technological change that was challenging the fundamental assumptions of existing antipoverty policy. Andrew Connell has argued that,

> Two years' work by the Commission, a body nominally independent of the party, contributed more to the social security policies which Labour would carry into government after 1997 than anything and everything which the Party had done or said on the subject in the 13 years between 1979 and 1992.[157]

These themes were underscored by one of the issues papers published by the Commission, written by Paul Gregg and Ed Balls, then a journalist with the *Financial Times.* Balls's work was especially significant because he had studied at Harvard and published work there in conjunction with Lawrence Summers and

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[153] Ibid., 239.
[154] See, for example, Jane Lewis, "Gender, the Family and Women's Agency in the Building of 'Welfare States': the British Case," *Social History* 19, no. 1 (January 1994): 37-55; Seth Koven and Sonya Michel, eds., *Mothers of a New World: Maternalist Politics and the Origins of Welfare States* (New York: Routledge, 1993).
[155] Commission on Social Justice, *Social Justice: Strategies for National Renewal,* 320.
[156] Ibid., 312.
[157] Connell, *Welfare Policy under New Labour,* 36.

Lawrence Katz, who would go on to serve in the Clinton administration. Balls's work drew on this, demonstrating a strong connection between emerging New Democrat and New Labour approaches to poverty. Balls's future role as Chief Economic Advisor to the Treasury rendered his work an even more important guide towards New Labour's emerging thought. However, it has attracted only limited attention from historians.[158]

Balls's work contended that there was a distinctively "Anglo-Saxon jobs market," which had increasingly contained high rates of male non-employment. The conservative "errors" of the 1980s were partly responsible for this, contended Balls, but the main reason was much broader, in "the one economic change which no developed country has avoided in the 1980s: the collapse in the demand for unskilled male labour in manufacturing industries."[159] In this analysis, he built on work that he had conducted alongside Summers and Katz. In a 1991 paper, the three economists had examined British unemployment, concluding that rates of male non-employment had doubled amongst men with no qualifications in the 1980s even when location was controlled for. They argued that this was the result of major economic changes such as globalisation, deindustrialisation, and technological change, which created a labour market increasingly stratified between the highly skilled, and the less skilled, as jobs moved offshore or became automated. The more skilled were more able to find work, and command higher wages, than the less skilled. This created, in particular, long-term unemployment, through a process that they labelled "hysteresis." As living standards were lowered

[158] Amongst the accounts that do mention this work, if only in passing, are Timmins, *Five Giants,* 536; and Connell, *Welfare Policy under New Labour,* 73.
[159] Edward Balls, "Danger: Men Not at Work. Unemployment and Non-Employment in the UK and Beyond," *Work and Welfare: Tackling the Jobs Deficit,* eds. Edward Balls and Paul Gregg (London: IPPR, 1993), 12. Balls's use of the term "non-employment" in place of "unemployment" was intended to include those who were not in work, but not officially registered as "unemployed", and who were therefore not included in official unemployment figures.

by unemployment, people's expectations of their future living standards diminished, so that they were less likely to seek work.[160] Thus Balls's work was premised on an analysis of the changes wrought by major structural economic change.

Balls saw this increased male non-employment as reinforced by another major structural change: greater female employment. In Britain, service sector employment rose by 23.8 percent between 1979 and 1992, whilst in the US it rose 21.2 percent. This was a sector that was traditionally more associated with female than male employment. There was, therefore,

> a possible mismatch between the kind of jobs that the male unemployed want—'high-paying' jobs in manufacturing—and the kinds of lower wage, service sector jobs that are available. Alternatively it suggests a mismatch between the kinds of abilities employers want to hire and the capacities of the male non-employed: brawn is out, flexibility is in.[161]

In his analysis, the impact of deindustrialisation was reinforced by the entry of women into the labour market, creating long-term unemployment concentrated amongst low-skilled men.

Crucially, Balls suggested that existing antipoverty programmes were not responding to these changes. Drawing on the work of Anna Coote, Harriet Harman, and Patricia Hewitt, who would all go on to work in the Blair government, Balls noted that welfare programmes discouraged women from entering work if their partner was also unemployed due to the rate at which the partner's benefits would be lost.[162] This was a major problem, given that by 1990, part-time jobs comprised over 20 percent of all employment in Britain, and 87 percent of these roles were

[160] Ibid., 12-3. See also Edward Balls, Lawrence F. Katz, and Lawrence H. Summers, *Britain Divided: Hysteresis and the Regional Dimension of Britain's Unemployment Problem,* working paper (Cambridge MA: Harvard University Press, 1991).
[161] Ibid., 22.
[162] Coote, Harman, and Hewitt emphasised the need for future policy to encourage women to work, and to provide the support that enabled them to do this. See Anna Coote, Harriet Harman, and Patricia Hewitt, *The Family Way: A New Approach to Policy-Making* (London: IPPR, 1991).

filled by women.[163] Therefore, the outdated assumptions of existing antipoverty programmes reinforced structural economic and social trends, creating a stratification between work-rich households (with two earners) and work-poor households (with no earners). This was a particular problem given that stagnating wages made it increasingly necessary for households to have two earners.

Whilst Balls's work was more focused on diagnoses than solutions, it also suggested the need for antipoverty policy to offer opportunity and demand responsibility. This would involve supporting people into work by boosting skills, so that they could become re-integrated into the modern economy. The government should offer these opportunities; but it should be the responsibility of those on welfare to take them. Balls consciously saw these intertwined themes as part of a "long-term challenge [that] is to find a third way by pursuing policies which speed job creation by creating more skilled and attractive jobs, while enabling the unskilled non-employed to update their skills."[164] Approvingly, Balls noted that Gordon Brown was already seeking to adopt policies that reoriented antipoverty policy around these themes.[165]

One other important source illustrates the degree to which a distinct New Labour approach to poverty was being formulated in this period, and which shared common themes with the ideas that Clinton was developing. In 1993, IPPR convened a conference to discuss the future of the left, and the papers delivered there were collated into a collection edited by David Miliband. Woven throughout the essays were analyses of the impact of deindustrialisation and globalisation on antipoverty policy, and the need for a new direction that emphasised opportunity and responsibility. The collection also took a consciously international approach to

[163] Ibid., 21.
[164] Ibid., 26-7.
[165] Ibid., 26-7.

these issues, with contributions from Gøsta Esping-Andersen from Denmark and Frances Fox Piven from America, underlining the extent to which New Labour figures saw themselves as facing challenges shared by other countries—and in particular by the US.[166]

Miliband stressed the extent to which existing antipoverty policy was founded on assumptions that were no longer tenable. He agreed with Esping-Andersen's belief that "just as the high point of European social democracy has been linked to the apogee of Fordism in the economic sphere, so it traded on a traditional family model, and above all unpaid female labour, in the social sphere. This has to change."[167] The same theme was articulated by Anthony Giddens, who chose as his theme "a world that has taken us by surprise" through the change created by deindustrialisation and the decline of traditional family structures.[168] These changes rendered existing antipoverty policy outdated, given that it had been "tied to an implicit model of traditional gender roles, presuming male participation in the paid labour force".[169] Therefore, Giddens argued, "we should be prepared to *rethink the welfare state* in a fundamental way."[170]

Woven into this sense of the need for antipoverty policy to adapt to structural change were the themes of opportunity and responsibility. These were clearest in the contribution by Gordon Brown, which directly pointed towards the policies he would pursue as chancellor. Brown strongly stressed the need for an opportunity-based antipoverty policy, which would be "enabling" and act as a

[166] Gøsta Esping-Andersen, "Equality and Work in the Post-Industrial Life-Cycle," in *Reinventing the Left*, ed. David Miliband (Cambridge: Polity Press, 1994), 167-85. and Frances Fox Piven, "Comment: Economic Imperatives and Social Reform," in Miliband, *Reinventing the Left*, 186-91.
[167] David Miliband, "Introduction," in Miliband, *Reinventing the Left*, 11.
[168] Anthony Giddens, "Brave New World: The New Context of Politics," in Miliband, *Reinventing the Left*, 21.
[169] Ibid., 35.
[170] Ibid., 34. Emphasis original.

"springboard" rather than a "safety net."[171] Consciously drawing on one famous American exhortation, he wrote that "our guiding theme, to paraphrase an old quotation, is not what the state can do for you but what the state can enable you to do for yourself."[172] As this implied, he saw the need for opportunity as bound up with the need for responsibility. "In recognition of our interdependence people must accept their responsibilities as individuals and as citizens, and community action should never be a substitute for the assumption of personal responsibility," Brown wrote.[173]

This emphasis on opportunity was made even more clear in an exchange with former Labour deputy leader Roy Hattersley within the pages of the *Guardian* in 1996. Hattersley had written an article for the newspaper criticising New Labour for focusing too much on equality of opportunity, rather than equality of outcome. Brown responded, defending New Labour's opportunity-based approach. For one thing, he argued, equality of opportunity was an achievable goal in the way that equality of outcome was not. For another, Brown stated that it was only by focusing on opportunity that they could "address the root causes of inequality and poverty and provide a principle around which a modern economy can be organised."[174] Only by emphasising opportunity, and combining it with responsibility, could a modern antipoverty policy be constructed that responded to the major changes being wrought by deindustrialisation and globalisation.

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[171] Gordon Brown, "The Politics of Potential: A New Agenda for Labour," in Miliband, *Reinventing the Left*, 114.
[172] Ibid., 114.
[173] Ibid., 119.
[174] Gordon Brown, "In the Real World," *Guardian,* August 2, 1996, ProQuest, http://search.proquest.com/docview/187838783/.

A new approach for new times

Having explored the work of key New Democrat and New Labour figures on poverty before they entered office, it is possible to outline their emerging understanding of poverty, and its commonalities and distinctiveness. Firstly, both parties believed that major economic forces at work in the "new times" were changing the nature of poverty.[175] Globalisation, they believed, created greater job insecurity, due to the threat of the offshoring of jobs posed by hypermobile capital. Deindustrialisation eroded manufacturing jobs in specific areas, which were replaced with low-skill, low-pay work. This work was increasingly undertaken by women, despite the fact that existing antipoverty programmes could disincentivise second earners, or part-time work. As a result of this, poverty was becoming increasingly concentrated in "workless" households without any earners, including lone-parent households. Technological change further created stratification between high-skill, high-pay jobs, and low-skill, low-pay jobs. These forces, New Democrats and New Labourites believed, were creating a different poverty than existing antipoverty programmes had been designed to relieve.

It is important to stress here that this analysis has often been taken as confirmation of both parties' tacit acceptance of neoliberalism. As discussed in the Introduction, many of those who have studied the New Democrats and New Labour in tandem have argued that their antipoverty policies were designed merely to manage these changes so that there was a labour force fit for low-skill, low-wage work. This was a core theme of Jamie Peck's work, and more recently he has continued this assessment, writing that both Clinton and Blair's emphasis on

[175] As Driver and Martell point out, "new times" was originally a term used by the left-wing British intellectuals gatherered around the magazine *Marxism Today*. New Labour, they suggest, used the term differently. Driver and Martell, *Blair's Britain,* 74-5.

workfare was designed, in part, to manage the high unemployment generated by neoliberalism.[176]This point is made elsewhere, especially among those influenced by Piven and Cloward's idea of antipoverty policy as inherently regulatory.[177] Similarly, Daniel Stedman Jones has argued that,

> it is possible to believe in the efficacy of competitive markets without wishing for the destruction of the welfare state. The spectacularly symbolic collapse of Soviet communism after 1989 obscured this truth and led some Democratic and Labour Party politicians to support policies that continued the agenda of the radical right.[178]

In short, this view suggests that the New Democrats and New Labour accommodated to a neoliberal economics, when they did not have to do. A particularly forceful example of this critique in the case of New Labour has been offered by Matthew Watson and Colin Hay. Hay suggests that New Labour policymakers presented globalisation as "a non-negotiable external economic constraint in order to render contingent policy choices 'necessary' in the interests of electoral rejuvenation."[179] Continuing, they suggest that New Labour stressed globalisation, deindustrialisation, and technological change to "displace responsibility for otherwise unpalatable social and economic reforms, arguably pursued for entirely different ends."[180] Here their recognition of a changing economy is viewed as a smokescreen for electoral imperatives, and Watson and Hay question whether these economic changes were empirically as important as New Labour believed.

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[176] Jamie Peck, "Zombie Neoliberalism and the Ambidextrous State," *Theoretical Criminology* 14, no. 1 (February 2010): 105.
[177] See in particular Wacquant, "Crafting the Neoliberal State," and Theodore and Peck, "Welfare-to-Work."
[178] Stedman Jones, *Masters of the Universe,* 18.
[179] Matthew Watson and Colin Hay, "The Discourse of Globalisation and the Logic of No Alternative: Rendering the Contingent Necessary in the Political Economy of New Labour," *Policy and Politics* 31, No. 3 (July 2003): 289.
[180] Ibid., 291.

The analysis developed by the New Democrats and New Labour of these forces can certainly be seen in this context. But to do so is to obscure the complexity of their analysis. As their works outlined above suggest, they believed that globalisation, deindustrialisation, and technological change were occurring and having very real impacts on poverty. These forces were immutable facts. In fact, Giddens acknowledged those who suggested that globalisation didn't really exist, writing that the New Democrats and New Labour "accept the reality of globalisation and recognise that it brings benefits as well as problems. To put it differently, the Third Way is a positive social democratic response to globalisation."[181] As Driver and Martell have realised, an understanding of these forces as immutable, and needing management to ensure that poverty could be ameliorated, was key.[182]

Moreover, the New Democrats and New Labour separated out globalisation, deindustrialisation, and technological change on the one hand, and neoliberalism on the other. As the quotations which open this chapter suggest, both parties were critical of the small-state approach of the New Right, believing that it was the wrong approach to managing these forces. The report of the Commission on Social Justice highlighted this, in its characterisation of the "deregulators" whose social policy only worsened poverty. Figures such as Giddens also actively defined themselves against neoliberal antipoverty policy, stating that "antagonism to the welfare state is one of the most distinctive neoliberal traits."[183] Therefore, as the works discussed above demonstrate, the emergent approach of the New Democrats and New Labour to antipoverty was rooted in a belief that globalisation, deindustrialisation, and economic change were immutable forces, which rendered

[181] Giddens, "Better than Warmed Over Porridge."
[182] Driver and Martell, *Blair's Britain,* 73.
[183] Giddens, *Third Way,* 12.

existing approaches to poverty outdated. This was not the same as an accommodation to neoliberalism, as the policies discussed in the following chapters underscore.

The second commonality that was apparent in the emergent approach of the New Democrats and New Labour was a belief in the need for antipoverty policy to stress both opportunity and responsibility. In the modern economy, both parties believed, the government had a responsibility to create real opportunities for the poor, in the form of offering skills and training, or in taking measures to ensure that the new low-paid, low-skill jobs could still offer a route out of poverty. At the same time, they believed that the poor had a responsibility to take these opportunities. This emphasis on opportunity and responsibility was clearly congruent with their broader political agenda, but this should not obscure that it was also grounded in their understanding of the modern world, and the problems of existing intellectual approaches to poverty. There was also a more philosophical rationale behind this. Both the New Democrats and New Labour were influenced by the work of communitarian intellectuals, in particular Amitai Etzioni.[184] Etzioni wrote of both leaders that they "speak Communitarian."[185] Communitarians believed that liberalism in the 1970s and 1980s had become too premised on rights, and not enough on responsibilities. They advocated that policy—including antipoverty policy—should uphold certain morals, and emphasise both rights and responsibilities. Although they would only be demonstrably influential in one area of poverty, discussed in Chapter Four, their fundamental approach nonetheless

[184] Sarah Hale has cautioned against seeing the Communitarians as having exerted direct influence on New Labour, but it is clear that Etzioni was significant. Sarah Hale, *Blair's Community: Communitarian Thought and New Labour* (Manchester: Manchester University Press, 2006).
[185] Amitai Etzioni, *The Spirit of Community: Rights, Responsibilities, and the Communitarian Agenda,* rev. ed. (London: HarperCollins, 2005), ix.

underpinned the New Democrat and New Labour belief in balancing opportunities and responsibilities in antipoverty policy.

It was in this balance of opportunity and responsibility that the distinctiveness of the New Democrats' and New Labour's common antipoverty policy lay. In articulating this idea, they picked up on certain aspects of both the neoconservative and structuralist intellectual responses to poverty. Like neoconservatives such as Murray, they believed it was valid to explore the relationship between antipoverty programmes and personal behaviour around out-of-wedlock births. Yet like structuralists such as Wilson and Ellwood, they believed that this relationship had to be understood in light of structural economic change as well as changing gender roles. Following the work of Mead, they acknowledged that antipoverty programmes could do more to require people to work, but they combined this with a structuralist understanding of the ways in which many jobs in the modern economy were low-paid, and low-skill. They combined some of the moral criticisms of antipoverty of the neoconservatives with the opportunity-focused approach of certain structuralists. In moving beyond the neoconservative and structuralist approaches to poverty, and emphasising opportunity and responsibility, the New Democrats and New Labour offered an emerging approach to antipoverty policy that was distinctive. The ways in which this was manifested in policy once they entered government are the subjects of the following chapters.

Chapter Two

Making Work Pay

> *Unless work pays, why will people do it?*
> —Bill Clinton, April 1995[1]

> *In an opportunity society, as opposed to the old welfare state, government does not dictate; it empowers.*
> —Tony Blair, September 2004[2]

In 1973, Daniel Bell published his seminal "venture in social forecasting," *The Coming of a Post-Industrial Society.* He argued that developed economies were moving towards a postindustrial society in which technology and information would reign supreme, and in which the service sector would supersede industry and agriculture as the core of the economy. His work rapidly became a part of the American intellectual canon. In a 1999 reprint, Bell penned a new foreword reflecting on all that happened in the intervening twenty-six years. In particular, he noted, the term "postindustrial" had become increasingly common, used by an array of international organisations and politicians (although not always, he admitted, with precision). Bell identified two politicians as especially engaged with the concept of postindustrial society and its effects: Bill Clinton, and Tony Blair.[3]

Bell was a major facilitator of American social thought during the latter half of the Twentieth Century through his work on the *Public Interest*, whose contributors ranged from Charles Murray and Lawrence Mead to David Ellwood and Daniel Patrick Moynihan. However, his work on postindustrial society is even

[1] William J. Clinton, "Remarks and a Question-and-Answer Session with the American Society of Newspaper Editors," April 7, 1995, Dallas, TX, transcript, *American Presidency Project* (hereafter APP), http://www.presidency.ucsb.edu/ws/index.php?pid=51198.
[2] Tony Blair, "Leader's Speech," September 28, 2004, transcript, British Political Speeches (hereafter BPS), http://www.britishpoliticalspeech.org/speech-archive.htm?speech=183.
[3] Daniel Bell, *The Coming of Post-Industrial Society: A Venture in Social Forecasting,* rev. ed. (New York: Basic Books, 1999), x.

more important in understanding the features that shaped the New Democrat and New Labour approach to antipoverty policy. As outlined in Chapter One, a belief that the American and British economies were deindustrialising was key to the New Democrat/New Labour approach, alongside a sense that globalisation, technological change, and other major social changes were afoot that existing antipoverty policy was ill equipped to manage. This analysis led them to develop an approach to poverty that moved beyond existing neoconservative and structuralist explanations. Their distinctive approach was rooted in the need for policy to both offer opportunity to, and demand responsibility of, the poor. These two themes were positioned as vital corollaries to one another: in their conception, antipoverty policy needed to contain both themes in order to be effective in the modern world. This chapter explores the ways in which the New Democrats and New Labour used in-work tax credits and minimum wages as antipoverty tools, and suggests that it was in this aspect of their common antipoverty policy that the theme of opportunity was most apparent.

It argues that the concerns that many New Democrats and New Labourites identified during the 1980s and early 1990s about the decline of industry; the precariousness of modern, service-sector employment; and the stratification of jobs and households between high and low skilled, and dual and single earner, were translated into policy by efforts to ensure that work truly paid. In short, the new economy, and the concerns it brought with it about a new poverty that was long-term and concentrated amongst certain social groups, led both parties to pursue a range of efforts to ensure that moving off benefits and into work was financially viable. Government played a vital role in these efforts, acting as a provider of opportunity in the form of in-work tax credits and minimum wages.

These are areas of policy that have not, traditionally, been regarded as "welfare" measures. Only in recent years have definitions of "welfare" been expanded to encompass these forms of policy. However, it demonstrated here that they were a crucial element of the antipoverty policy of the New Democrats and New Labour. Not only did both parties pursue similar policies, but these drew on a common analysis of the changing world, which both parties had formulated before entering office, sometimes as the result of the direct collaboration on work around the changing economy. Once in government, this common analysis remained in place; but it was also supplemented by the direct sharing of policies from America to Britain. This further demonstrated the extent to which both parties were engaged in a transatlantic "moment" in which they developed a distinctive approach to poverty that transcended neoconservative and structuralist ideas.

A broader understanding of antipoverty policy

This chapter concentrates on two areas of policy: national-level minimum wages; and tax credits for those on low wages, in particular the American Earned Income Tax Credit (EITC) and British Working Families Tax Credit (WFTC).[4] Minimum wages operate on the basis of setting a legal floor below which hourly wages must not fall, although this may be accompanied by caveats for specific groups.[5] Tax credits are efforts to influence behaviours through the tax system, by increasing the tax burden for undesirable behaviours, and decreasing it for

[4] All references to the "minimum wage" in the American context refer to the federal minimum wage. Many states and municipalities operated their own minimum wage ordinances, but as this thesis focuses on the actions of the Clinton administration, it is only the national wage floor created by the federal minimum wage that is discussed. By contrast, the British minimum wage only operated at a single national level, across all four nations, even as devolution proceeded during the period this study covers.

[5] For example, in Britain, the minimum wage had varying rates according to age.

desirable behaviours. Effectively, they work by reducing a person's tax liability or, for those with already low tax bills, by paying them cash. The tax credits discussed here were targeted specifically at those on low wages, effectively acting as a top-up to their wages.

As such, neither of these areas of policy have been part of normative definitions of "welfare" or the "welfare state." Whilst the British theorist and politician Richard Titmuss suggested as early as the 1950s that tax expenditures could be conceived of as a form of "fiscal welfare," this remained a largely unexplored idea until the late 1980s.[6] Early examples of this work, however, were often critical of the ways in which tax expenditures represented a form of welfare. For example, the collection of essays focusing on Britain, America, and Australia edited by Robert Goodin and Julian Le Grand, argued that such expenditures were part of a broader trend for welfare programmes to favour the middle class rather than the poor.[7] It was not until the 1990s and 2000s that attention shifted to explore the correlations between the poor and tax expenditures. Several works suggested that tax expenditures represented, in the words of John Karl Scholz, "a vital component of antipoverty policy."[8] Similarly, Daniel P. Gitterman of the Brookings Institution has detailed how minimum wages and federal taxes on income, in the American context, have come to represent "two critical pillars of the policy regime that supports low-income earners and their families…."[9] It is not a surprise that this field of work developed during, and subsequent to, the period in which the governments of both Clinton and Blair were placing a greater emphasis on the

[6] Christopher Howard, *The Hidden Welfare State: Tax Expenditures and Social Policy in the United States* (Princeton, NJ: Princeton University Press, 1997), 5.
[7] Robert E. Goodin et al., eds., *Not Only the Poor: The Middle Classes and the Welfare State* (London: Allen and Unwin, 1987).
[8] John Karl Scholz, "Taxation and Poverty, 1960-2006," *Focus* 25, no. 1 (Spring-Summer 2007): 54.
[9] Daniel P. Gitterman, *Boosting Paychecks: the Politics of Supporting America's Working Poor* (Washington DC: Brookings Institution Press, 2009), 1.

ability of such policies to reduce poverty. Nevertheless, as Gitterman noted as late as 2009, the impact of these policies remains under-explored.[10]

This is particularly true of works on the antipoverty policies of the New Democrats and New Labour. The small number of works that have studied their antipoverty policy in tandem have, as discussed in the Introduction, tended to ignore or neglect these policies, focusing instead on welfare-to-work programmes.[11] Nation-specific works on the policies of the two parties have been more willing to acknowledge the importance of tax credits, although many of these continue to privilege more traditional "welfare" policies in their analysis.[12] Whilst such works have rightly recognised the common elements of their efforts to demand responsibility of welfare recipients by moving them into work, in failing to explore the corollary to this—namely, efforts to ensure such work represented real opportunity—they do not offer a full account of the antipoverty policy of both parties. Responsibility, around work and personal behaviour, was a major part of the New Democrat/New Labour agenda, but they were equally concerned with the creation of opportunity.

The New Economy

Before entering office, many of the main figures associated with the New Democrats and New Labour began to formulate their ideas about the ways in

[10] Ibid., 4.
[11] Works which do not discuss tax credits include Peck, *Workfare States*; Theodore and Peck, "Welfare-to-Work"; Daguerre and Taylor Goodby, "Neglecting Europe"; and King and Wickham-Jones, "Bridging the Atlantic." Works which do, albeit briefly, mention tax credits and minimum wages are Walker, "Americanization of British Welfare," and Deacon, *Perspectives on Welfare.*
[12] Works on New Labour that provide some discussion of tax credits and minimum wages include Glennerster, "Social Policy"; Driver and Martell, *Blair's Britain*; Hills, *Thatcherism, New Labour and the Welfare State*; and Powell, "New Labour and the Third Way." Works on the New Democrats that discuss efforts to make work pay include Waddan, *Clinton's Legacy?* esp. 70-85; and Katz, *Undeserving Poor.*

which major structural changes in their economies were generating and reshaping poverty. They questioned the ability of existing policy to respond to these shifts and believed that the two approaches to poverty that had pervaded debates since the 1960s—the structuralist and the neoconservative approaches—did not have the capacity to adequately respond to these major economic and social changes. As outlined previously, at the core of this was a sense that the changes wrought by deindustrialisation, globalisation and technological change, were creating a labour market that was increasingly divided between those with high and low skills. This analysis was common to both parties, but it was also actively shared between them, as was detailed in Chapter One. Both parties continued to expound this common analysis once they entered government. Clinton, for example, stated that:

> We live in a very great country, on the edge of a new era, a new century, a new millennium, a time of great change. We are moving from an industrial age to an information and technology-driven age where even agriculture and industry will be driven by information and technology.[13]

Gordon Brown expressed similar ideas in his first Budget, noting that "the impact of the global market in goods and services, and of rapidly advancing technology, is now being felt in every home and community in our country. New products, services, and opportunities challenge us to change; old skills, jobs and industries have gone and will never return."[14]

An interest in the impact of such major economic and social shifts was also at the heart of many of the Third Way meetings and seminars that both parties partook in. Sidney Blumenthal recalls that discussions of new economic realities

[13] William J. Clinton, "Remarks at the Jefferson-Jackson Day Dinner in Des Moines, Iowa," October 20, 1995, APP, http://www.presidency.ucsb.edu/ws/index.php?pid=50678.
[14] Gordon Brown, "Budget Statement" *Parliamentary Debates, House of Commons* 297 (July 2, 1997): 303-16, http://hansard.millbanksystems.com/commons/1997/jul/02/budget-statement#S6CV0297P0_19970702_HOC_303.

were a core part of many of these meetings.[15] For example, at one meeting in 1998 in Birmingham, UK, following a Group of Eight (G-8) conference, figures from both governments discussed "the challenges of the new economy—globalization and the impact of global information and capital flows on the new economy and what that means."[16] Similarly, as Blumenthal liaised with David Miliband, by then head of the Policy Unit within Downing Street, to arrange a conference on the Third Way in Florence in 1999, Miliband suggested a session focused on the impact of economic change. Outlining the session, Miliband wrote, "economic change brings a new progressive opportunity, but we need to adapt our approach to new circumstances. Our challenge is to widen the winners' circle in our increasingly diverse societies. This session will focus on *employment* policy and the imperative of tackling unemployment."[17] In a draft communiqué following a meeting in Berlin in 2000, the impact of the new economy was again stressed: "globalisation cannot be resisted; but neither should it just be allowed to happen; the key task of progressive governance in the new century is to help people make the most of change."[18] At many of these events, it was not only the New Democrats and New Labour that were represented. Progressive leaders from Europe, such as Gerhard Schroeder, Lionel Jospin, and Massimo D'Alema also attended many of these meetings, underlining the extent to which these subjects were viewed as common challenges. However, the discussions which had previously occurred between New Democrat and New Labour figures on these subjects meant that there was still a distinctively

[15] Sidney Blumenthal, interview by Russell Riley and Stephen Knott, July-August 2004, transcript, William J. Clinton Oral History Project, Miller Center, University of Virginia, accessed September 2014, http://millercenter.org/oralhistory/interview/sidney-blumenthal.
[16] Mike McCurry, Jim Steinberg and Strobe Talbott, "Press briefing by Mike McCurry, Jim Steinberg, and Strobe Talbott," May 17, 1998, APP, http://www.presidency.ucsb.edu/ws/?pid=48321.
[17] David Miliband to Sidney Blumenthal, letter, September 17, 1999, Third Way, Box 127, Bruce Reed Subject Series, WJCPL.
[18] Draft Berlin Communiqué, statement, May 11, 2000, Third Way, Box 127, Bruce Reed Subject Series, WJCPL.

Anglo-American approach. Ed Balls's work, drawing on his time at Harvard with Lawrence Summers and Lawrence Katz, had emphasised the degree to which these challenges were more pronounced in Britain and America than in, for example, France.[19]

According to this analysis of the new economy, those with lower skills were relegated to low wage service sector jobs. Bell had predicted much of this in 1973, writing that future labour markets would be characterized by the fact that "the majority of the labor force is no longer engaged in agriculture or manufacturing, but in services."[20] These changes, the New Democrats and New Labour believed, meant that poverty was increasingly concentrated amongst households with two earners, and those with none, including single parent households. These latter households, it was suggested, tended to face a number of barriers to moving into the labour market, including a lack of skills, and other practical transitional supports such as childcare (and, in the American context, the potential of losing Medicaid and having to purchase health insurance). More than this, they faced the potential of working at wages that did not guarantee a route out of poverty. As benefits were reduced and low wages earned, people risked falling into a poverty trap in which their earnings were only slightly above their benefits. Therefore, there was little incentive to move into work.

Whilst both parties therefore wanted to reshape welfare programmes to move people into work, they also recognised that for this to be feasible, the government would have to provide certain types of support. This support, in their analysis, needed to take many forms. Some support needed to come from within the welfare system such as through the job search and training offered by welfare-

[19] Balls, "Danger: Men Not at Work," 21.
[20] Bell, *Coming of Post-Industrial Society,* 164.

to-work schemes. Other support needed to come from outside of traditional welfare programmes. This covered a range of areas, including education and childcare. In the American context, the issue of healthcare was also crucial, as the Administration understood that losing Medicaid benefits for onseself, or one's children, could be a major disincentive to moving into employment. These forms of support can therefore be seen as broadly consistent with the measures discussed here. However, the focus of this chapter is on the two measures that the New Democrats and New Labour believed were crucial to ensuring that work truly paid and truly offered an opportunity to escape poverty: in-work tax credits for those on low incomes and the minimum wage.

Expanding the EITC

Under the New Democrats and New Labour, there was a common focus on tax credits as a means for reducing poverty. In both countries this took multiple formats: for example, some tax credit schemes allowed employers to reduce their tax burden if they employed people on welfare. These were clearly antipoverty measures, although the focus in this chapter is instead on the EITC and WFTC, which were credits paid directly to the poor and which occupied more of both administrations' attentions. These two credits formed the core of their approach to creating opportunity, and were insisted upon as a vital corollary to welfare-to-work programmes.

The EITC predated Clinton's election having been enacted in 1975. Originally, it was a result of Richard Nixon's failed Family Assistance Plan (FAP), which had sought a negative income tax in order to provide a guaranteed minimum income. Structuralists such as Moynihan were heavily involved in the development

of this proposal. Upon the eventual failure of the initiative, Senator Russell Long (D-LA) suggested a temporary, small wage subsidy programme, believing that this would be less detrimental to work incentives than a negative income tax. The EITC developed from this proposal and was made permanent in 1978.[21] From the outset it was viewed in relation to incentivising work. At the heart of this was the fact that the EITC was the only refundable tax credit in the federal tax code. This meant that when assessed if the amount of credit a household was eligible for was greater than its tax liability, the difference was paid to them. Eligibility for EITC, and its value, was means-tested based on the earned income and number of persons within a household. Because it was targeted at those on low incomes, who often had little income tax liability, it was effectively a cash payment to low-paid workers.[22] A hypothetical example is helpful in illustrating this point: if a household was judged to be entitled to a credit of $200, but earned so little that their income tax liability was only $50, then their income tax liability would be reduced to $0, and they would be paid the remaining $150.

For all that the EITC was understood to create work incentives, the potential relationship between this and the welfare system remained unexplored before Clinton's presidency. The EITC was expanded in 1978, 1986, and 1990, but in these cases, as Gitterman notes, expansion was designed to offset the impact of broader deficit reduction packages on the poor.[23] It was this conception of it that underpinned bipartisan acceptance of the measure, with Democratic and Republican presidents consenting to the credit's expansion.[24] However, as Davies points out, the expansion of the plan under Reagan was not something that all those within the New Right agreed with. David Stockman, Reagan's director of the

[21] For a detailed account of the genesis of the EITC, see in particular Howard, *Hidden Welfare State.*
[22] Eugene Steuerle and Paul Wilson, "The Earned Income Tax Credit," *Focus* 10, no. 1 (Spring 1987): 2.
[23] Gitterman, *Boosting Paychecks,* 78-80.
[24] Ibid., 78-80.

Office of Management and Budget (OMB), stated, "We just don't accept the assumption that the federal government has a responsibility to supplement the income of the working poor."[25] This gestured towards an unease among some conservatives about using the state to top up wages. Clinton on the other hand perceived the EITC to be a vital counterpart to welfare-to-work programmes and as such an antipoverty tool. It was designed to both ease and incentivise movement into work, so that employment represented an opportunity that was the corollary of the responsibility that welfare-to-work programmes demanded.

Expanding the EITC was a part of the Democrats' 1992 campaign platform, which specifically characterised it as an antipoverty measure. The platform committed Clinton to EITC expansion, so that "no one with children at home who works full time is still in poverty." It linked this to welfare reform, stating that "no one who is able to work can stay on welfare forever, and no one who works should live in poverty."[26] This was part of Clinton's vision of the New Covenant, which he had first outlined in 1991, in which opportunity and responsibility were balanced. EITC expansion was also a core of the New Democrat philosophy as articulated by the DLC. In 1989, the PPI had advocated for an increased EITC through the work of Robert Shapiro.[27] This was such a core policy prescription of the DLC that it was included in the organisation's 1991 *New American Choice Resolutions.*[28] In fact, their adherence to EITC expansion caused some tension amongst Democrats as the DLC suggested that it was more important than increasing the minimum wage, viewing

[25] Quoted in Davies, "The Welfare State," 213.
[26] Democratic Party Platforms, "1992 Democratic Party Platform," July 13, 1992, APP, http://www.presidency.ucsb.edu/ws/?pid=29610.
[27] Robert J. Shapiro, *Work and Poverty: A Progressive View of the Minimum Wage and the Earned Income Tax Credit* (Washington, DC: Progressive Policy Institute, 1989). Discussion of the paper was also included in Robert Shapiro, "An American Working Wage," *The Mainstream Democrat* 2, no. 1 (March 1990).
[28] Democratic Leadership Council, *New American Choice Resolutions: Resolutions Adopted at the DLC Convention* (Washington, DC: Democratic Leadership Council, 1991).

the EITC as a more efficient, targeted tool for combating poverty. According to DLC founder Al From, the suggestion involved "tackling one of the Democratic Party's sacred cows," and Senator Edward Kennedy (D-MA) reportedly asked the PPI to hide the paper.[29] Some associated within the DLC saw this as a particular example of their influence on Clinton: William Galston, a DLC figure and domestic policy advisor during the Clinton administration, suggested that it was "an example of the DLC and the PPI winning the policy debate before the administration even started."[30] However, Clinton would in fact opt to both expand the EITC and increase the minimum wage, demonstrating that the DLC was not the sole determinant of his New Democrat ideas.

According to the recollections of many of those who worked with him, Clinton was personally invested in the idea of expanding the EITC, and often spoke of it as one of the issues that had motivated his presidential candidacy.[31] In his own memoirs, Clinton wrote enthusiastically about the EITC, and his belief in the need to expand it.[32] His personal commitment to the EITC was to prove vital to its eventual expansion in 1993. This was an early priority of the president and was expressly conceived as a part of reforming welfare around work. David Ellwood, one of the three co-chairs of Clinton's Welfare Reform Working Group, recalled that EITC was understood by Clinton as a step towards welfare reform: "there is no question that top on the agenda was making work pay. None of the other stuff worked without it."[33] One of his fellow co-chairs, Mary Jo Bane, offered a similar

[29] From, *New Democrats and the Return to Power,* 120-1.
[30] William Galston, interview by Russell Riley, Charles O. Jones, and Charles E. Walcott, April 2004, transcript, William J. Clinton Oral History Project, Miller Center, University of Virginia, accessed September 2014, http://millercenter.org/oralhistory/interview/william-galston.
[31] Drew, *On the Edge,* 11. See also Alan Blinder, interview by Russell Riley, John Gilmour, and Steven Weatherford, June 2003, transcript, William J. Clinton Oral History Project, Miller Center, University of Virginia, accessed September 2014, http://millercenter.org/oralhistory/interview/alan-blinder.
[32] Clinton, *My Life,* 381.
[33] David T. Ellwood, interview with the author, August 2014, Cambridge MA.

recollection, describing the EITC expansion as a "huge deal" that was part of a conscious understanding of the need for antipoverty policy to create opportunity and demand responsibility.[34]

The Clinton administration therefore pursued EITC expansion before broader welfare reform, the logic being that barriers to employment needed dismantling and opportunities created before welfare was oriented around employment and responsibility. Clinton insisted that his proposed EITC expansion be included in the administration's first Budget, and enacted within the first hundred days of his presidency.[35] According to the initial proposal, a two-person family (a parent and a child) earning $10,000 per annum would receive an additional $2,400 through the EITC, instead of the $1,988 they received through the EITC in 1992. Additionally, the credit would be payable for the first time to low-wage workers without children, and the earnings ceiling above which a family would become eligible for EITC would be raised from $23,760 to $30,000.[36] Therefore, the expansion would take the form of both increasing the value of the credit, and broadening the number of people entitled to claim it. In part, this was also designed to offset the cost of a proposed gas tax contained in the original Budget. The Budget, partly as a result of this tax, foundered in Congress, and the administration had to compromise on a number of measures. Clinton could have opted to remove both the gas tax and the EITC, but refused to do so.[37] This was because of his belief that the EITC was a necessary corollary to forthcoming welfare reform efforts. Clinton outlined this in a televised speech from the Oval Office in August 1993, and as wavering Democrats were encouraged by the

[34] Mary Jo Bane, interview with the author, August 2014, Cambridge MA.
[35] Clinton, *My Life,* 496; 513.
[36] Steven Greenhouse, "Middle Class and Wealthy to Bear Brunt of New Taxes," *New York Times*, February 17, 1993, ProQuest, http://search.proquest.com/docview/109218481/.
[37] Clinton, *My Life,* 534-5.

administration to vote for the Budget reconciliation bill, the EITC expansion was used as a key argument.[38]

This link between EITC and potential welfare reform—between opportunity and responsibility—was made consistently by the administration. Talking of the EITC, Clinton noted that "if you want welfare reform, that's it."[39] In the televised address, Clinton told the American people that expanding the EITC was "the critical first step to one of the most important priorities, ending welfare as we know it."[40] Internal talking points, circulated around administration officials, emphasised the link between EITC expansion and welfare reform. "Expanding the EITC represents a giant step forward in reducing those dependent on welfare," stated one memo, which outlined four components to welfare reform: health care reform; personal responsibility; work, not welfare; and the EITC.[41] Speaking before the National League of Cities in 1993, the President noted "politicians for years have been saying they wanted to reward work, not welfare. Now, by adopting a simple bill that says the tax system will reward work, not welfare, we can give people something new to argue about."[42] Clinton's remark also pointed towards his desire to move beyond existing debates over poverty.

Eventually, the Budget signed into law in August 1993 expanded the EITC with Clinton's proposed increase in the credit's ceiling preserved. The Budget also adopted Clinton's proposed expansion of the EITC to those on low incomes without children. For the purposes of simplification, the Budget also repealed two supplemental credits to the EITC, so that there was only one credit to apply for. As

[38] Drew, *On the Edge,* 265-8.
[39] Quoted in Ibid., 223.
[40] Ibid., 265.
[41] Talking Points on Health Care and Welfare Reform, memo, undated, Welfare Reform [3], Box 18, Carol Rasco Subject Series, WJCPL.
[42] William J. Clinton, "Remarks to the Legislative Conference of the National League of Cities," March 8, 1993, Washington, DC, transcript, APP, http://www.presidency.ucsb.edu/ws/?pid=46308.

Clinton had advocated, the amount of the credit increased, and the rate at which the credit was 'phased out'—reduced in line with increased earnings—was lowered.[43] By the time that Clinton signed the corollary of the EITC, welfare-to-work, into law in 1996, over 19 million Americans received the EITC (compared to 14 million in 1992). Spending on the EITC had also more than doubled, from around $13 billion in 1992, to over $28 billion in 1996.[44] The expansion therefore represented a significant, and targeted, redistribution of government funds to the poor.

It is also important to recognise that in addition to increasing the amount of the EITC and the number of families eligible for it, the administration also sought to ensure that the credit was taken up by all those who were eligible. To this end, they launched several public education campaigns, designed to both boost awareness of the credit, and reduce any potential stigma attached to claiming it. They were especially keen for people to claim the Advance Earned Income Tax Credit (AEITC), which allowed workers to receive their credit in paychecks throughout the year, rather than in a lump sum. For those on low incomes, this was more helpful, giving them consistent support throughout the year. Promotional materials, detailing how people could claim the EITC, were developed for publication in newspapers and magazines. These were produced in a number of languages other than English, including Spanish, Vietnamese, Chinese, and Russian.[45] In conjunction with the Center on Budget and Policy Priorities, the Administration sent letters to federal government departments, encouraging them

[43] A good overview of the operation of the EITC, and the changes made to it by the 1993 Budget, is provided by the Congressional Research Service. See Gene Falk, *The Earned Income Tax Credit: An Overview* (Washington DC: Congressional Research Service, 2014), 17-8.
[44] Ibid., 8.
[45] Treasury to Carol Rasco, letter, March 1994, Earned Income Tax Credits [2], Box 11, Carol Rasco Subject Series, WJCPL.

to educate their staff about the EITC.[46] The Administration estimated that in 1994, there was a 270 percent increase in the number of people applying for the AEITC, in part due to these promotional efforts.[47] So eager was the Administration to ensure that all those eligible for the credit claimed it that a name change was even contemplated: the Rewarding Work Tax Credit.[48] This suggestion was not acted upon, but encouraging take-up of the EITC amongst the poor, whilst increasing and expanding it, was a major part of the New Democrats' antipoverty policy.

For reasons perhaps broader than the proposed EITC, the 1993 Budget bill received no Republican votes. But as Hotz and Scholz have pointed out, this "marked a transformation in the EITC's political history. For the first time the EITC became a policy linked exclusively to Democrats."[49] This was reinforced by two major attacks launched by the Republicans on the EITC during Clinton's time in office, both of which occurred following its 1993 expansion. In 1995 a report by the Internal Revenue Service (IRS) found that over a quarter of EITC benefits were incorrectly claimed. As a response, Republicans proposed stopping the third stage of the 1993 expansion (due to come into force in 1996) and repealing the decision to offer the credit to those without children. In all, their proposals would have amounted to a cut of $21 billion over seven years.[50] This ignored the fact that, of the incorrect claims for EITC that the IRS identified, half were due to error rather than fraud.[51]

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[46] Federal Employees Potential Eligible for EITC, memo, undated, Box 11, Carol Rasco Subject Series, WJCPL.
[47] Sylvia Mathews and Joyce Carrier to Kitty Higgins, memo, February 13, 1995, EITC [2], Box 107, Bruce Reed Welfare Reform Series, WJCPL.
[48] Ibid.
[49] V. Joseph Hotz and John K. Scholz, "The Earned Income Tax Credit," in *Means-Tested Transfer Programs in the United States,* ed. Robert A. Moffitt (Chicago: University of Chicago Press, 2003), 147.
[50] "A Slap in the Face for the Working Poor," *Economist*, July 8, 1995: 47-8, Gale Cengage, http://find.galegroup.com/econ/.
[51] Ibid.

Moreover, as debates between the administration and the now-Republican-controlled Congress over a Budget continued—culminating in a shutdown of the federal government in November 1995, and again between December 1995 and January 1996—the GOP proposed reducing the income ceiling above which households became ineligible for EITC. Effectively, this would have reduced the number of households able to receive the credit. At the same time, distinct from the EITC, Republicans proposed introducing a flat-rate tax credit, for every child, of $500.[52] The income ceiling for this would have been $200,000; meaning that affluent families would receive this credit whilst the EITC for low-income households was being cut. As Elizabeth Drew noted, this was a concession the Republicans made towards members of the religious right; in particular the Christian Coalition, who believed that the measure would strengthen the family.[53] As such, many moderate Republicans were uncomfortable with the proposal. Clinton strongly condemned their efforts to reduce the EITC, reminding them that none other than Ronald Reagan had referred to the credit as one of the greatest antipoverty programmes the country had developed (although conveniently forgetting the distaste for the measure that many of Reagan's advisors had shown).[54]

When Clinton received, and vetoed, a Budget bill in December 1995 containing welfare reform measures he objected to, he also cited its proposed cuts to EITC as part of the reason for his veto.[55] In January 1996, when Clinton vetoed a

[52] Robert Hershey Jr., "Panel Cuts Tax Credit Plan," *New York Times*, September 20, 1995, ProQuest, http://search.proquest.com/docview/109502719/.
[53] Elizabeth Drew, *Showdown: The Struggle between the Gingrich Congress and the Clinton White House* 2nd ed. (New York: Touchstone, 1997), 172-9.
[54] Todd Purdum, "Clinton Defends Income Tax Credit Against GOP Cut," *New York Times,* September 19, 1995, ProQuest, http://search.proquest.com/docview/109489715/.
[55] William J. Clinton, "Message to the House of Representatives Returning Without Approval Budget Reconciliation Legislation," December 6, 1995, Washington, DC, transcript, APP, http://www.presidency.ucsb.edu/ws/index.php?pid=50858.

second welfare bill, he again included its proposed cuts to EITC as part of his justification.[56] Analysis has found that House Republicans suggested either reducing or eliminating the EITC for around 14 million of the 20 million people eligible to receive it in 1996.[57] Crucially, in both instances, Clinton stressed that the credit needed to be understood in relation to the potential for welfare reform—a subject of continued debate in 1995, as discussed in the following chapter—and that reducing the amount or coverage of EITC would jeopardise the ability of any welfare reform to move people into work. Exercising the second veto, Clinton declared that "the Congress should abandon the budget reconciliation bill that would gut the Earned Income Tax Credit, a powerful work incentive that is enabling hundreds of thousands of families to choose work over welfare."[58]

Clinton's rationale for defending the EITC against another Republican attack, in 1999, was similarly premised around his belief that it was vital to the success of welfare-to-work efforts. By this time, work-oriented welfare reform had been enacted, in the form of the 1996 PRWORA, and Clinton maintained that the credit was necessary to ensure the success of these efforts. The Republicans' 1999 attack on the EITC consisted of attempting to alter the way in which the credit was paid, an effort which would have had the impact of delaying payment to recipients, many of whom could ill-afford such an interval. The administration condemned the proposal as "almost unconscionable," and Clinton threatened to veto any legislation containing this provision.[59] The President told journalists that "we've got record numbers of people moving from welfare to work, often at very modest

[56] William J. Clinton, "Message to the House of Representatives Returning Without Approval Legislation on the Welfare System," January 9, 1996, Washington, DC, transcript, APP, http://www.presidency.ucsb.edu/ws/index.php?pid=52614.
[57] Gitterman, *Boosting Paychecks,* 92-3.
[58] Ibid.
[59] Tim Weiner, "Criticism Appears to Doom Republican Budget Tactic," *New York Times*, October 1, 1999, ProQuest, http://search.proquest.com/docview/110099778/.

wages, eligible for this earned-income tax credit. Delaying their EITC payments would put one more roadblock in their way."[60]

As the above episodes suggest, the link that the administration made between welfare reform and EITC shifted over time. Initially, the EITC was characterised as a necessary precursor to welfare reform; following PRWORA, it became a *post hoc* justification for Clinton's decision to sign the law. In the statement that Clinton gave, outlining his reasons for signing PRWORA, the EITC strongly featured, with the President noting that it would ensure that work paid and therefore that the work-oriented reforms of PRWORA were not unreasonable.[61] Whilst the sequencing of the link drawn between the EITC and welfare reform may have altered, the basic approach remained consistent. Efforts to move people into work, and demand responsibility, had to be countered by action to ensure that work offered real opportunity. As Ellwood reflected, "if the goal was to move people from welfare to work, you had to make work pay."[62] Bruce Reed similarly identified the EITC as part of a "general [antipoverty] agenda."[63] The clearest statement of the ways in which these efforts related was offered by Gene Sperling, Director of the National Economic Council, who stated that

> All of these policies… do fit together in a coherent vision that the President's had, which is to attack poverty by rewarding hard work, taking away the disincentives from work…. The President has taken substantial steps, and at times attempted steps, that were all designed to be part of this general philosophy.[64]

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[60] William J. Clinton, "Remarks at a meeting of the International Monetary Fund and World Bank," September 29, 1999, Washington, DC, transcript, APP, http://www.presidency.ucsb.edu/ws/index.php?pid=56606.
[61] William J. Clinton, "Statement on Signing the Personal Responsibility and Work Opportunity Reconciliation Act of 1996," August 22, 1996, Washington, DC, transcript, APP, http://www.presidency.ucsb.edu/ws/index.php?pid=53219.
[62] Ellwood, interview with author.
[63] Bruce Reed, interviewed by Russell Riley, April 2004, transcript, William J. Clinton Oral History Project, Miller Center, University of Virginia, accessed September 2014, http://millercenter.org/oralhistory/interview/bruce-reed-042004.
[64] Gene Sperling, and Bruce Reed. "Press Briefing by the President's National Economic Advisor Gene Sperling and the President's Domestic Policy Advisor Bruce Reed." January 12, 2000. Washington, DC, transcript, APP, http://www.presidency.ucsb.edu/ws/index.php?pid=48095.

Yet Clinton was not able to defend the credit from Republican assault completely. Included in the 1996 PRWORA, which he opted to sign, were several provisions relating to the EITC. Under AFDC, which the law abolished, states had been prevented from including EITC payments when determining benefit eligibility. Under AFDC's replacement, Temporary Assistance to Needy Families (TANF), states were able to count EITC payments as income when determining TANF payments. This effectively meant that recipients could be caught in a poverty trap, if their TANF benefits were reduced at a greater rate than they received EITC.[65] Clearly, such a provision seemed to run contrary to Clinton's efforts to balance opportunity and responsibility by ensuring that work truly paid. In part, the President's decision to sign this legislation—as discussed in detail in the following chapter—reflected the political realities which he faced; namely, a Republican-controlled Congress that was particularly focused on reforming welfare to change personal behaviour rather than to encourage employment, and which was also eager to reduce the size and cost of government. New Labour, with large majorities in Parliament, did not face such similar threats to their tax credits for those on low incomes.

This perhaps explains why the Clinton administration, at times, appeared to distance EITC from "welfare" (i.e. AFDC), whilst simultaneously insisting on its importance in reorienting the welfare system around work. In 1997, Republicans suggested that the EITC effectively constituted a form of welfare as it was refundable, and so gave cash payments to the poor, rather than merely reducing their tax liability, as other tax credits did. Clinton's Press Secretary, Mike McCurry, angrily dismissed this suggestion as "repugnant," telling journalists that the EITC

[65] This provision was ended in 2010. See Falk, *Earned Income Tax Credit,* 19-20.

was "not welfare".[66] Explaining the distinction that the administration made, McCurry stated that "in order to get EITC you have to be earning money—these are not people who are dependent on welfare, these are people who are working, trying to make ends meet.... It rewards those people who are out there trying to work, rather than going on public assistance."[67] His remarks appeared to afford a moral value to work, suggesting that Clinton viewed those engaged in paid employment as more 'deserving,' in effect, than those on welfare. As his economic adviser Alan Blinder recalled, Clinton was especially supportive of the EITC as those it aided "were the people who 'worked hard and played by the rules.'"[68] Implicitly, McCurry's remarks suggested that it was far more morally desirable for people to work than to receive welfare. This spoke to the New Democrats' recognition of some of the neoconservative moral critique of AFDC, articulated in particular by Lawrence Mead, that it failed to do enough to move people into work.

This was consistent with the distinct New Democrat approach to poverty. As will become clear in the following chapter, Clinton did place a high moral value on paid employment; but he also saw it as empowering, freeing people from dependency. Thus, for his administration, referring to EITC as 'welfare' was offensive as it ignored the efforts of those who were seeking to move themselves away from welfare dependency. McCurry's remarks were, in fact, condemning the welfare system, for all they were clumsily phrased, and appeared to instead condemn welfare recipients. This, in turn, underlined how distinctive the New Democratic approach to poverty was. In his major expansion of the EITC, and continual efforts to defend it, Clinton implicitly recognised the structural factors that could make moving into work difficult, in a way that figures such as Mead

[66] Mike McCurry, "Press Briefing by Mike McCurry," June 16, 1997, Washington, DC, transcript, APP, http://www.presidency.ucsb.edu/ws/index.php?pid=48495.
[67] Ibid.
[68] Blinder, interview, Miller Center.

largely ignored.[69] He placed government at the heart of efforts to remove these barriers, believing that it had a key role to play in creating the opportunity that was the counterpoint to the responsibility demanded by welfare-to-work efforts. Moreover, in the moral value he assigned to work, and the degree to which he portrayed people as having a responsibility to work, Clinton implicitly recognised a relationship between behaviour and poverty. Thus his approach sought to move beyond structuralist and neoconservative responses to poverty, accepting elements of each approach and but grounding them in an understanding of the low-pay, low-skill work generated by the new economy.

Introducing the WFTC

In 1998, New Labour introduced the Working Families Tax Credit, which was modelled on the EITC, and which was presented in similar ways: as a means of creating opportunity for people moving into work, and as a crucial counterpart to welfare-to-work programmes. It was rooted in their analysis of the changes that globalisation, deindustrialisation, and technological change were having on poverty, and sought to offer a means of adapting to these structural changes. In this way, it moved beyond the neoconservative and structuralist approaches to poverty. As the EITC was to PRWORA in America, so the WFTC was to the New Deal welfare-to-work programmes in Britain. The WFTC was part of a common approach with the Clinton administration: its specific design owed much to the EITC, and the analysis underpinning it rested on work undertaken by New Democrat and New Labour figures.

[69] Katz, *Undeserving Poor,* 181-2.

Whilst Clinton's policy had revolved around expanding an existing policy, New Labour's focused on creating one. A tax credit targeted at low-income workers, the Family Credit (FC) was already in existence. Administered through the benefits system, it was a means-tested cash payment available to those working a minimum of 24 hours a week, although the threshold was reduced to 16 hours in 1992. In 1994, an earnings disregard for childcare costs had also been incorporated into the credit.[70] From 1995, those working more than 30 hours a week received a higher rate of benefit. Shortly before the May 1997 election, 12 percent of all working families in Britain received the FC.[71] As Pierson argues, this was one area of antipoverty policy that was expanded under Thatcher and Major.[72] It also represented the growth of means-tested support over the Thatcher years, moving British policy further away from its universalist origins.[73] It was this credit that WFTC replaced, placing a greater emphasis on work incentives, and a much more generous level of credit.[74]

The potential applicability of the EITC to Britain had first been discussed as early as 1994.[75] This discussion became more significant as New Labour entered government, with an article in the respected journal *Fiscal Studies* focusing serious attention on how the EITC might be transplanted into the British context.[76] This was an idea that particularly interested New Labour policymakers, and none more so than Gordon Brown. WFTC was a policy that came to be strongly associated with the Treasury, and Brown. As the *Economist* subsequently wrote, "if there was such a thing as 'Brownism', it was defined by tax credits."[77] In part, this reflected the

[70] Robert Walker and Michael Wiseman, "The Possibility of a British Earned Income Tax Credit," *Fiscal Studies* 18, no. 4 (1997): 403-4.
[71] Ibid., 404.
[72] Pierson, *Dismantling the Welfare State?* 103.
[73] Hills, *Thatcherism, New Labour and the Welfare State*, 10-11.
[74] Ibid., 27.
[75] "Picking Winners," *Economist,* October 1, 1994, Gale Cengage, http://find.galegroup.com/econ/.
[76] Walker and Wiseman, "Possibility of a British Earned Income Tax Credit": 401-25.
[77] "Simpler Dotage," *Economist,* April 9, 2011, Gale Cengage, http://find.galegroup.com/econ/.

interest of Brown, and many of his closest advisors such as Ed Balls and Ed Miliband, in American policy. Balls, as detailed in Chapter One, had studied at Harvard, and so too had Miliband. Another of Brown's advisors, Damian McBride, had previously worked for a Democratic congressman.[78] The influence of ideas about structural economic change, and its impact on contemporary labour markets that Balls developed at Harvard, were clearly expressed in the translation of EITC to the British context.[79]

Brown's strong association with the WFTC, which was a policy developed by the Treasury, reflected the considerable influence that department held over antipoverty policy under New Labour. Whilst Harriet Harman and Frank Field had been appointed, respectively, secretary of state for social security and minister for welfare reform in 1997, it was ultimately the Treasury that developed key policies. Harman was widely considered a "Brownite," but ultimately both ministers lost their jobs in a 1998 reshuffle, having had a poor working relationship with each other and struggled against the Treasury.[80] Field, in particular, had many disagreements with Brown, and at one point suggested to Blair that the DSS ought to be incorporated into the Treasury, given Brown's dominance over the subject.[81] Alastair Campbell recorded in his diary that Brown felt that neither Harman nor Field were able to implement welfare reform, with all its component parts, and that he as chancellor would need to lead on the policy.[82] The effect of this was to reinforce Brown's control over antipoverty policy so that the ideas he and his advisors had developed were crucial. As Peter Mandelson recalled, "Gordon and Ed

[78] Damian McBride, *Power Trip: A Decade of Policy, Plots and Spin* (London: Biteback, 2014), 19-20.
[79] "Lessons from America," *Economist,* November 4, 2000, Gale Cengage, http://find.galegroup.com/econ/.
[80] John Rentoul, *Tony Blair: Prime Minister,* rev. ed. (London: Faber and Faber, 2013), 379-80.
[81] Andrew Rawnsley, *Servants of the People: The Inside Story of New Labour,* rev. ed. (London: Penguin, 2001), 120.
[82] *Alastair Campbell Diaries,* ed. Haggerty, Vol. 2, 352.

[Balls] had a fully formed idea, much nearer Harriet's than Frank's, on welfare. It combined support and training to get people back into work with a complex system of means-tested tax credits to help the poor."[83] This approach drew heavily on the model of the EITC.

There are several occasions on which Brown, his advisors, or New Labour figures more broadly, actively discussed tax credits with New Democrats. As early as 1993, Brown had held meetings in Washington with Clinton's economic team, including Larry Summers and Robert Reich, arranged by Balls.[84] Following their first meeting Brown asked Al From for information on the EITC, which was duly sent to him.[85] This included the paper that the PPI's Robert Shapiro had written, advocating an expansion of the EITC.[86] For all that From may have been eager to claim that the DLC influenced both American and British policy at the national level, it appears that his understanding of WFTC as "the British version of our tax credit" is not an exaggeration.[87] The belief that the WFTC drew directly on the EITC was noted by others of the time, both within and without the New Democrats. Robert Philpot, a figure associated with New Labour, wrote for the *New Democrat* that Brown had strongly drawn on the EITC.[88] The *Economist* similarly noted that "the dual strategy of raising the minimum wage and extending the earned-income tax credit was central to America's antipoverty strategy… New Labour likes the approach and has borrowed the experts."[89]

[83] Mandelson, *Third Man*, 247.
[84] Paul Routledge, *Gordon Brown: the Biography* (London: Simon and Schuster, 1998), 176.
[85] Al From, interview by Russell Riley and Darby Morrisoe, January 2007, transcript, William J. Clinton Oral History Project, Miller Center, University of Virginia, accessed September 2014, http://millercenter.org/oralhistory/interview/al-from-2007.
[86] From, *New Democrats and the Return to Power,* 243.
[87] Ibid., 243.
[88] Robert Philpot, "No Left Turn," *New Democrat* 11, no. 5: 21-2.
[89] "The American Connection," *Economist*.

There are several other examples to be found in the historical record of New Democrats and New Labour actively discussing in-work tax credits. Gene Sperling noted prior to the G-8 meeting in 1998, that "one of the issues that people found very interesting [in previous meetings] was the degree that we in the United States have found ways to encourage people to move from welfare to work... there has been a lot of interest, for example, in our earned income tax credit."[90] The *New York Times* subsequently reported that welfare-to-work programmes and the role of tax credits in supporting them had been a major subject of discussion at the G-8 meeting.[91] Keith Bradley, who was a junior minister in the DSS has recollected that on visits to America to understand antipoverty efforts there was a particular interest among British policymakers in understanding the "carrot" that tax credits offered alongside the "stick" of welfare-to-work programmes. New Labour believed that

> You had to have both sides of the scales in place, the support and help to get people back into work and to ensure that work actually paid, because the system in place at that time, if you broke that link with benefits, it was more difficult to get back into the system, and that was a barrier to people enthusiastically embracing the opportunities we hoped people would.[92]

The American system was felt to offer lessons in how such barriers may be lowered. The EITC also received attention in a report published by the Social Security Select Committee in February 1998, drawing on visits conducted by the Committee to welfare-to-work programmes across the United States. Understanding the operation of the EITC was one of the main areas of interest of the report, and whilst the Committee called for any new credit to be introduced through the existing salary system, they were also positive about the principles underpinning the

[90] Sandy Berger, Gene Sperling, and Jim Steinberg, "Press Briefing by National Security Advisor Sandy Berger, Gene Sperling, and Jim Steinberg," May 11, 1998, Washington, DC, transcript, APP, http://www.presidency.ucsb.edu/ws/?pid=48304.
[91] Richard Stevenson, "Rich Leaders Turn Eye to Crime and Debt," *New York Times*, May 17, 1998, ProQuest, http://search.proquest.com/docview/109909854/.
[92] Keith Bradley, interview with the author, December 2014, London.

EITC.[93] A report that the same Committee had published earlier in the year, focused on the tax and benefits systems, had also considered the EITC as a model for British policy. Noting that many of the submissions it received had expressed hesitation about simply translating the EITC to Britain, it nonetheless recognised the importance of understanding how the tax system might be reformed to support paid employment.[94] A further example of the degree to which New Labour was interested in the EITC model was offered by Brown's commissioning in 1997 of Martin Taylor, then Chief Executive of Barclays, to investigate the tax and benefits systems. This signalled Brown's belief that tax credits needed to be a key part of New Labour's antipoverty strategy. More than this, however, Brown specifically requested that Taylor consider a new credit for those in low-paid work, which would "draw upon the successful experience of the American earned income tax credit, which helps reduce poverty, and now helps 19 million lower-paid workers in America."[95]

Eventually, the WFTC was introduced by Brown in the March 1998 Budget, which the journalist John Rentoul notes was "the most popular Budget since opinion polling began."[96] It came into operation in April 1999, replacing Family Credit. Perhaps anticipating the awkwardness (and volume) of tax credit names, Alastair Campbell and others attempted to find an alternative name; but were unable to do so.[97] The rules and eligibility criteria of the WFTC, and its later incarnation, the Working Tax Credit (WTC), are complicated, but important in

[93] Select Committee on Social Security, *Social Security Reforms: Lessons from the United States of America,* Second Report, Session 1997-1998, February 1998, http://www.publications.parliament.uk/pa/cm199798/cmselect/cmsocsec/552ii/ss0202.htm.
[94] Select Committee on Social Security, *Tax and Benefits: An Interim Report,* First Report, Session 1997-1998, November 1997, http://www.publications.parliament.uk/pa/cm199798/cmselect/cmsocsec/283i/ss0102.htm.
[95] Brown, "Budget Statement, 1997"
[96] Rentoul, *Tony Blair: Prime Minister,* 338.
[97] *Alastair Campbell Diaries,* ed. Haggerty, Vol. 2, 343.

order to understand the degree to which tax credits were conceived of as the counterpoints to welfare-to-work programmes, and the ways in which they differed from Family Credit. The WFTC operated in a different way to EITC, as Martin Taylor had recommended, building on the existing Pay as You Earn (PAYE) tax and salary system.[98] WFTC effectively acted as a "top-up" to wages, and crucially, New Labour also opted for WFTC to be paid through the wage packet, rather than through the benefits system, as Family Credit was. This was in part designed to simplify the system; but there was also a deeper meaning behind this decision. By paying the credit through the wage packet, the aim of the programme—to encourage paid employment—was made clear. Of course, it was also the case that structuring the credit in this way meant that it was classified as tax "forgone", rather than as government spending, which was politically helpful.[99] This appears to have been a secondary concern to the work-oriented nature of the reform. However, because of the historic efforts made by Labour minister Barbara Castle in the 1970s to ensure that certain benefits, such as Child Benefit, were paid to the female "purse" and not the male "wallet," New Labour was sensitive to any charge of giving men control over the credit. Therefore, the credit could be claimed by either parent.[100] The WFTC was available to families with children aged under 16, where at least one parent was working a minimum of 16 hours per week. Families receiving WFTC were also eligible for the Childcare Tax Credit (CTC), which subsidised their childcare costs.[101]

The WFTC paid more than the Family Credit, and a broader number of households were eligible to receive the credit. The Treasury estimated that by 2001,

[98] Martin Taylor, *The Modernisation of Britain's Tax and Benefits System. Paper Two: Work Incentives* (London: HM Treasury, 1998), 8.
[99] Rentoul, *Tony Blair: Prime Minister,* 380.
[100] See Lowe, *Welfare State in Britain,* 342.
[101] Helpful overviews of the tax credits introduced by New Labour in 1998 are provided by Lowe, *Welfare State in Britain,* 404-6; Glennerster, *British Social Policy,* 234-5.

1.5 million families would be receiving the WFTC; 400,000 more than would have been eligible for FC.[102] By taking the form of a tax credit, the tax liability of those on low incomes was reduced: initially, any family earning below £220 per week would not be required to pay income tax.[103] Additionally, the credit sought to reduce the poverty trap by reducing the rate at which the credit was withdrawn as incomes rose. Under Family Credit, the amount was reduced by 86 pence for every £1 of earnings over £80.65 a week; under WFTC, the credit was reduced by 55 pence for every £1 earned over £90 a week.[104] According to the Treasury, this meant that half a million families would see the return from increasing their earnings by working more hours rise by a half.[105]

In 2003, significant changes to in-work tax credits were made. However, these did not alter the principles underlying the credit: the need for the government to offer real opportunity by supporting people into work. WFTC was replaced by the WTC which similarly offered means-tested support to those in work. For the first time, the WTC was also payable to those without children. However, for those with children aged under 16, an additional childcare component to the WTC was available to households where at least one parent worked a minimum of 16 hours per week; or two parents worked over 24 hours per week between them. This childcare component paid 70 percent of childcare costs up to a value of £300 per week for households with two or more children. As Glennerster notes, this was consistent with New Labour's belief in reducing barriers that they felt particularly affected women from moving into work.[106] Alongside the new WTC was the new CTC which offered means-tested payments to the main carer

[102] HM Treasury, *New Ambitions for Britain: Budget 1998* (London: HM Treasury, 1998).
[103] Ibid.
[104] "Here at Last," *Economist*, September 11, 1999: 32-3, Gale Cengage, http://find.galegroup.com/econ/.
[105] HM Treasury, *New Ambitions for Britain.*
[106] Glennerster*, British Social Policy,* 235-9.

within a family, irrespective of whether any members of the household were in work.[107] The CTC was thus framed differently from both the WFTC and WTC, which were specifically portrayed as corollaries of welfare-to-work programmes. This can largely be explained by the ambitious commitment that New Labour had made in March 1999 to abolish child poverty within twenty years; as children were the focus of the CTC.[108]

Whilst the design of the WFTC drew heavily on the EITC, and the information which New Democrat and New Labour figures actively shared about the credit, it was the common principles underpinning Clinton's EITC expansion and Brown's introduction of the WFTC that demonstrated their common approach to poverty even more clearly. Repeatedly, New Labour figures presented their introduction of in-work tax credits as part of a broader antipoverty strategy in which they offered opportunity, by ensuring that work paid, at the same time as welfare-to-work programmes demanded responsibility by requiring people to move into work. This bore a clear similarity to the rhetorical framing of the EITC that Clinton deployed throughout his presidency. As in the case of the New Democrats, this framing was rooted in the understanding of the impacts of globalisation, deindustrialisation, and technological change on contemporary poverty.

This was clear from the outset. In the 1997 Budget in which Brown first announced the Taylor Review to consider in-work tax credits, he related this programme to New Labour's broader antipoverty agenda. This was premised on two main principles, the Chancellor told Parliament. First, that work should come

[107] A detailed contemporary overview of the 2003 changes can be found in Mike Brewer, *The New Tax Credits: Briefing Note 35* (London: Institute for Fiscal Studies, 2003).
[108] Tony Blair, "Beveridge Lecture," transcript, London, March 18, 1999, www.bristol.ac.uk/poverty/.../Tony%20Blair%20Child%20Poverty%20Speech.doc. Because of its focus on tax credits as a corollary of welfare-to-work efforts, the main subjects of this chapter are the WFTC/WTC, rather than the CTC.

before welfare; and secondly, that the government needed to "ensure that work pays."[109] The following year, when WFTC was announced, Brown returned to this framing: "welfare to work is stage one of reform of the welfare state. Today's Budget moves us into stage two—ensuring that work pays more than benefits and raising the rewards from work."[110] The WFTC and welfare-to-work programmes of the New Deals were clearly presented as corollaries of one another, offering opportunity whilst demanding responsibility. As Brown stated, "your responsibility is to seek work. My guarantee is that if you work, work will pay."[111] As the *Economist* acknowledged in 2001, WFTC was in "the same sprit of welfare to work [as the New Deals]."[112]

This framing of tax credits persisted throughout WFTC's implementation, and the changes made in 2003. When the value of the WFTC was increased in 2000, so that the minimum income for a family with one full-time worker was, by 2001, £214 per week, Brown emphasised the importance of this in relation to welfare-to-work programmes: "policies aimed at reattaching individuals to the labour market, such as the New Deal… need to be complemented by measures that reward work, reduce in-work poverty and provide incentives to move up the earnings ladder."[113] The same framing was used the following year when, in his last Budget before the 2001 election, Brown announced that the value of the WFTC would increase by £5 per week. This was presented as "help[ing] to deliver the Government's long-term ambition to see a greater proportion of people in work

[109] Brown, "Budget Statement, 1997"
[110] Gordon Brown, "Budget Statement," *Parliamentary Debates, House of Commons* 308 (March 17, 1998): http://www.publications.parliament.uk/pa/cm199798/cmhansrd/vo980317/debtext/80317-06.htm#80317-06_spmin1. 1104.
[111] Ibid., col. 1105.
[112] "Government's Helping Hand," *Economist*, May 12, 2001: 20-1, Gale Cengage, http://find.galegroup.com/econ/.
[113] HM Treasury, *Prudent for a Purpose: Working for a Stronger and Fairer Britain: Budget 2000* (London: HM Treasury, 2000).

than ever before."[114] According to Alastair Campbell, Brown strongly believed in the importance of WFTC in assisting working families, and helping people to move into work.[115]

Whilst the policy was most clearly associated with Brown, he was not the only New Labour figure who offered this conceptualisation of the WFTC's role in a broader antipoverty strategy. Speaking in 2001, Blair stressed the "contract" for individuals that lay at the heart of this approach. His remarks encapsulated the distinctive approach that New Labour took to antipoverty:

> This is a contract between us all, based on mutual responsibility. When we say that everyone able to do so has a clear responsibility to find a job and look after their family, we don't therefore say that government has no role. On the contrary, with policies such as the New Deal, the minimum wage and the Working Families Tax Credit, society through government is harnessing national resources to see that work pays, that job seekers get the support they need to find jobs, and that those with family responsibilities get the extra help they require without having to go back onto benefit.[116]

Blair clearly saw tax credits—and the minimum wage, as discussed below—as core parts of New Labour's antipoverty policy. The role of government was to create opportunity by supporting people to move into work; the role of those on welfare was to take responsibility and seek out work. In this way, tax credits were part of a distinctive approach to poverty that stressed responsibility and opportunity, and rooted it in an analysis of the needs created by the changing structure of the economy and society. This was about creating an "enabling state," suited to the modern era.[117] In so doing, they combined elements of the neoconservative emphasis on work, with the opportunity-focused strand of the structuralists. By

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[114] HM Treasury, *Investing for the Long Term: Building Opportunity and Prosperity for All: Budget 2001* (London: HM Treasury, 2001).
[115] *Alastair Campbell Diaries*, ed. Haggerty, Vol. 2, 462.
[116] Tony Blair, "Faith in Politics," London, 2001, transcript, BPS, http://www.britishpoliticalspeech.org/speech-archive.htm?speech=280.
[117] Tony Blair, "Leader's Speech," Blackpool, 2002, transcript, BPS, http://www.britishpoliticalspeech.org/speech-archive.htm?speech=185.

introducing—or in the New Democratic case, expanding—in-work tax credits, the New Democrats and New Labour took a common approach.

Another element of their common approach was to be found in New Labour's efforts to encourage take-up of the WFTC through a public information campaign. As discussed above, the Clinton administration had similarly sought to ensure that members of the public were aware of their eligibility for the EITC. When WFTC began operation in 1999, it was promoted through television and newspaper adverts using, rather bizarrely, the Japanese cartoon rabbit Miffy.[118] This advertising campaign ran for twelve weeks, and according to Treasury estimates, adverts reached nine out of ten of those likely to be eligible for the credit.[119] Despite these efforts, there were some initial problems: in the first year of operation, around 500,000 of those entitled to WFTC did not claim the payments. This was partly because, whilst requiring fewer claims than the previous Family Credit, the WFTC nonetheless did require people to make an initial claim involving complex paperwork.[120] Computer problems also beset the WFTC and other tax credits, so that it was not until 2005 that the accuracy of CTC payments was certain.[121] Despite these problems, the decision to encourage take-up of the credit reflected the degree to which it was a genuine support to those moving from welfare into work.

The introduction of the WFTC did not come without criticism, however. This was similar to the situation in America; except, of course, Labour's large parliamentary majority rendered opposition largely moot. The Conservatives, under leader William Hague, repeatedly criticised both the cost and burden on business of the credit. Hague devoted a significant part of his response to the 1998 Budget to attacking the new measure:

[118] "Here At Last," Economist.
[119] HM Treasury, *Prudent for a Purpose.*
[120] Lowe, *Welfare State in Britain,* 405.
[121] Ibid.

> The Prime Minister vowed… to reduce spending on welfare. He made that a top priority of his government, and the test by which he wanted to be judged. Opposition members have always made it clear that we support reform of the welfare state. However, it is now clear that Labour came to power with a heap of promises, a bundle of aspirations, a lorry-load of clichés, but nothing resembling a plan. Today the Chancellor has produced a plan: a reform that increased expenditure, increases the number of people tangled up in the benefit system, and increases complexity. The main reason for that mess is the scrapping of Family Credit and its replacement with the Working Families Tax Credit.[122]

Hague's lengthy criticism betrayed the degree to which the Conservative approach to antipoverty policy rested on a much narrower understanding of "reform" than did that of New Labour. The implication of his remarks was that true reform meant reducing costs and the role of the government, as well as the number of people on benefits (his statement was also inaccurate: in replacing FC with WFTC, those eligible were in fact being taken out of the benefits system, given that WFTC was administered through the wage packet via the Inland Revenue). Criticism also came from the business community, as Hague noted. This criticism stemmed from what business saw as increased costs to them, as their administrative assistance was required in the operation of WFTC. The head of the Confederation of British Industry (CBI), Digby Jones, complained that the government was asking business to do too much: "why should businesses do the government's work for free?"[123] Notably, the Conservatives, recognising the influence of the EITC, also sought to unfavourably compare New Labour's policy with Clinton's. Hague stated, "So far the Government have added £40 billion to welfare bills; America is cutting its welfare bills."[124] Once more, this gestured towards the Conservatives' narrow

[122] William Hague, "Remarks in Parliament," *Parliamentary Debates, House of Commons* 308 (March 19, 1998): 1115-6, http://www.publications.parliament.uk/pa/cm199798/cmhansrd/vo980317/debtext/80317-09.htm#80317-09_spnew1.
[123] "Business Bids," Economist, November 4, 2000: 46, Gale Cengage, http://find.galegroup.com/econ/.
[124] Ibid., col. 194.

conception of welfare reform, and highlighted the ways that New Labour was moving beyond the neoconservative emphasis on work, which contained little sense of offering support and opportunity to those leaving welfare.

At the same time, New Labour was also engaging in a movement away from one of the core principles with which it had been associated, the idea of universalism. Many structuralist Labour intellectuals in the postwar period had emphasised the importance of having a welfare state that offered universal provision to all, drawing on T.H. Marshall's concept of the right to welfare as a social right. The move to greater means-testing of benefits did not begin under New Labour: John Hills has shown that under Thatcher, means-testing considerably increased, as the New Right preferred the idea of targeted spending at the poorest. Thus whilst means-tested benefits accounted for just 9 percent of the social security budget in 1979, by 1996 they were 22 percent of the total. Greater numbers of families had been made reliant on means-tested Income Support or Family Credit, rather than universal social insurance programmes.[125]

However, New Labour did not arrest this trend. In making the WFTC such a major part of their antipoverty policy, they further contributed to the growth of means-testing. This was, after all, part of the reason that Frank Field, a determined opponent of means-testing, only served a year as minister for welfare reform. As Connell writes, the New Labour approach was "characterised by an emphasis on activation and work-related conditionality, together with vertical redistribution by means of targeted benefits…."[126] John Hills framed this approach as "selective universalism," in which New Labour maintained some universal services, such as

[125] Hills, *Thatcherism, New Labour and the Welfare State*, 10-11.
[126] Connell, *Welfare Policy under New Labour,* 2.

healthcare, whilst targeting others at the poorest.[127] Adopting a similar framework, Howard Glennerster also points out that an entirely universal welfare state was "never achieved in practice but always [only] a dream."[128] In part, this greater emphasis on targeting perhaps related to the spending limits that New Labour imposed on themselves in their first two years office, a broadly political decision. At the same time, their expansion of means-testing through in-work tax credits can also be traced to their emphasis on the need for government to create opportunity, whilst demanding responsibility through welfare-to-work programmes. The effect of the WFTC was also highly redistributive, helping to reduce poverty among the poorest considerably. Howard Glennerster has written that it represented "a real and substantial boost to the incomes of the poorest working families."[129] Moreover, their introduction of the minimum wage—discussed below—was, whilst not a form of government spending, hardly a means-tested measure.

In-work tax credits, then, were a core commonality between the New Democrats and New Labour, reflecting their common analysis of the modern economy. To this end, figures from both parties discussed and shared information about their programmes. In both cases, they drew on elements of the structuralist tradition, and in particular its emphasis on understanding poverty in relation to economic change, as well as its language of opportunity. At the same time, they also reflected elements of the neoconservative emphasis on work, and continued the tendency of New Right governments towards greater means-testing.

[127] John Hills and Orsolya Lelkes, "Social Security, Selective Universalism and Patchwork Redistribution," in *British Social Attitudes: the 16th Report*, edited by Roger Jowell et al. (London: Ashgate, 1999).
[128] Glennerster, "Social Policy," 383.
[129] Ibid., 395.

Creating a wage floor

There was a second major means through which the New Democrats and New Labour both sought to make work pay in the modern economy: the setting of wage floors through minimum wages. As with tax credits, the United States was actually ahead of Britain on this issue: a federal minimum wage had existed since 1933 (albeit with a period between 1935 and 1938 when the Supreme Court ruled that the initial wage was unconstitutional). By contrast, in Britain, there was no national minimum wage in place by the time that New Labour entered office. The closest that Britain had come to having a minimum wage were the Wage Councils which had set minimum wage standards in specific economic sectors, but these had grown less influential over time as union power declined leading to their abolition by Major's government in 1993. For the New Democrats, activity around the minimum wage took the form of increasing it; for New Labour, it meant establishing the first national minimum wage. In both cases, this was presented as part of the opportunity agenda: supporting people to move into work by ensuring that the work paid. A common understanding of the increasing volume of low-wage work in the modern economy, as outlined in Chapter One of this thesis, underpinned this.

By the dawn of the 1990s, the value of the federal minimum wage had steadily eroded. In 1968, the minimum wage paid to a full-time worker in a three-person household ensured that they earned 119 percent of the federal poverty line. By 1980, the minimum wage alone was no longer enough to lift a worker in the same household out of poverty.[130] This was part of the broader pattern of wage stagnation that had occurred since the 1970s, related to both structural economic

[130] Gitterman, *Boosting Paychecks,* 62.

change and, as Gitterman notes, the declining bargaining power of unions.[131] To the New Democrats, this disincentivised entry into paid employment; increasing the minimum wage was therefore a means of ensuring that work was more attractive than welfare, especially when combined with an expanded EITC. As noted above, some within the DLC had expressed a belief that EITC expansion should be prioritised over an increase in the minimum wage. Clinton followed this prescription to the extent that he expanded the EITC before tackling the minimum wage; but it was clear that he believed both measures to be vital corollaries to welfare-to-work efforts.

An increased minimum wage was included in the Democrats' 1992 election platform, but it was not until his 1995 State of the Union address that Clinton first called on Congress to increase the minimum wage.[132] His request was framed in terms of the need to ensure that work paid in the new economy, in order to work towards "the goal of building the middle class and shrinking the underclass."[133] In part, this reflected the concept of a "middle class bill of rights" that Clinton advocated following the Democrats' disastrous showing in the 1994 midterm elections; but it also reflected his longstanding belief that the minimum wage was a necessary part of an antipoverty agenda that focused on expanding opportunity, as well as demanding responsibility through welfare-to-work efforts. At that time, the federal minimum wage stood at $4.25 per hour. Clinton's proposal, made in February 1995, was for a two-stage increase in the minimum wage, by $0.45 per hour each stage, so that the minimum wage would reach $5.15 over two years. Talking points produced by the administration emphasised the degree to which

[131] Ibid., 10.
[132] William J. Clinton, "Address Before a Joint Session of the Congress on the State of the Union," January 23, 1996, Washington, DC, transcript, APP, http://www.presidency.ucsb.edu/ws/index.php?pid=53091.
[133] Ibid.

this would aid the process of reorienting the welfare system around work; which was an ongoing debate. "The minimum wage increase provides another crucial measure to reward work and ensure that there is a strong incentive to choose work over welfare," stated one internal memo.[134] Others within the Administration were making the same arguments: Labor Secretary Robert Reich reminded Democratic Senators that the real value of the minimum wage was 27 percent lower than it had been in 1979.[135] Clinton continued to repeat these arguments throughout the spring of 1995. In a radio address, he told the American public "if we're really serious about welfare reform, increasing the minimum wage will plainly help."[136] Similarly, the President told journalists "the minimum wage is the key, first, to welfare reform."[137]

There were some political benefits to framing the issue in this way. As Americans were eager for welfare reform and the Republicans had made it clear in the 1994 *Contract with America* that they would seek to introduce welfare reform legislation within the first hundred days of taking office, suggesting that an increase in the minimum wage would help this was a possible way of encouraging support. Nonetheless, the degree to which Clinton frequently related the need for a dual approach to welfare—making work pay whilst reorienting the system around employment—to broader economic shifts, suggests that there was intellectual substance behind this argument, as well as political expediency. A clear example of this was offered by a speech that Clinton made in California.

> We're going around telling everybody, 'Get off welfare, go to work.' We're going to extol the work ethic; we're creating six million new jobs. Is your vision of post-Cold War America, is your vision of a high-technology

[134] Rewarding Work: the Case for Increasing the Minimum Wage, memo, February 3, 1995, Minimum Wage/Executive Order, Box 21, Carol Rasco Subject Series, WJCPL.
[135] "Talking Points," memo, January 19, 1995, Welfare Reform Legislation [3], Box 127, Carol Rasco Subject Series, WJCPL.
[136] William J. Clinton, "President's Radio Address," February 4, 1995, Washington, DC, transcript, APP, http://www.presidency.ucsb.edu/ws/index.php?pid=50842.
[137] Clinton, "Remarks and a Question-and-Answer Session with the American Society of Newspaper Editors."

> information age one in which minimum wage workers make their lowest income in forty years? Not mine.[138]

Here, Clinton linked the need for a higher minimum wage to welfare-to-work efforts, and connected both of these ideas back to the changes created by the new economy. As Ellwood recollected, it had been clear from the beginning of the administration that Clinton saw the need to make work pay—in the shape of both the EITC and an increased minimum wage—as vital counterparts to his efforts to reorient the welfare system around work.[139]

However, political realities meant that it was not easy for the Administration to secure an increase; legislative disagreements, especially over the Budget, were so severe that the government was shut down twice (in late 1995 and early 1996). Congressional Republicans also tended to add provisions to minimum wage legislation that the administration disliked. This led the Clinton administration to express frustration that they could not receive a "clean" bill from Congress that focused solely on the minimum wage. Press Secretary Mike McCurry lamented the tendency of Senate Republicans to "bollix up the process."[140] In turn, Speaker of the House Newt Gingrich expressed hesitancy about the President's proposal, suggesting that it could create unemployment by dissuading businesses from hiring. At a town hall meeting at which both he and Clinton spoke, Gingrich said, "I'm very concerned that if you raise the cost of the first job for the poorest person, for example, in the inner city, that what you tend to do is increase black, male,

[138] William J. Clinton, "Remarks to the California Democratic Party," April 8, 1995, Sacramento, CA, transcript, APP, http://www.presidency.ucsb.edu/ws/index.php?pid=51210.
[139] Ellwood, interview with the author.
[140] Mike McCurry, "Press Briefing by Mike McCurry," July 1, 1996, Washington, D.C. transcript, APP, http://www.presidency.ucsb.edu/ws/index.php?pid=48798.

teenage employment, which is exactly the thing you don't want to do."[141] His remarks were imbued with a racialised depiction of the poor that mirrored popular misconceptions about who the poor were. Beyond this, they also pointed towards the distinctiveness of Clinton's approach: whilst Gingrich worried about the costs to business of a higher wage floor, Clinton recognised that efforts to make work pay were a vital part of antipoverty policy in the modern world.

Criticism was also offered by the senate majority leader and presidential contender Bob Dole (R-KS), who blocked a vote on the minimum wage in March 1996, repeating Gingrich's racialised argument that "there are going to be a lot of young people who will lose their jobs, and a lot of them will be black teenagers."[142] Here he seemed to be deliberately evoking memories of urban rioting—from Watts in 1965 to Los Angeles in 1992—and strongly implying that the unemployed poor had the potential for violence. This reflected the neoconservatives' deeply pessimistic conception of human nature, as well as the racially coded language that many of them used.

Such was the administration's frustration at failing to raise the minimum wage that in 1995, an Executive Order increasing the minimum wage for federal workers was drafted.[143] In a draft accompanying memo setting out the costs and benefits of such an action, it was noted that the Administration would be open to the charge of "big government," but that increasing the minimum wage in this way would be "unprecedented."[144] The Order was never signed.

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[141] William J. Clinton and Newt Gingrich, "Remarks in a Town Meeting With Speaker of the House of Representatives Newt Gingrich," June 11, 1995, Claremont, NH, transcript, APP, http://www.presidency.ucsb.edu/ws/index.php?pid=51478.
[142] Adam Clymer, "Dole Blocks Vote on Raising Minimum Wage." *New York Times*. March 27, 1996. ProQuest, http://search.proquest.com/docview/109586242/.
[143] Jennifer O'Connor to Erskine Bowles, memo, August 30, 1995, Minimum Wage/Executive Order, Box 21, Carol Rasco Subject Series, WJCPL.
[144] Ibid.

However, whilst business was cautious about any increase, they were not entirely opposed. Writing to Reich, the Small Business Administration noted that many small businesses did not actually pay below the current minimum wage, but would appreciate a two-tier approach, under which smaller companies with smaller revenues would be exempted.[145] In the bill granting the increase, eventually passed in the summer of 1996, tax breaks were also offered for small businesses, as a concession, totalling some $21 billion over 10 years.[146]

The bill raising the minimum wage preserved Clinton's request for an increase of $0.90 per hour, divided over one $0.50 increase in October 1996 and a $0.40 increase in autumn 1997.[147] To a degree, this reflected the different political dynamics and competing imperatives within the congressional GOP. Some within the party—such as Dick Armey (R-TX) and Tom DeLay (R-TX) — were more ideologically conservative, and believed that an increase in the minimum wage was wrong, for the burden that it would place on businesses. More moderate Republicans had greater sympathy for the measure, and the impact of the coming November 1996 election also helped to shape Republican opinion.[148] According to analysis by the Economic Policy Institute, the two-step increase boosted wages for some 10 million Americans, the majority of whom were women, and part-time workers.[149]

Significantly, Clinton signed the minimum wage increase into law just weeks after making the decision to sign the 1996 PRWORA, and two days before the

[145] Small Business Administration to Bruce Reed and Robert Reich, memo, June 11, 1996, Box 119, Bruce Reed Subject Series, WJCPL.
[146] Richard Stevenson, "Clinton Signs a Bill Raising Minimum Wage by 90 Cents: Sounding a theme for Election Day and seeking political momentum," *New York Times*, August 21, 1996. ProQuest, http://search.proquest.com/docview/109576502/.
[147] Ibid.
[148] Steven M. Gillon, *The Pact: Bill Clinton, Newt Gingrich, and the Rivalry that Defined a Generation* (New York: Oxford University Press, 2008), 127-8.
[149] Jared Bernstein and John Schmitt, *Making Work Pay: The Impact of the 1996-97 Minimum Wage Increase* (Washington, DC: Economic Policy Institute, 1998), 1.

signing ceremony for PROWRA was held. As was the case with the EITC, Clinton reframed reasoning behind the minimum wage increase. Where, prior to PRWORA, it had been a necessary precursor to welfare reform, it became, after PRWORA, a justification for Clinton's decision to sign the controversial legislation. At the beginning of August, announcing his decision to sign PRWORA, Clinton told reporters that "now we must increase the minimum wage."[150] Three weeks later, after the wage increase passed Congress, and as he signed PRWORA, Clinton stated that "combined with the newly increased minimum wage and Earned Income Tax Credit [this legislation] will make work pay for more Americans."[151] Health and Human Services (HSS) Secretary Donna Shalala concurred, stating that, taken together, the minimum wage and EITC were "powerful" incentives that would, combined with PRWORA, help to move people from welfare to work.[152] Throughout the Clinton presidency, an increased minimum wage was conceived of as part of a broader agenda to create opportunity by ensuring that work paid; the necessary corollary to efforts to demand responsibility from the poor through welfare-to-work programmes.

New Labour expressed the need for a minimum wage in a similar way. Introducing a National Minimum Wage (NMW) was a manifesto commitment in the 1997 election, which pointed towards the American minimum wage as evidence of its importance to modern economies.[153] It was also a measure that had been advocated by the Commission on Social Justice in 1994, and Alastair Campbell's diaries show that New Labour figures were discussing the prospect of the NMW

[150] "Text of President Clinton's Announcement on Welfare Legislation," *New York Times,* August 1, 1996, ProQuest, http://search.proquest.com/docview/109635197/.
[151] Clinton, "Statement on Signing the Personal Responsibility and Work Opportunity Reconciliation Act."
[152] Donna Shalala and Bruce Reed, "Press Briefing by Secretary of Health and Human Services Donna Shalala and Assistant to the President for Policy Planning Bruce Reed," July 31, 1996, Washington, DC, transcript, APP, http://www.presidency.ucsb.edu/ws/index.php?pid=48887.
[153] Labour Party, *New Labour: Because Britain Deserves Better.*

before entering government. Their commitment to the NMW was not without hesitation. Blair and Brown tried to take a cautious approach, stressing that business would be properly consulted about their plans, and that it would be introduced at a level that would not cause job losses.[154] Alongside possible reservations from business on the one hand, they also had to confront objections from unions on the other, who wanted a commitment to a specific figure rather than a formula for devising the minimum wage. In October 1995, a motion on the NMW passed the Labour Party conference after unions were won over. Following New Labour's entry into government, the National Minimum Wage Act was passed in 1998, introducing a legal wage floor. Lest the NMW be set at a level that could threaten jobs, the Act provided for the wage to be annually reviewed by an independent Low Pay Commission (LPC), who could then suggest any changes to the Government for approval. In determining the wage rate, the LPC had to take into account any possible impact on employment levels, and the wage was not supposed to be set at any level that could cause unemployment.[155] The initial rate recommended by the LPC ranged between £3.50 and £3.75 per hour, high enough to lead Blair to "go off on one, ranting that they were all going native and not understanding the bigger picture and have they thought of the effect on business?"[156] Nonetheless, from 1999, all adults in Britain were legally required to be paid a minimum of £3.60 per hour; with those under 22 to be paid a minimum of £3 per hour.[157] The lower rate for young people was designed to reduce barriers to their employment, consistent with the special emphasis that New Labour placed on

[154] See entries throughout *Alastair Campbell Diaries,* Vol. 1, ed. Haggerty.
[155] In this way, minimum wages were distinct from "living wages." The latter focus on setting wage rates at levels high enough that they can be lived off, and have little regard for possible impacts on employment. By contrast, minimum wages are set with possible employment effects in mind.
[156] Quoted in *Alastair Campbell Diaries,* ed. Haggerty, Vol. 1, 312.
[157] Some groups were not covered by the legislation, for example members of the Armed Forces, and voluntary workers. See *National Minimum Wage Act 1998,* July 31, 1998.

reducing unemployment amongst the young, something discussed in Chapter Three.

As the New Democrats had done, New Labour consciously framed the NMW as a necessary corollary to welfare-to-work efforts. In his speech to the Labour Party conference in 1997, Brown referred to the NMW as "the final pillar of our antipoverty strategy," alongside the forthcoming in-work tax credits.[158] Often, the NMW and WFTC were presented together by New Labour as part of this opportunity strategy. Brown frequently emphasised that the two measures effectively created a guaranteed minimum income for low-income families. This was part, the chancellor stated, of "building a modern welfare state."[159] Bradley recalled from his time at DSS that "underpinning the changes to benefits was the introduction of the minimum wage."[160] Setting a wage floor, and creating tax credits, was understood as vital in ensuring that work in the modern economy paid enough to properly support people moving off welfare through the New Deal programmes.

New Labour was able to avoid the political fight that Clinton had had over increasing the minimum wage, due to its considerable parliamentary majority. However, there was still opposition to the NMW, mostly from the Conservative Party. 125 of 165 Conservative MPs voted against the legislation, expressing concerns that bore more than a passing similarity to those voiced by Gingrich in America. Hague told the Commons that Labour "must accept that increasing the cost of employing people with a minimum wage… will destroy jobs. What is on offer from the government is not temporary job creation but permanent job destruction—not

[158] Gordon Brown, "Speech to Labour Party Conference, October 1, 1997, Brighton," transcript, BPS, http://www.britishpoliticalspeech.org/speech-archive.htm?speech=268.
[159] Gordon Brown, "Speech to Labour Party Conference, September 30, 2002, Blackpool," transcript, BPS, http://www.britishpoliticalspeech.org/speech-archive.htm?speech=273.
[160] Bradley, interview with author.

welfare to work, but work to welfare."[161] This gestured towards a fundamental distinction in the approaches to poverty taken by New Labour and the Conservatives. New Labour believed that offering opportunity, in the form of efforts to make work pay, was crucial to moving people into work. This belief was grounded in the analysis that they had developed of the impact of structural economic changes on wages and jobs. By contrast, the Conservatives felt that such supports would only worsen the problem, ignoring structural changes in the economy and the impacts they had had on wages.

Offering Opportunity

Works which have offered accounts of common aspects of the antipoverty policy of the New Democrats and New Labour have tended to focus only on their welfare-to-work efforts. Whilst these were an important commonality, they were only one part of the common approach to poverty that the two parties had. This chapter has insisted that a vital corollary to these efforts was offered by the measures that both parties made to ensure that work paid, providing a real opportunity to those leaving welfare. Crucial to this part of their antipoverty agenda were in-work tax credits, and minimum wages. The New Democrats' expansion of these existing policies, and New Labour's introduction of them, were consciously framed by both parties as the counterpoint to the responsibility that they demanded through welfare-to-work programmes. If people were to be moved off welfare, and into employment, their logic dictated, then those jobs needed to

[161] William Hague, "Remarks in Parliament".

offer a route out of poverty. Their policy in this area was therefore consistent with the emphasis that they placed on work as a route out of poverty.

This was rooted in their common analysis of the modern economy, and how it was impacting on poverty. In the analysis that key New Democrat and New Labour figures developed in the 1980s, deindustrialisation, globalisation, and technological change were perceived as changing the nature of employment and poverty creating more precarious, service-sector, low-wage, part-time jobs. When demanding that people move into work by reorienting welfare programmes they realised support had to be provided. They saw that it was the role of government to provide this support, most especially in the form of tax credits.

This underlined the distinctiveness of their approach to poverty. Those Republicans and Conservatives who adhered to the broadly neoconservative school of thought on poverty, emphasising the need for welfare programmes to inculcate responsibility in seeking work, were amongst those who criticised tax credits and minimum wages. They took a narrower approach to poverty, believing that the cost of such supports to business could lead to unemployment, thus worsening welfare rolls. They also criticised the cost to government, betraying a sense that it was the costs of welfare that were their primary concern. Yet this was an approach that largely ignored the realities imposed by the contemporary economy. In this way, the activities of the New Democrats and New Labour were mostly distinct from neoconservatives, although they accepted some elements of neoconservative thought. In particular, they still emphasised the moral value of work, something that becomes even clearer when these policies are viewed in conjunction with welfare-to-work efforts. In the case of New Labour, they also moved further away from the conception of a universalist welfare state, continuing the expansion of means-testing that had occurred under Thatcher. However, in

their recognition of the impact of major economic change on contemporary employment, and their language of opportunity, both parties demonstrated the lingering influence of the structuralist school of thought. This area of their common policy was perhaps where their belief in the need for government to create opportunity was clearest.

As noted, those who have focused solely on the common welfare-to-work policy of the New Democrats and New Labour, such as Peck, Theodore, and Wacquant, have often viewed it as representing an accommodation to neoliberal imperatives. Their analysis did not extend to tax credits and minimum wages. In one sense, the policies discussed in this chapter complicate their argument that the two parties were essentially neoliberal, especially if one understands "neoliberal" as meaning the rolling back of the state. By effectively subsidising the wages of the low paid, the New Democrats and New Labour were hardly reducing government spending. However, if the more recent definition of neoliberalism offered by Mirowski—in which neoliberalism is about taking over and reorienting the state—is used, then it may be possible to view the two parties' introduction and expansion of in-work tax credits as more of an accommodation to neoliberal ideas. After all, tax credits effectively constituted a wage subsidy from the state. In addition, as noted above, the review which led to New Labour's introduction of the WFTC was chaired by a businessman. Nonetheless, to make such an argument would be to overlook certain factors. Firstly, as noted above, many businesses were still angered by tax credits, as they imposed new administrative burdens on them. Secondly, both parties' introduction/expansion of national minimum wages represented a mandatory wage floor that employers had to honour, even if these wages were set at rates designed not to increase unemployment.

A subtler version of this argument might take the analysis of the modern economy that the New Democrats and New Labour shared, and suggest that the two parties were essentially trying to make the low-wage work created by neoliberalism more attractive. Jamie Peck has advanced this argument about both parties' welfare-to-work efforts, stating that they were "not about creating jobs for people that don't have them, [but] about creating workers for jobs that nobody wants."[162] In-work tax credits and minimum wages may be viewed in this light: as efforts alongside welfare-to-work programmes to try and push people into the low-wage labour market created by the globalising, deindustrialising economy. Ultimately, this comes down to a question of motivation. The distinct approach to poverty that the New Democrats and New Labour formulated recognised these economic forces, and sought to manage them. Whether they did this out of an explicit desire to maintain a section of the labour force in low-wage work; or out of a belief that these forces were immutable, is ultimately difficult for the historian to know. Nonetheless, it is argued here that the sources discussed above point to the latter interpretation. Either way, their approach remained a common one that was distinctive from neoconservative and structuralist thought.

This is well illustrated in a memo of talking points outlining the administration's approach to poverty that was passed to Clinton prior to the conference on the Third Way in 1999, at which both he and Blair were present. It stated that, "the basic pact that binds our society together is the idea that we have responsibilities as well as rights, that we have an obligation to expand opportunity for all and demand responsibility from all."[163] To demonstrate the point the memo

[162] Peck, *Workfare States,* 6.
[163] Thomas Freedman and Bruce Reed to Bill Clinton, memo, November 19, 1999, Third Way, Box 127, Bruce Reed Subject Series, WJCPL.

suggested Clinton should emphasise key New Democrat achievements: increasing the EITC, and the minimum wage.[164]

[164] Ibid.

Chapter Three

Moving from Welfare to Work

> *I want welfare reform that moves people from dependence to independence, from welfare to work. So my proposal is a welfare-to-work plan, not just a welfare plan that cuts welfare.*
> —Bill Clinton, 1995[1]

> *The new welfare state must encourage work, not dependency. We are giving young people and the long-term unemployed the opportunity... We want single mothers with school-age children at least to visit a Job Centre, not just stay at home waiting for the benefit cheque every week until the children are sixteen.*
> —Tony Blair, 1997[2]

In May 1997, Clinton and Blair gave their first joint press conference as elected leaders. Standing in the garden of Downing Street, journalists asked questions on a range of issues, from the Asian financial crisis to the prospects for peace in Northern Ireland. Such matters were the usual fare for these kinds of press conferences, but another, more unusual issue was also raised. "It's important that we give our people the tools to make the most of their lives through world-class education and training; help people move from welfare to work," stated Clinton, "and I applaud the efforts that the Prime Minister is making on that."[3] His remarks pointed towards the second area of commonality in the antipoverty policy of the New Democrats and New Labour: a belief that traditional welfare programmes needed to be reoriented so that they focused on moving people off welfare and into work.

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[1] William J. Clinton, "President's Radio Address," April 8, 1995, Washington, DC, transcript, APP, http://www.presidency.ucsb.edu/ws/index.php?pid=51209.
[2] Tony Blair, "Address to the Labour Party Conference," September 30, 1997, transcript, BPS, http://www.britishpoliticalspeech.org/speech-archive.htm?speech=203.
[3] William J. Clinton, "The President's News Conference with Prime Minister Tony Blair of the United Kingdom," February 6, 1998, Washington, DC, transcript, APP, http://www.presidency.ucsb.edu/ws/?pid=55237.

This chapter explores this common approach, by focusing on its major manifestations in policy: in America, the 1996 PRWORA, and in Britain, the New Deals for Lone Parents; for the Long-Term Unemployed (and their partners); and for Young People. It demonstrates the ways in which all of these policies reflected certain core principles that were commonly held by New Democrats and New Labour: a belief in the importance of paid work as a means for leaving poverty; a belief in the need for work requirements and conditions to be attached to receipt of benefits; and a sense that welfare programmes needed to be more active in helping to place people in work.

These two policies were, it is acknowledged, borne out of very different political scenarios. The New Deals were passed quickly by a Labour-dominated parliament, whilst PRWORA was a Republican-originated bill, signed by Clinton following two vetoes of earlier Republican bills and the failure of his own 1994 welfare reform plan. Comprehensive accounts of the complex politics that led to PRWORA have been provided elsewhere, and are not the focus of this chapter.[4] However, discussions of the different pieces of legislation are included in as much as they illuminate the New Democrat approach to poverty.

Additionally, the first half of this chapter explores how the New Democrat and New Labour emphasis on welfare-to-work efforts was influenced by a series of reform experiments that occurred in Wisconsin during the early 1990s. Although these efforts were led by a Republican governor, and were eventually used by

[4] See in particular R. Kent Weaver, *Ending Welfare as We Know It* (Washington, DC: Brookings Institution Press, 2000). An insider account from a Republican staffer is provided by Ron Haskins, *Work Over Welfare: The Inside Story of the 1996 Welfare Reform Law* (Washington, DC: Brookings Institution Press, 2006). Another insider account, from a different perspective, can be found in David Ellwood, "From Social Science to Social Policy: The Fate of Intellectuals, Ideas, and Ideology in the Welfare Debate in the Mid-1990s," speech, January 6, 1996, Folder 5, Box 565, Series 2, Daniel Patrick Moynihan Papers, Manuscript Division, Library of Congress, Washington, DC (hereafter DPMP). Further accounts are contained in Jason DeParle, *American Dream: Three Women, Ten Kids, and a Nation's Drive to End Welfare* (New York: Penguin, 2004). Another, briefer, overview is provided in Béland and Waddan, *Politics of Policy Change*, 24-74.

congressional Republicans to place pressure on Clinton's national welfare reform efforts, some New Democrats were also involved in reforms in Wisconsin. Many New Labour figures also travelled to the state, and had contacts with officials there. This chapter argues that the principles at the heart of events in Wisconsin were similar to those that underpinned the New Democrat and New Labour approach.

This chapter suggests that in this area of their antipoverty policy, the theme of demanding responsibility from the poor was to the fore. This reflected an acceptance of elements of the neoconservative critique of welfare programmes as failing to do enough to move people into work, and continued longer-term efforts to attach conditions to the receipt of benefits. Moreover, these policies moved away from ideas about entitlement and the right to welfare that had historically been key strands of structuralist thought in both countries. Many have suggested that these policies therefore demonstrated a fundamental accommodation to neoconservative ideas. Yet in doing so, these works only acknowledge one area of the antipoverty policy of the New Democrats and New Labour. When combined with the opportunity-focused and structuralist-inflected policies discussed in Chapter Two, a more complex picture emerges which highlights their distinctiveness.

This chapter first explores the influence of Wisconsin on both the New Democrats and New Labour, before turning to a discussion of PRWORA and the New Deals. It then details the ways in which both these policies represented a new conception of the role of women, which moved away from the founding principles of welfare in America and Britain.

"From Wisconsin With Love"[5]

From the late 1970s, states across America had begun to conduct experiments with their AFDC programmes. They were able to do this by obtaining waivers from the federal government that allowed states to devise their own rules regarding the programme, rather than following federal law. Reagan and George H.W. Bush increased the provision of these waivers, but it was Clinton who significantly expanded their use.[6] The Clinton administration worked with the NGA to simplify the waiver process for AFDC, as well as for Medicare and Medicaid.[7] In part, this reflected Clinton's own background as a governor, and as chair of the NGA, which led him to believe that states had an important role to play in developing policy. At times, this caused tension between the White House and HHS, with one member of staff joking that, "the worst days for us where when the NGA was in town, because Bill Clinton would go with them and he would just remember and fall in love and so forth."[8] Another official similarly reflected that encouragement for granting waivers came right from the president.[9] An October 1997 memo sent to Clinton stated that 79 waivers had thus far been granted across 43 states, although not all had been implemented.[10]

[5] Briefing on Clinton welfare reform, memo, April 1994, Folder 2, Box 2, Series 7.2, Tommy G. Thompson Papers, Special Collections, Raynor Memorial Library, Marquette University, Milwaukee IL (hereafter TGTP).
[6] On the Reagan expansion of waivers, see Davies, "Welfare State," 213-4.
[7] During the summer of 1993, the administration drew up some draft policy principles for negotiation with the NGA. See Draft Policy Principles, memo, July 1993, Welfare Reform [2], Box 30, Carol Rasco Subject Series, WJCPL.
[8] Ellwood, interview with author. Donna Shalala also recalls that Clinton had a strong belief in ensuring that states were supported to experiment. Donna Shalala, interview by Russell Riley and Paul Martin, May 2007, transcript, William J. Clinton Oral History Project, Miller Center, University of Virginia, http://millercenter.org/oralhistory/interview/donna-shalala.
[9] Bane, interview with author.
[10] Carol Rasco to Bill Clinton, memo, October 22, 1996, Welfare Reform [2], Box 127, Carol Rasco Subject Series, WJCPL.

A number of states were therefore experimenting with the welfare programmes.[11] Experiments in California and Massachusetts received media attention, but nowhere was as influential on New Democrat and New Labour welfare-to-work policy as Wisconsin. Under Republican governor Tommy G. Thompson, the state developed a programme, Work Not Welfare, which was trialled in Racine and Fond du Lac counties from January 1995. The programme, renamed W-2 (or Wisconsin Works) was then rolled-out across the state in the summer of 1997. Because, by the time that W-2 was to be implemented, PRWORA had been passed and TANF established, W-2 effectively became the state's TANF programme.

The names of the programmes gestured towards their strong emphasis on reorienting AFDC around work: W-2 was a play on the standard form by which American employers report their employees' incomes to the federal government, and which employers then file with their taxes.[12] In practice, this emphasis meant time limits on AFDC receipt; a requirement to be engaged in work, including voluntary or government-provided jobs in order to receive benefits; and additional funding for childcare and health services to try and ensure that recipients received some practical support to move into work. Welfare offices were also expected to change their ways of working to focus on moving recipients into work, rather than processing their claims. They were to be incentivised to do this through a payment-by-results system, in which counties that placed high numbers of welfare recipients into work received bonus payments. In measures discussed in the following chapter, unmarried teenage mothers were also required to remain in the household

[11] Details on Welfare Demonstrations, memos, undated, Welfare Reform [1], Box 30, Carol Rasco Subject Series, WJCPL.
[12] J. Jean Rogers, Remarks to Biennial Summit Conference, transcript, Grand Forks ND, March 11, 1996, Folder 12, Box 4, Series 7.2, TGTP.

of a parent or guardian and continue their education in exchange for receiving benefits.[13]

Wisconsin's reforms met with concern from many liberals, who believed that they were punitive. A *New York Times* editorial in 1993, as the experiments that led to W-2 began, wrote that "the Wisconsin plan might make some progress in moving some welfare recipients off the rolls and into productive work. But there are virtually certain to be some ugly outcomes," and described the proposals as "harsh."[14] Jason DeParle, the veteran reporter on welfare for the *New York Times,* frequently questioned the rationale behind the state's efforts. In one article in May 1997, reflecting on W-2, he noted that welfare rolls had fallen by 25 percent in the previous year alone, but stated that "no one knows how many of Milwaukee's welfare poor have moved toward economic betterment, and how many have suffered erosion in living standards that were already alarmingly low."[15]

To Thompson, however, the reforms were about liberating people from welfare dependency. Wisconsin had a strong tradition of progressive and experimental reform; it was, in the famous phrase of Supreme Court Justice Louis Brandeis, a "laboratory of democracy."[16] Thompson sought to place his welfare reforms within this tradition.[17] In one letter to a critical Catholic archbishop, Thompson wrote that AFDC had "done nothing but harm children for the past sixty years."[18] In his analysis, AFDC perpetuated poverty by failing to do enough to

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[13] Tommy G. Thompson, *Power to the People: An American State at Work* (New York: HarperCollins, 1996),63-80.
[14] "Welfare Reform, Done Harshly," *New York Times,* November 8, 1993, ProQuest, http://search.proquest.com/docview/109098373/.
[15] Jason DeParle, "Cutting Welfare Rolls but Raising Questions," *New York Times,* May 7, 1997, ProQuest, http://search.proquest.com/docview/109825755/.
[16] The state was especially associated with the Progressive movement, in large part due to its reforming governor, and later senator, Robert La Follette. The state's emphasis on experimentation has become known as the "Wisconsin Idea."
[17] Thompson, *Power to the People,* 26-30.
[18] Quoted in Orson Porter to Bruce Reed, memo, July 10, 1996, Wisconsin [1], Box 45, Bruce Reed Welfare Reform Series, WJCPL.

move people into work, which would both given them a higher income and the dignity that he believed came with paid employment. This was spelled out by Thompson in a 1997 speech to the NGA:

> For too many years, America measured our nation's compassion by the number of welfare checks it handed out and the number of families that were dependent on government... We're measuring compassion by the number of people we help leave welfare, find a job, receive training and become productive members of society.[19]

This line of thought drew considerably on the work of Lawrence Mead, and his "neo-paternalist" approach to poverty, which stressed the need for welfare programmes to do more to move people into work. This reflected Mead's expressed belief that a failure to work was, primarily, "voluntary," and that AFDC therefore needed to do more to inculcate responsibility.[20] Mead was, in fact, involved in the development of the Wisconsin programmes, helping to shape them.[21] As one Thompson administration official remarked, Thompson "has a similar view [to Mead]. He feels people must work and behave socially acceptably as a condition of help."[22] Hence, the Wisconsin reforms were broadly rooted in the neoconservative approach to poverty, in particular in its use of time limits. Moreover, W-2 tried to prevent people from joining the AFDC rolls, by piloting diversionary programmes from 1994, implementing these across the state in 1996. Before going on welfare, potential recipients were required to look for work.[23] The state's measures around teenage pregnancy discussed in the following chapter similarly hewed to this neoconservative path. Nonetheless, in the provision of additional funding for

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[19] Tommy G. Thompson, Remarks to NGA Roundtable, transcript, June 18, 1997, New Orleans LA, Folder 4, Box 16, Series 2.2.1, TGTP.
[20] Mead, "The Hidden Jobs Debate," 51.
[21] Mead has also written extensively about the Wisconsin experiments, and his involvement with them. See in particular Lawrence Mead, "The Politics of Welfare Reform in Wisconsin," *Polity* 32, no. 4 (2000): 533-59; and Lawrence Mead, "Welfare Reform in Wisconsin: The Local Role," *Administration and Society* 33, no. 5 (November 2001): 523-54.
[22] J. Jean Rogers, Remarks at the Freedom Forum, transcript, San Francisco CA, April 28, 1997, Folder 12, Box 4, Series 7.2, TGTP.
[23] Mead, "Politics of Welfare Reform," 538.

childcare and health services, there was something of a structural recognition of the barriers that prevented people from moving into work.

The fundamental principle of reform in Wisconsin—moving people from welfare into work—had a strong impact on the development of PRWORA, and the New Democrat approach to poverty, in several ways. Firstly, although W-2, and its predecessor Work Not Welfare, were developed by a Republican administration, they nonetheless were supported by New Democrats in the state, as Lawrence Mead recalled.[24] These New Democrats agreed with Thompson's fundamental analysis that welfare programmes could be reoriented so that they did more to move people from welfare to work. Key here was John O. Norquist, the Democratic mayor of Milwaukee. In one speech, Norquist remarked that,

> Welfare is a complete failure; a failure of compassion, a failure of justice and a failure of common sense… Welfare is a failure. It can't be fixed. It cannot, and should not, be reformed. It cannot, and should not, even be 'ended as we know it.' The only solution is to end welfare—period. To end it altogether. And to start over—with a work-based system.[25]

Norquist's remarks almost seemed to go beyond Clinton's pledge, arguing that AFDC needed to be completely abolished. In so doing, they presaged PRWORA. Significantly, he had some association with the New Democrats in the form of the DLC, contributing on occasion to the *New Democrat* magazine.[26] Norquist, as is clear from this speech, sought to engage in debates over reform within Wisconsin. However, he also devoted considerable energy to advocating his approach to welfare-to-work programmes to the White House. In early 1994, his staff sent Bruce Reed two options for federal reform: a law repealing AFDC and replacing it with work-based programmes, or a plan under which states would opt out of welfare to

[24] Ibid., 545-7.
[25] John O. Norquist, Remarks at the Public Policy Forum, speech, Milwaukee WI, January 24, 1996, Wisconsin [3], Box 46, Bruce Reed Welfare Reform Series, WJCPL.
[26] John O. Norquist, "The Wealth of Cities," *New Democrat* 10, no. 2 (March-April 1998): 24-5.

begin their own work-oriented schemes.[27] Norquist made clear that he believed these options to be about empowering those on welfare, echoing the rhetoric of Thompson. In a separate letter to Clinton, Norquist wrote, somewhat hyperbolically, that replacing AFDC with work-oriented programmes would be the "fourth American revolution," following independence; the abolition of slavery, and the passage of civil rights legislation.[28]

Other New Democrats were also advocates of the principles espoused in Wisconsin. The DLC, who were supportive of W-2, proudly noted that Norquist and another New Democrat had helped design the programme.[29] The other New Democrat was State Representative Antonio R. Riley, who represented the 18th Assembly district in Milwaukee. Riley had called for replacing AFDC with work-focused programmes and had written to Clinton in 1996, complaining that W-2 didn't go far enough to "really" do this.[30] Riley wrote on at least two occasions for the *New Democrat,* outlining his belief that AFDC trapped people in poverty by giving them too little support to move into work.[31] His own family had been on welfare when he was young, and this experience motivated him to replace it. To this end, Riley introduced a bill in the state Assembly which sought to replace AFDC by 1995; partly in response, Thompson designed the state-wide W-2 programme, with input from Norquist. Outlining his reasoning, Riley wrote, "How can we keep supporting a system that doesn't work? We keep sinking all of this money into tinkering with the current system. Tinkering has produced some

[27] David Riemer to Bruce Reed, letter, January 6, 1996, Wisconsin [5], Box 46, Bruce Reed Welfare Reform Series, WJCPL.
[28] John O. Norquist to William J. Clinton, letter, October 13, 1993, Wisconsin [5], Box 46, Bruce Reed Welfare Reform Series, WJCPL.
[29] "President's Endorsement of Wisconsin Works Smart Policy, Not Just Politics," *DLC Update,* press clipping, May 21, 1996, Wisconsin [7], Box 46, Bruce Reed Welfare Reform Series, WJCPL.
[30] Antonio Riley to Bill Clinton, letter, June 10, 1996, Wisconsin W-2 [3], Box 47, Bruce Reed Welfare Reform Series, WJCPL.
[31] Antonio R. Riley, "The Democrat's Role," *New Democrat* 8, no. 4 (July-August 1996): 28-9.

results, but it's just tinkering. Why don't we start from scratch and design a system that will really work?"[32]

Hence, in terms of the W-2's rationale and design, New Democrat principles were clearly visible. This was not confined to state New Democrats. Following Clinton's second veto of Republican federal welfare reform legislation in 1996, and as the administration was mulling a waiver request from Thompson to allow W-2 to expand across the state, Reed wrote to Clinton about the plan. "In many respects, the Wisconsin plan is closer to your approach than to the vetoed bill [which the GOP had sent]…. Its primary motivation is to move people from welfare to work, not to achieve an arbitrary savings target."[33] Mary Jo Bane, who was involved in the administration's waiver process, also recalled that Thompson's proposals were interesting to the administration, and that he had genuinely been trying to construct a work-focused programme.[34]

A second key impact of Wisconsin's reforms on the New Democrat approach to poverty, and on PRWORA, was in the way that they created an evidence base for federal reform. The administration, in granting waivers, specifically included requirements for states to undertake randomised evaluations so that they could identify promising policies.[35] Bane and Ellwood stressed that both Democrats and Republicans tended to respect these results.[36] As Diana Zuckerman has noted, much of the data collected from these experiments was not fully collected before the passage of PRWORA.[37] Therefore, the extent to which evaluative evidence from Wisconsin directly influenced PRWORA is questionable;

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[32] Ibid., 28.
[33] Bruce Reed to Bill Clinton, memo, May 22, 1996, Wisconsin W-2 [4], Box 47, Bruce Reed Welfare Reform Series, WJCPL.
[34] Bane, interview with author.
[35] Bane, interview with author.
[36] Ibid; Ellwood, interview with author.
[37] Diana M. Zuckerman, "Welfare Reform in America: A Clash of Politics and Research," *Journal of Social Issues* 56, no. 4 (2000): 593-4.

but the efforts nonetheless created more of an evidence base for federal policymakers to draw on. Perhaps even more important, however, was the political impact of these experiments, something that Robin Rogers-Dillon has pointed to: "pilot programmes can also define a policy idea and set the terms of the political debate."[38]

This notion of debate-setting represents the third main way in which the Wisconsin reforms shaped the New Democrat approach to poverty, and the federal debates that culminated in PRWORA. Thompson's programmes received significant amounts of media attention, and Republicans used them to apply pressure to the White House at various points between 1993 and 1996. When Wisconsin sent its first waiver applications to the administration in 1993, one aide wrote that "if we do not proceed now, the Governor is likely to announce his concerns and disappointment very publically."[39] Because of the importance that Clinton had accorded welfare reform in the 1992 campaign, Thompson and Republicans were able to seize on any delay in the waiver process as a sign that Clinton was reneging on a promise. This made the administration eager to approve waivers quickly, which did not always meet with the approval of some Democrats within Wisconsin: in one letter to the White House, Democrats complained that "we are weary of Republicans getting everything they ask for from our [presidential] Administration then trashing the President, without having a response from you."[40]

In the summer of 1996, after Clinton's failed proposal, and his vetoes of two Republican-sponsored pieces of legislation, HHS was presented with another

[38] Robin Rogers-Dillon, *The Welfare Experiments: Politics and Policy Evaluation* (Stanford, CA: Stanford University Press, 2004), 4.
[39] Kathi Way to Leon Panetta, memo, October 25, 1993, Wisconsin [1], Box 45, Bruce Reed Welfare Reform Series, WJCPL.
[40] Hannah Rosenthal to Linda Moore, letter, June 15, 1994, Wisconsin [4], Box 46, Bruce Reed Welfare Reform Series, WJCPL.

waiver request from Wisconsin, to allow for the expansion of W-2 across the state. At the same time, it was becoming clear that the president would soon be presented with a third welfare reform bill by congressional Republicans. The GOP, including Thompson, tried to politicise the pending Wisconsin waiver to place pressure on Clinton to sign what became PRWORA. Clinton's presidential opponent, Bob Dole, made a trip to Wisconsin to voice support for Thompson's reforms.[41] Going further, they tried to take congressional action to approve the waiver themselves, although the administration tried to use this, in turn, to pressure the GOP to send them the kind of bill they wanted: "instead of wasting Congress's time with gimmicks, Republican leaders should pass sweeping national reform legislation to require work [and] impose strict time limits."[42] Clinton wrote to House Speaker Newt Gingrich to express hope that they could work together "to produce bipartisan legislation that will shift the welfare system from dependence to independence."[43] Additionally, in May 1996, Clinton devoted his weekly radio address to W-2, praising its fundamentals as "solid" and "bold," stating, "we should get it done."[44]

Thus, the Republicans seemed to have failed to realise that Clinton already approved of the basic fundamentals of Wisconsin's reforms, in their efforts to move people into work. Recalling his own days as a governor, he had long been interested in state experimentation. In fact, the administration saw the granting of waivers as a useful political strategy, allowing them to claim that they had been engaged in waiver reform throughout Clinton's time in office. A memo by senior advisor Rahm Emanuel, and Bruce Reed, highlighted this approach:

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[41] Robert Pear, "Clinton Endorses the Most Radical of Welfare Trials," *New York Times,* May 19, 1996, ProQuest, http://search.proquest.com/docview/109640488/.
[42] Wisconsin Waiver Talking Points, memo, undated, Wisconsin [6], Box 46, Bruce Reed Welfare Reform Series, WJCPL.
[43] Bill Clinton to Newt Gingrich, letter, June 26, 1996, Wisconsin [7], Box 46, Bruce Reed Welfare Reform Series, WJCPL.
[44] William J. Clinton, "President's Radio Address," May 18, 1996, Washington, DC, transcript, APP, http://www.presidency.ucsb.edu/ws/index.php?pid=52834.

> Keep showing progress in ending welfare on our own.... The President has a tool more powerful than a veto threat—call it a waiver threat. Every waiver we grant shows that we're willing to end welfare with or without Congress, and that we don't have to wait on them to give states more flexibility or move people from welfare to work.[45]

As journalist Elizabeth Drew wrote, waivers effectively constituted a "backdoor welfare-reform programme."[46] Those who have written on Clinton's welfare reform have tended to place the Wisconsin reforms as part of a broad movement to the right on the welfare debate. Noting Mead's influence, they suggest that the reforms there reflected the neoconservative approach to poverty.[47] As Deacon has written, "the operation of the waivers... reflected the influence of the 'new paternalism' upon welfare policy."[48] This, in turn, helped shape the national debate towards more conservative approaches—hard time limits and "workfare"—that were ultimately reflected in PRWORA. Similarly, Steven Teles wrote that, "once HHS approves a particularly controversial welfare reform idea, other states are made aware that the proposal is acceptable to the federal government."[49] As Béland and Waddan have pointed out, experiments in states such as Wisconsin also made the governors more interested in reform, something that would play a key role in PRWORA's eventual replacement of AFDC with a block-granted programme giving states greater control.[50]

This argument has some merit. Wisconsin's welfare reforms were, predominantly, shaped by neoconservative arguments more than structuralist ones—and this did occur in conjunction with a move to the right by congressional Republicans, who worked closely with Thompson and other Republican governors.

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[45] Rahm Emanuel and Bruce Reed to Leon Panetta, memo, March 30, 1995, Memos to the President [1], Box 21, Bruce Reed Welfare Reform Series, WJCPL.
[46] Drew, *Showdown,* 87.
[47] Davies, "Welfare State," 213; Reese, *Backlash Against Welfare Mothers,* 161; Peck, *Workfare States,* 101.
[48] Deacon, *Perspectives on Welfare,* 94-5.
[49] Teles, *Whose Welfare?* 139.
[50] Béland and Waddan, *Politics of Policy Change,* 51-3.

Yet such work tends to ignore the fact that the Wisconsin reforms, for all that Clinton supported them, and PRWORA, were seen by him as part of a broader antipoverty package in which in-work tax credits, and an expanded federal minimum wage, were also vital. There were clear neoconservative leanings here, but these should be placed within the context of the administration's other antipoverty measures, as this study seeks to do.

If W-2 was influential on the New Democrat approach to poverty, it was also influential on the New Labour approach, further underscoring the parties' commonalities: they were looking to the same models, and drawing the same key principles from them. Only a small number of works have noted this in any detail, including Alan Deacon, who wrote that

> ...it is scarcely an exaggeration to say that many British policymakers 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.[51]

New Labour entered office just a few months before W-2 was rolled-out across the state, meaning that the programmes had already been trialled in specific areas for several years. Although the fundamentals of their approach to poverty had largely emerged before they entered office, Andrew Connell has shown that much of the detail was only developed after they entered government.[52] It therefore coincided with W-2's state-wide implementation, and there are multiple instances in the historical record of New Labour figures, and British policymakers more broadly, paying close attention to Wisconsin's reforms.

In 1997, the BBC's flagship current affairs programme, *Panorama,* devoted an entire episode to examining the Wisconsin welfare-to-work reforms. The

[51] Alan Deacon, "Learning from the US? The Influence of American Ideas upon New Labour Thinking," *Policy and Politics* 28, no. 1 (January 2000): 7.
[52] Connell, *Welfare Policy under New Labour,* 31.

programme was particularly interested in the ways in which they were influencing New Labour policy, and combined reportage from Wisconsin with interviews with key policymakers such as Harriet Harman. Thompson, also interviewed, outlined the rationale behind W-2, and the programme followed several welfare recipients in the state, to offer a sense of how the programme affected their day-to-day lives. Harman was careful to stress that Wisconsin was just one model of welfare reform that New Labour was examining. Nonetheless, a letter featured on the programme, written by David Stanton of the DSS, suggested otherwise. Stanton, a civil servant, had visited Wisconsin to examine the W-2 reforms, and had, the BBC discovered, written to his hosts on his return acknowledging that he had gone there "a sceptical and critical British bureaucrat," but had returned having undergone a "conversion."[53]

In fact, whilst *Panorama* was filming in Wisconsin, one of the state's key welfare officials, Jean Rogers, was in London, meeting with Harman and speaking at a conference hosted by the *New Statesman* entitled "how Labour can deliver." Rogers began her address by noting that Wisconsin had been working with the DSS and the British Treasury, through the British Embassy in Washington, D.C, and emphasised the importance of sharing domestic policy ideas across international borders.[54] Her speech then went on to offer a comparison of W-2 and New Labour's proposed New Deals:

> I have been pleased to review Prime Minister Blair's welfare-to-work agenda… the concepts in Prime Minister Blair's package are quite similar to those we have implemented in Wisconsin. Consider Chancellor Gordon Brown's remarks when announcing the Welfare-to-Work Task Force: 'this government is determined not to continue down the road of a permanent

[53] British Broadcasting Corporation, "Hard Labour," *Panorama*, First broadcast September 29, 1997, transcript, http://news.bbc.co.uk/hi/english/static/audio_video/programmes/panorama/transcripts/transcript_29_09_97.txt.
[54] J. Jean Rogers, Remarks at How Labour Can Deliver Conference, transcript, London, September 1997, Folder 12, Box 4, Series 7.2, TGTP.

> have-not class, unemployed and disenfranchised from society. The best form of welfare for people of working age is work.' These same sentiments have been expressed many times by my Governor, Tommy Thompson, who has led our state on a ten year journey to reform welfare.... I applaud the New Deal's front-end job search component and the Personal Advisers' attempts to facilitate self-sufficiency.[55]

Rogers's remarks pointed towards the degree to which New Labour was drawing on the model for welfare-to-work programmes that Wisconsin offered, and actively discussing its policies with officials there. Whilst it would be understandable for Wisconsin officials to seek to amplify their international influence, the invitation extended to Rogers demonstrated that there were real links with British officials.

As Rogers's reference to working with New Labour officials suggested, a variety of ministers and civil servants made trips to Wisconsin to learn more about their reforms. In March 1998, DSS junior minister Keith Bradley travelled to the state. At the La Follette Institute in Madison, Bradley spoke on the subject of "new hope and the New Deal," leading one local newspaper to remind its readers that "Britain has been watching Wisconsin's work in welfare reform carefully, and several La Follette Institute professors have travelled to Britain to speak on the subject."[56] Bradley recollected that the visit—which also involved a trip to California to explore its Greater Avenues to Independence (GAIN) programme—helped to highlight operational issues with programmes as they worked on a day-to-day basis. Moreover, he was especially interested to see services were being tailored to lone parents, a group that New Labour were particularly eager to move into work.[57]

A further demonstration of the influence of Wisconsin on the development of New Labour welfare-to-work policy was to be found in the work of the

[55] Ibid.
[56] "British Leader Sets Welfare Talk," *Capital Times,* March 14, 1998, Folder 4, Box 12, Series 3.5, TGTP.
[57] Bradley, interview with author.

parliamentary Select Committee on Social Security which visited the state in late 1997, as part of a broader visit to investigate welfare reform across America. Whilst in Wisconsin, the Committee toured a job centre in Dane county, a work-based project in Milwaukee, and a workforce development centre in Racine county. Their report also featured an appendix with statistics and memos contributed by various state and federal officials on welfare-to-work programmes. These included a memo by Mayor Norquist's advisor, David Riemer, on the "fundamental principles" of reform in the state, and several statistical reports on the impact of W-2 in Milwaukee.[58]

Wisconsin was not exporting its ideas solely to Britain in this period. Rogers also spoke on W-2 in Auckland, New Zealand and Freiburg, Germany about the state's reforms.[59] However, the degree of interest that New Labour policymakers actively expressed in Wisconsin's reforms demonstrates that many of the fundamental principles which underpinned reform there were fundamentally similar to the ideas that New Labour had developed prior to government, and which they continued to develop after May 1997. These principles were the belief in work as a means of leaving poverty; on shifting the role of welfare offices; and placing conditions and work requirements on the receipt of benefits. As with the relationship between Wisconsin and PRWORA, some have suggested that New Labour's interest in W-2 represented the conservatism of their approach to poverty. Jamie Peck, for example, places New Labour's interest in Wisconsin within a broader narrative of a rightwards move in welfare-to-work poverty.[60] In conjunction with Nik Theodore, he has also argued that the New Democrat and

[58] Select Committee on Social Security, *Social Security Reforms*.
[59] J. Jean Rogers, Remarks at Beyond Dependency Conference, transcript, Auckland, New Zealand, March 17, 1997, Folder 12, Box 4, Series 7.2, TGTP; J. Jean Rogers, Remarks at New Approaches in Welfare Conference, transcript, Freiburg, Germany, June 18, 1998, Folder 11, Box 4, Series 7.2, TGTP.
[60] Peck, *Workfare States,* 317-9.

New Labour engagement with Wisconsin was part of their acceptance of "neoliberal orthodoxy," allowing them to establish a "policy vocabulary" which emphasised work and the importance of attaching conditions to welfare benefits.[61]

However, this is an analysis which rests on only one part of their antipoverty policy, and does not include the other key facets of it that are discussed elsewhere in this thesis. To New Labour, as to the New Democrats, the principles of reform in Wisconsin were not to be implemented alone. As Bradley reflected on his visit to Wisconsin, it was the basic principles of reform there that interested New Labour; and, recognising that the reforms there were relatively harsh, they were also interested in what supports might be offered to help move people into work.[62]

W-2 provided a model of what a traditional welfare-programme oriented around work, according to the ideas of neoconservatives like Mead, might look like. In its fundamental principles, it was broadly consistent with the emphasis on the responsibility to work that New Democrat and New Labour figures had begun to develop before entering office, and it made these ideas more tangible. Thompson's reforms influenced both parties—and in particular, national debates in America—and many of its core principles were traceable in the key provisions of the New Democrat and New Labour welfare-to-work initiatives: PRWORA, and the New Deals. This chapter now turns to an exploration of these key themes, and how they were common to both parties.

The value of employment

[61] Theodore and Peck, "Welfare-to-Work," 487-90.
[62] Bradley, interview with author.

To both the New Democrats and New Labour, paid employment was the best means of leaving poverty, as well as something with more abstract value: the means towards self-sufficiency, and dignity. This belief in the value of employment was a core part of their common drive to reorient traditional welfare programmes around work. Clinton often repeated the story that he had told when advocating for the Family Support Act, of a woman who was asked to list the best thing about having left welfare, and who responded that it was her son's ability to tell people that his mother worked.[63] Clinton believed that work offered independence and a sense of self-worth that welfare payments did not. In one speech, he stated, "work is the best social program this country ever devised. It gives hope and structure and meaning to our lives."[64] Similarly, when justifying PRWORA, Clinton outlined this view, commenting, "welfare has too often been a trap. Consigning generation after generation to a cycle of dependency… [but now] millions of people are on their way to building lives with the structure, purpose, meaning, and dignity that work gives."[65] This was similar to the language that Thompson, and the New Democrats involved in reform in Wisconsin, used. Antonio R. Riley wrote in the *New Democrat* that, "AFDC does keep food on the table, but it does little to connect people to work. In fact, it traps many in a cycle of poverty."[66]

For all that such remarks seemed to echo the neoconservative stereotype of the poor as lacking a work ethic, Clinton nevertheless consistently acknowledged that many of those on AFDC *wanted* to work, and needed the opportunity and

[63] See, for example, William J. Clinton, "Remarks before a Joint Session of Congress on the State of the Union," January 25, 1994, Washington, DC, transcript, APP, http://www.presidency.ucsb.edu/ws/?pid=50409.
[64] William J. Clinton, "Remarks on Welfare Reform," June 14, 1994, Kansas City, MO, transcript, APP, http://www.presidency.ucsb.edu/ws/index.php?pid=50335.
[65] William J. Clinton, "President's Radio Address," December 7, 1996, Washington, DC, transcript, APP, http://www.presidency.ucsb.edu/ws/index.php?pid=52323.
[66] Antonio R. Riley, "A Dozen Ways to Make a Difference: Stay Focused on People, Not Programs," *New Democrat* 8, no. 5 (September-October 1996): 18-9.

support to do so. In his 1994 State of the Union Address, for example, Clinton remarked, "the people who most want to change this system are the people who are dependent on it. They want to get off welfare. They want to go back to work."[67] In this sense, he was articulating a belief that it was the design of the system that was the problem rather than the personal behaviour of the poor. In preventing people—or doing too little to assist them—in moving from welfare to work, AFDC was not allowing people to reach their full potential. This harmed both citizens, and the broader American economy: "America will not succeed in the information age if we continue to waste the potential of millions of disadvantaged citizens."[68] High spending on AFDC was symptomatic of failure, in the New Democrat analysis, pointing towards the waste of citizens who could otherwise be contributing to, and part of, society:

> America's welfare system often does more to prolong poverty than to end it. It's not enough to ignore the underclass, as Republicans have, or spend money on it, as the left might like to. We need to make it easier for the poor to work, save, learn, and take control of their own lives.[69]

Yet, as will become clear, there was an inherent tension between these ideas and the increasing conditions and work requirements that the New Democrats also wanted to see attached to receipt of welfare benefits, as well as the rhetoric of demanding responsibility in which these were couched.

New Labour also placed a strong emphasis on the financial and psychological value of employment, believing that work could offer a sense of dignity and empowerment. Peter Mandelson and Roger Liddle wrote that "long-term unemployment destroys people's lives. Lack of opportunity blights them.

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[67] William J. Clinton, "Remarks before a Joint Session of Congress on the State of the Union." January 25, 1994, Washington, DC, transcript, APP, http://www.presidency.ucsb.edu/ws/?pid=50409.
[68] DLC, *New American Choice Resolutions*.
[69] Bruce Reed, "The New Orleans Declaration: A Reader's Guide," *Mainstream Democrat* 2, no. 1 (March 1990): 13-4.

Unemployment is the breeding ground of apathy and despair. It fosters drug abuse and crime…"[70] Such rhetoric clearly echoed the neoconservative tropes of linking welfare dependency to crime and other social ills. Yet it also reflected the concept of social exclusion that New Labour was interested in. New Labour defined social exclusion as "what can happen when people or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime, poor health and family breakdown."[71] Therefore, moving people into work was a means of including them within the mainstream of society. Ruth Levitas argues that New Labour "understands social inclusion primarily in terms of participation in paid work."[72] More than a neoconservative notion, this seemed to echo the old structuralist idea of the culture of poverty. Yet it also moved beyond the postwar structuralist idea of "the need for full employment as part of assault on unemployment and poverty to emphasizing employment—and increasingly 'employment opportunity'—as the only route out of poverty."[73]

Nobody took this conception of the importance of work further than Frank Field. In a 1998 speech at Gloucester Cathedral, Field drew on his religious faith to argue that, "to work is to fulfil the intention of our creation. From a biblical perspective it is clear that a society in which man enjoys the opportunities and the rewards of work is a better society than one in which labour is unused, exploited, or inadequately rewarded."[74] Although Blair and Brown also had religious faith—Blair as a high Anglican who later converted to Roman Catholicism, and Brown as the son of a Presbyterian minister—they tended not to deploy such an overtly

[70] Peter Mandelson and Roger Liddle, *The Blair Revolution: Can New Labour Deliver?* (London: Faber and Faber, 1996), 72.
[71] Social Exclusion Unit, *The Social Exclusion Unit* (London: Office of the Deputy Prime Minister, 2004), 2.
[72] Levitas, *Inclusive Society*, 128.
[73] Ibid., 38-9.
[74] Frank Field, Address in Gloucester Cathedral, speech, Gloucester, March 1998, in Frank Field, *Reflections on Welfare Reform* (London: Social Market Foundation, 1998), 12.

religious framework. Yet Brown's strong emphasis on the importance of work perhaps owed something to his upbringing.

In viewing worklessness through the prism of social exclusion, New Labour implied that many people on welfare wanted to work, but were unable to do so due to the design of welfare programmes, or the lack of support and opportunity available to them. New Labour wanted to empower them to be able to do so, and believed that this was the role of the state: "the purpose of society is to empower the individual; to enable them to fulfil not just their economic potential but their potential as citizens."[75] It was this idea that Blair had in mind when he referred to welfare costs as the "bills of social failure."[76] Reducing spending *per se* was not the goal. Rather, high spending was a problem because it suggested a welfare system that was not properly functioning. New Labour's focus was therefore on creating a system in which people would have the chance to succeed. Yet as with the New Democrats, for all that they stressed the desire of those on welfare to work, and the degree to which they needed to be empowered, New Labour's simultaneous focus on work requirements and attaching conditions to benefit seemed to suggest an approach more aligned with the neoconservative ideas of Mead.

Work requirements and conditions: PRWORA

This emphasis on the importance and value of work as a means of leaving poverty was manifested in the most important aspect of the New Democrats' and New Labour's approach to reorienting welfare programmes around work: the attachment of conditions, and work requirements, to the receipt of benefit. This

[75] Blair, "Remarks at Faith in Politics Event", BPS
[76] Tony Blair, "Leader's Speech to Labour Party Conference, Blackpool," 1996, transcript, BPS, http://www.britishpoliticalspeech.org/speech-archive.htm?speech=202.

was a core feature of both PRWORA (as well as Clinton's own 1994 welfare plan) and the New Deals.

To those who have written about these programmes, it was here that both parties most clearly accepted the neoconservative approach to poverty. It was part of a long-term trend towards "illiberalism" in American and British antipoverty policy, according to Desmond King, or towards "workfare," in the words of Theodore, Peck, and Daguerre.[77] Patterson, writing of PRWORA, simply stated that "the conservatives triumphed in 1996."[78] Other works have similarly highlighted the degree to which the requirements imposed by both parties continued a trend that, largely, had begun or been accelerated under Reagan and Thatcher. David P. Dolowitz has pointed to the ways in which Conservatives under Thatcher and Major drew on state-level American welfare-to-work experiments when drawing up their own programmes. The 1986 Restart programme, for example, required those unemployed for more than twelve months (subsequently reduced to six months) to attend a job-focused interview, at the risk of losing their benefits if they did not comply. This, Dolowitz argues, was based on two American programmes, in Baltimore and Massachusetts. Desmond King has similarly demonstrated strong links between Conservative policies and American efforts to attach conditions to the receipt of benefit.[79] This has led Jamie Peck to argue that neoconservative American policies influenced British Tories, who pursued policies of "de facto" compulsion, such as Restart, that New Labour then continued and expanded in the form of the New Deals.[80] In these accounts, policy in America moved towards a greater, neoconservative-inflected emphasis on work, which both the New

[77] King, *In the Name of Liberalism*; Theodore and Peck, "Welfare-to-Work," 485-8; and Daguerre, "Importing Workfare," 47.
[78] Patterson, *America's Struggle,* 238.
[79] King, *Actively Seeking Work?* 167-90.
[80] Peck, *Workfare States,* 267-9.

Democrats and New Labour continued and extended. However, whilst both parties did, to some extent, continue the work-oriented policies of their predecessors, and both strongly articulated the responsibility of the poor to work, these arguments obscure a more complicated story.

The New Democrats had long been advocates of attaching work requirements to the receipt of benefits. This was a cornerstone of the JOBS programme that Clinton had helped to initiate as part of the Family Support Act, although as Patterson has shown, the programme was relatively ineffective in moving recipients into work due to a lack of funding.[81] In his 1992 campaign, Clinton emphasised the importance of a work-based programme, and drew on the advice of David Ellwood, whose work Clinton had encountered whilst part of the NGA.[82] Ellwood believed that simply spending more money on AFDC was not a good enough means to combat poverty: "in treating the symptoms rather than the causes of poverty, welfare created inevitable conflicts in incentives and values that undermine the credibility and effectiveness of the system."[83] As well as arguing for expanding the EITC and the minimum wage, and for stronger enforcement of child support measures, Ellwood suggested that welfare should become a transitional system of fixed duration, throughout which the focus should be on helping recipients to move into work. At the end of this period, if they had been unable to find work despite their best efforts, then they should be provided with some form of minimum-wage public job.[84] In the campaign, however, as one critical official later noted, Ellwood's idea came to be phrased instead as "two years and you're off," suggesting that people who reached the time limit would lose welfare benefits irrespective of whether they had found work, and without any government-

[81] Ibid., 224.
[82] Ellwood, interview with author.
[83] Ellwood, *Poor Support,* 7.
[84] Ibid., 238.

sponsored jobs being provided for them.[85] As Peter Edelman, who resigned from the administration in protest at PRWORA, subsequently wrote, this was "cleverly ambiguous," making it unclear how hard a time limit Clinton would propose.

Decisions Clinton's administration made in its first budget were highly significant in shaping the mixture of work requirements and time limits that they could later propose in their welfare plan. During the 1992 campaign, it was revealed that the federal budget deficit was higher than anticipated, although this was less of a surprise to Clinton than he implied.[86] This meant that early on, the administration ended up committing itself to deficit reduction, something that was the subject of disagreement between many members of his Cabinet.[87] The effect of the long and bruising Budget battle was effectively to reduce the amount of money available for providing jobs as part of any future welfare plan, pushing the administration towards a harder combination of time limits and work requirements. As Weaver notes, pay-as-you-go (PAYGO) requirements on federal spending plans, a legacy of the George H.W. Bush presidency, meant that the administration had to prove that they could finance their plan.[88]

When the administration unveiled their welfare reform plan in 1994, there was, in Weaver's words, "something in the package for almost everyone to dislike."[89] The plan, introduced in Congress in June 1994, maintained AFDC but sought to make it a transitional programme, with work requirements and time limits. HHS secretary Donna Shalala, testifying before the Senate Finance

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[85] Peter Edelman, "The Worst Thing Bill Clinton Has Done," *Atlantic,* March 1997, http://www.theatlantic.com/magazine/archive/1997/03/the-worst-thing-bill-clinton-has-done/376797/.
[86] Drew, *On the Edge,* 59.
[87] For accounts of how fraught these debates were, see in particular Bob Woodward, *The Agenda: Inside the Clinton White House* (New York: Simon and Schuster, 1994), 185-8; Drew, *On the Edge,* 84, and Robert Reich, *Locked in the Cabinet* (New York: Vintage Books, 1998), 105.
[88] Weaver, *Ending Welfare as We Know It,* 226-7. PAYGO rules require that proposed legislation involving federal spending should not increase the anticipated federal budget deficit.
[89] Ibid., 246.

Committee, stated that, "from day one, the new system will focus on making young mothers self-sufficient."[90] To this end, the programme limited the receipt of AFDC benefits to two years, during which time recipients (with some exemptions) would be required to enrol in the JOBS programme; funding for which would be increased by $2.8 billion.[91] If recipients reached the two-year time limit without finding a private sector job, then they could only continue to receive benefits if they worked in a subsidized job. The administration was clear that this was "work for wages, not workfare."[92] Summarising the plan, Shalala stated that, "after a maximum of two years of transitional help if you do not work, you do not get paid."[93]

The administration's own plan, then, represented a move towards a mixture of time limits and work requirements designed to reorient AFDC around work. It was largely consistent with the bipartisan approach that the FSA had taken, and, as Edelman noted, was a more liberal interpretation of the ambiguous "two years and off" rhetoric that Clinton had campaigned on.[94] Alex Waddan has argued that the plan was, perhaps, a genuine effort to find a 'third way' on reform, combining opportunity and responsibility.[95] It combined some of the neoconservative ideas of Mead with the structuralist recognition that finding a job was not merely a matter of effort, and that additional support may be necessary. However, the proposal ultimately came to naught. It was introduced just months before the midterm elections, and so many in Congress were loathed to touch such a controversial

[90] Donna Shalala, Testimony before the Senate Finance Committee, July 13, 1994, Work and Responsibility Act of 1995: Hearing before the Committee on Finance, United States Senate, 103rd Congress, Second Session on S. 2224, 1994 (Washington, D.C: US Government Printing Office, 1994), 8, http://www.finance.senate.gov/imo/media/doc/hrg103-1017.pdf.
[91] Ibid., 9.
[92] Ibid., 10.
[93] Ibid., 10.
[94] Edelman, "Worst Thing Bill Clinton Has Done."
[95] Waddan, *Clinton's Legacy?* 112.

issue.[96] Moreover, it was introduced shortly after the administration had used up considerable political capital in ratifying the North American Free Trade Agreement (NAFTA) and in trying to pass their ultimately doomed healthcare proposal. The administration was therefore lacking in both political capital and resources.[97] Many have pointed towards the decision to prioritise healthcare over welfare as a mistake, although the administration perceived the approach to be logical: the risk of losing Medicaid was a barrier to moving people into work, which meant that addressing the deficiencies of healthcare seemed like a sensible first step.[98] Moynihan, the influential chair of the Senate Finance Committee, was particularly upset by the decision.[99] Ultimately, this meant that Clinton's own plan never moved forward.

Following the Republican takeover of Congress in November 1994, efforts to reorient AFDC around work became the preserve of the GOP, rather than of the White House. At one point, Clinton was forced to remind the public that, "the president is relevant here."[100] Republicans had made welfare reform a major part of the 1994 *Contract with America,* promising to deliver a welfare bill within the first hundred days of a Republican Congress.[101] To ensure maximum coverage, the *Contract,* including its promise for welfare reform legislation, had even been printed in *TV Guide* magazine.[102] However, not only had Republicans taken control of Congress, but their own internal party dynamics had also shifted, with a large number of ideologically-driven freshmen. There were fewer moderates—among

[96] Ellwood, interview with author.
[97] For an account of White House discussions over legislative priorities, see in particular Drew, *On the Edge,* 285-90.
[98] Bane, interview with author.
[99] Bill Galston, interview, Miller Center.
[100] Drew, *Showdown,* 194.
[101] Newt Gingrich and Dick Armey, *Contract with America: The Bold Plan by Newt Gingrich, Dick Armey and the House Republicans to Change the Nation,* ed. Ed Gillespie and Bob Schellhas (New York: Times Books, 1994).
[102] Drew, *Showdown,* 31.

both parties—and so less hope of finding a bipartisan solution in the manner of the FSA.[103] Thus the debate over welfare, even among Republicans, had moved so that there was a greater focus on the relationship between out-of-wedlock births and poverty than between work and poverty.[104] As Deacon has argued, the influence of Charles Murray was becoming greater than the influence of Lawrence Mead.[105] More than this, many governors had also begun to try and convince congressional Republicans that states should be given greater flexibility in any welfare reform legislation, although some quickly came to realise that their states would lose out to others under such a plan.[106] The net results of this were two Republican bills, in late 1995 and early 1996 that Clinton vetoed. The first of these was wrapped up in broader budget reconciliation, whilst the second was more of a standalone, welfare-focused piece of legislation, which largely took elements of the former bill and put them in a separate bill. Understanding the provisions of these bills, and Clinton's reasons for vetoing them illustrates the New Democrat emphasis on reorienting programmes around work.

H.R.4, the Work Opportunity Act of 1995, was a House Republican bill in origin, first introduced in January 1995. By the time that it passed the House, and reconciled with the more moderate Senate bill in December 1995, it made AFDC a block grant to the states, ending the individual entitlement to the programme, and capped spending on AFDC for seven years. Those receiving AFDC benefits would have to work after two years, and the federal funds could not be used to provide

[103] Weaver, *Ending Welfare as We Know It,* 254.
[104] Drew, *Showdown,* 87-8.
[105] Deacon, *Perspectives on Welfare,* 100.
[106] Tommy Thompson wrote to Moynihan in June 1995 to request that the Senate Finance Committee did not change their proposed block grant funding formula. In response, Moynihan wrote that "I believe you were one of the first supporters of the proposal to abolish state-federal cost sharing for AFDC. You may yet regret it, as will we all in our part of the country. In the Senate, the South always wins formula fights. Something I should have thought widely known, but perhaps not." Tommy Thompson to Daniel P. Moynihan, letter, June 14, 1995, and Daniel P. Moynihan to Tommy Thompson, letter, June 22, 1995, both in Folder 4, Box 565, Series 2, DPMP.

cash assistance to a family that had been on welfare for more than five years. Analysis by the administration suggested that it would increase child poverty by over one million, and cut spending by $58 billion over five years.[107] The administration knew that the bill would be woven into ongoing Budget reconciliation bills, and warned congressional Republicans against this: "welfare reform is not about budget politics; it is about moving people from welfare to work."[108] Clinton made it clear that he would veto the bill, which he did as part of reconciliation legislation in late December 1995, and then separately in January 1996.[109]

Crucially, the administration's reasoning for doing this was that the bill did not have tough enough work requirements and conditions. It was, they argued, "designed to meet an arbitrary budget target," merely reducing spending, rather than actually making a serious effort to move people into work.[110] This was a theme that the administration had stressed as H.R.4 made its way through the House and congressional conference committee.[111] Clinton wrote to Gingrich in March 1995 to emphasise this point, stating that "first, the central goal of welfare reform must be moving people from welfare to work… when people just get cut off without going to work, that's not welfare reform."[112] Donna Shalala likewise wrote to the Ways and Means Subcommittee that, "welfare reform will succeed only if it successfully

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[107] Robert Pear, "Welfare Bill Cleared by Congress and Now Awaits Clinton's Veto," *New York Times*, December 23, 1995, ProQuest, http://search.proquest.com/docview/109446889/. See also H.R.4 (104th Congress), Work Opportunity Act of 1995, December 22, 1995, https://www.govtrack.us/congress/bills/104/hr4/text/enr.
[108] William J. Clinton, "Statement on Welfare Reform and Budget Negotiations," December 21, 1995, Washington, DC, transcript, APP, http://www.presidency.ucsb.edu/ws/index.php?pid=50924.
[109] Haskins, *Work Over Welfare,* 248. Haskins notes that Republicans had decided early on that if Clinton vetoed the reconciliation bill, the welfare reform provisions of it would be taken out and sent to him separately.
[110] Robert Pear, "Welfare Bill Vetoed: The Legislation Clinton Vetoes GOP Plan To Change Welfare System," *New York Times*, January 10, 1996, ProQuest, http://search.proquest.com/docview/109610155/.
[111] Bruce Reed and Rahm Emanuel to Bill Clinton, memo, September 22, 1995, Welfare Reform [5], Box 127, Carol Rasco Subject Series, WJCPL.
[112] Bill Clinton to Newt Gingrich, letter, March 20, 1995, Memos to the President [1], Box 21, Bruce Reed Welfare Reform Series, WJCPL.

moves people from welfare to work."[113] This, she argued, meant that clearly defined work requirements were needed, with high participation standards.[114] Following his veto, as the NGA sought to reinvigorate welfare reform, administration talking points continued to stress that the bill Clinton had signed "fell short of real welfare reform, and must be improved."[115] It was clear that to Clinton, "real" welfare reform meant proposals that reoriented AFDC around work by attaching requirements and conditions for the receipt of benefit, rather than merely cutting spending and giving states more control. It also meant ensuring that the children of welfare recipients would not be left without access to aid. One memo stated, "the main priorities are promoting work and protecting children. That means imposing work requirements and time limits so that no one who is able to work can stay on welfare forever, and providing the childcare that is essential to enforce tough work requirements."[116] Thus it was clear that the New Democrat approach was for something with tough time limits and work requirements. Although this seemed to conform to the neoconservative approach of figures such as Mead, it was nonetheless distinct from the conservatism of congressional Republicans, which was more focused on reducing spending by finding ways to move people off the AFDC rolls, rather than on ensuring that they were actually moving into work.

There was another indication at this time of Clinton's belief in work requirements, which also pointed towards the direction he would take in signing PRWORA. During the maelstrom of welfare reform legislation, Representative Nathan Deal (D-GA) proposed a Democratic bill to counter H.R.4. Deal was a

[113] Donna Shalala to E. Clay Shaw, letter, February 13, 1995, Welfare Reform Legislation [1], Box 127, Carol Rasco Issues Series, WJCPL.
[114] Ibid.
[115] Talking Points on NGA Resolution on Welfare Reform, memo, February 6, 1996, NGA/Welfare, Box 125, Carol Rasco Issues Series, WJCPL.
[116] Welfare Reform Questions and Answers, memo, February 20, 1996, NGA/Welfare, Box 125, Carol Rasco Issues Series, WJCPL.

conservative southern Democrat— who defected to the Republicans in 1995—and his bill was partly a political measure designed to give cover to Democrats voting against Republican bills, allowing them to claim that they had still voted for welfare reform.[117] Deal's bill maintained AFDC as an entitlement but, crucially, had stricter time limits and work requirements. Recipients would be required to work at least 30 hours per week, in addition to conducting job searches, and states would be judged against measures of effectiveness. After two years, states would have the option of requiring recipients who had not found employment to work in community service jobs for reduced benefits. After four years on AFDC, a recipient's eligibility for benefits would end.[118] States could also opt to only provide the first two years of the programme, labelled Work First, and limit benefit receipt to just two years.[119] Deal's staff were in touch with the White House about the proposal, sharing ideas as it was developed.[120] Clinton supported the Deal proposal. This represented a movement to the right, as Deal advocated harder time limits than had been contained in Clinton's own plan.[121] Yet consistent in all of this was his belief that attaching work requirements and conditions to the receipt of benefit was vital. In this regard, he implicitly accepted many more conservative ideas, yet also moved beyond them in seeking requirements that would encourage states to actually move people into work, rather than merely moving them off welfare. It was the New Democrats' perception that PRWORA broadly met these principles that ultimately led Clinton to sign it.

[117] Drew, *Shutdown,* 146.
[118] Nathan Deal, The Truth about the Deal Substitute, information sheet, undated, Deal Bill [1], Box 8, Bruce Reed Welfare Reform Series, WJCPL.
[119] The Individual Responsibility Act of 1995, draft memo, March 23, 1995, Deal Bill [1], Box 8, Bruce Reed Welfare Reform Series, WJCPL.
[120] Jon Spillman to Bruce Reed, letter, undated, Deal Bill [1], Box 8, Bruce Reed Welfare Reform Series, WJCPL.
[121] Weaver, *Ending Welfare as We Know It,* 289.

In June 1996, John Kasich (R-OH) introduced H.R3734 to the House. Originally, the bill contained a proposal to block grant Medicaid and AFDC, at the suggestion of the NGA, although this was eventually removed after Clinton made it clear that he would veto anything block granting Medicaid. Kasich's bill ended the federal entitlement to welfare, by block granting funding to states, and required those on AFDC to work within two years. Families would be limited to a maximum of five years on welfare, although states could choose to exempt up to 20 percent of families from this requirement. Equally, states could also set tighter time limits on welfare receipt, and the bill was estimated to save $60 billion over six years, in part from barring legal migrants from receiving benefits for their first five years in America.[122] The administration suggested that this was better than the two bills they had vetoed, although liberals were deeply sceptical: Bob Matsui (D-CA) argued that it would hurt children.[123] A broadly similar bill moved through the Senate during the summer of 1996, and the two moved into conference in July. Finally, at the end of the month, Clinton was informed by the congressional leadership that agreement had been reached between the House and Senate bills, in the form of PRWORA.

PRWORA abolished AFDC, and replaced it with Temporary Assistance to Needy Families, a programme that was block-granted to the states, so that state funding levels were fixed for a period of several years, and did not vary according to need within a state, as funding had done under AFDC. TANF provided cash benefits for up to two years, during which time the recipient was expected to seek work. In so doing, it replaced the JOBS programme instigated in 1988. There was also a five-year time limit placed on welfare receipt over a lifetime, although states

[122] Robert Pear, "House Approves Shift on Welfare," *New York Times*, July 19, 1996, ProQuest, http://search.proquest.com/docview/109639990/.
[123] Ibid.

had the option to continue to pay benefits for children in a household after this period. In all of this, it seemed to reflect the influence of Lawrence Mead, and his emphasis on pushing welfare recipients into work. Reflecting the influence of the ideas of Murray, the bills also contained provisions designed to reduce teenage and out-of-wedlock pregnancy (discussed in Chapter Four).[124]

A number of memoirs, diaries, interviews, and contemporary accounts recount Clinton's decision to sign PRWORA. Having been informed of the main provisions of the legislation, he reportedly told aides that "this is a decent welfare bill wrapped up in a sack of shit," referring in particular to provisions which barred legal migrants from receiving TANF.[125] This pointed towards the principle that guided his decision to sign: that the legislation made serious efforts to move people into work, and was stronger on work and less tough on children than the bills he had vetoed. In a meeting with his Cabinet and advisors on 31 July, Clinton canvassed opinion. Most accounts note that almost all were opposed, and among those advocating a veto were Shalala, Reich, Robert Rubin, Laura Tyson, George Stephanopoulos, Leon Panetta, and Henry Cisneros.[126] In a smaller meeting immediately afterwards, Al Gore advocated that Clinton should sign.[127] Those who advocated that Clinton sign, like Gore, broadly considered themselves to be New Democrats, most especially Bruce Reed, and Elaine Kamarck.[128]

Some have suggested that Clinton's decision to sign was largely the result of political considerations, particularly the fact that a presidential election was only

[124] Personal Responsibility and Work Opportunity Reconciliation Act of 1996, 104th Congress, Pub.L. 104-193, 110 Stat. 2105, https://www.congress.gov/bill/104th-congress/house-bill/3734/text/enr.
[125] Quoted in John Harris, *The Survivor: Bill Clinton in the White House* (New York: Random House), 238.
[126] Ibid., 238; George Stephanopoulos, *All Too Human: A Political Education* (New York: Hachette Book Group, 1999), 420-1. See also Clinton, *My Life,* 348.
[127] Stephanopoulos, *All Too Human,* 421.
[128] Klein, *Natural: The Misunderstood Presidency,* 152-3; Reich, *Locked in the Cabinet,* 319-22.

months away.[129] The fact that Clinton's political advisor, Dick Morris, strongly encouraged Clinton to sign, telling him that he would lose the election if he did not, and saw this as part of a strategy of "triangulation" designed to co-opt Republican issues to the Democrats' advantage, bears this out.[130] Yet, as John F. Harris has argued, this is an over-simplification that fails to recognise that PRWORA was the result of "a years-long policy odyssey" for Clinton and his fellow New Democrats.[131] Clinton's calculation, he later recalled, was that "it was the best chance America would have for a long time to change the incentives in the welfare system from dependence to empowerment through work."[132] In short, he agreed with the fundamental principle underpinning the bill—of reorienting welfare around work—even if he did not find all aspects of the bill palatable.[133]

PRWORA, then, was broadly consistent with the New Democrat approach to poverty, even if it was a proposal that was not initiated by them. This, it would seem, is the main reason why it has been held up as an example of a policy that fundamentally represented an accommodation to both the conservative intellectual approach to poverty, and the conservative political treatment of poverty. As Edelman wrote, the reform was the subject of an ever-more conservative "race to the bottom."[134] In such a reading, Clinton is felt to have moved to the right, partly

[129] O'Connor, "Policies, Principles, and Polls": 411.
[130] Dick Morris, *Behind the Oval Office: Getting Reelected Against All Odds* (Los Angeles: Renaissance Books, 1999), 300-3.
[131] Harris, *Survivor,* 239.
[132] Clinton, *My Life,* 349.
[133] The administration later overturned parts of the bill that they found most objectionable, including the restrictions on immigrants' ability to receive Food Stamps and SSI. They also sought more funding for childcare and incentives for employers to hire people leaving welfare. See Clinton, *My Life,* 389; and Robert Pear, "Legal Immigrants to Benefit under New Budget Accord," *New York Times*. July 30, 1997, ProQuest, http://search.proquest.com/docview/109688514/.
[134] Edelman, "Worst Thing Bill Clinton Has Done."

due to the changes in Congress resulting from the 1994 midterms, but also due to Clinton's own rhetoric, which helped to frame the debate.[135]

Secondly, the policy content of PRWORA has been interpreted as a sign of the conservatism of the New Democrat approach. There are several reasons for this. In particular, in its emphasis on attaching work requirements and conditions to the receipt of benefit, it continued a trend that had emerged in the early 1970s. In 1971, the Talmadge Amendments required single mothers with children aged under six to register for job training and placements, although there was so little funding for the programme that fewer than 10 percent of those on AFDC actually entered it.[136] The JOBS programme of 1988 was another movement towards increased work requirements, as discussed previously. Hence, Clinton's approach seemed to cohere to these policies, rather than representing any distinctive kind of approach. Not all efforts at attaching work requirements to AFDC were conservative, however. After all, under the Johnson administration in 1967, the Work Incentive Program (known as WIN) began efforts to move AFDC recipients into work. Nevertheless, in its emphasis on work, PRWORA bore obvious similarity to the ideas of Lawrence Mead and his belief that the poor needed pushing into employment.[137]

In particular, the fact that PRWORA ended the entitlement to AFDC, replacing it with a work-based programme, was a considerable source of ire amongst liberals. This was interpreted as having overturned a major tenet of liberal antipoverty policy dating from the New Deal, and as implicitly accepting the dual conservative attack on AFDC and on federal power. This was one of the major criticisms levelled by the considerable number of liberals who vocally attacked Clinton's decision to sign. In giving the states more control, it was argued, the scope

[135] Trattner, *Poor Law to Welfare State,* 397; Béland and Waddan, *Politics of Policy Change,* 63; Peck, *Workfare States,* 117; Edelman, "Worst Thing Bill Clinton Has Done."
[136] Patterson, *America's Struggle,* 195; Trattner, *Poor Law to Welfare State,* 330-1.
[137] Béland and Waddan, *Politics of Policy Change,* 38-42.

for people on welfare to be pushed into poverty was grave. Edelman wrote that "perhaps he [Clinton] did not see the entitlement as being quite so meaningful as others did.... Now no one could ever say again with any credibility that this President is an old liberal."[138] Moynihan, despite his antipathy to AFDC, was similarly angered, stating that PRWORA "terminated the basic federal commitment of support for dependent children in hopes of altering the behaviour of their mothers. We are putting those children at risk with absolutely no evidence that this radical idea has even the slightest chance of success."[139] This was enhanced by the fact that research undertaken by the Urban Institute suggested that H.R. 3734 would move 2.6 million people into poverty.[140] HHS's own study estimated that one million children would fall into poverty as a result of PRWORA.[141] To liberals, most of whom viewed poverty through the structuralist tradition, Clinton had abandoned a major tenet of liberal welfare policy and moved towards the neoconservative approach.

Certainly, in ending the entitlement to welfare, the New Democrat approach did seem to move away from a cornerstone of the structuralist approach, and towards a more neoconservative vision. In part, this reflected Clinton's background as a governor. Yet as Ellwood explained in a note to Moynihan, the entitlements issue was more complicated than it appeared. AFDC was, foremost, an entitlement that the states held to receive federal matching funding for the amount they spent on the programme; it was only the federal law that states had to treat equally everyone within their state that made this into an individual entitlement. Because states could already set their own benefit levels, he noted, "different states

[138] Edelman, "Worst Thing Bill Clinton Has Done."
[139] Daniel P. Moynihan, Remarks on Passage of House-Senate Conference Report, statement, August 1, 1996, Folder 13, Box 567, Series 2, DPMP.
[140] Urban Institute, "Potential Effect of Congressional Welfare Reform Legislation on Family Incomes," memo, July 26, 1996, Folder 4, Box 2441, Series 2, DPMP.
[141] Klein, *Natural: The Misunderstood Presidency,* 151.

treat similar people very differently."[142] Therefore, the law effectively recognised something that was already occurring in practice. Nonetheless, the reform was a considerable departure from liberal orthodoxy, and gave states much greater control of welfare. Several staff, including Edelman and HHS staffer Wendell Primus, as well as Mary Jo Bane, resigned from the administration in protest.

Yet as Joe Klein, sympathetic to the New Democrats, has argued, it was in PRWORA that the distinctiveness of their approach was most apparent. This was because, he argued, "there was an answer to the 'culture of poverty' arguments long posed by conservatives—but it was an answer that combined conservative values (responsibility) with liberal spending (opportunity)."[143] Although Klein might have noted that the "culture of poverty" idea was originally a structuralist one, his fundamental analysis was correct. PRWORA clearly had strong conservative influences, and was more conservative than Clinton's own plan had been. Clinton had unquestionably moved to the right on the subject, in the political context of the 1994 Republican takeover. Yet as Klein argued, when viewed in light of his efforts to expand the EITC, and increase the federal minimum wage, it was clear that Clinton's broader antipoverty strategy also contained structuralist themes. By combining them in this way, the New Democrats offered a distinctive approach to antipoverty policy that went beyond neoconservatism and structuralism—but which was also not immune from its political context.

Work requirements and conditions: New Deals

[142] David Ellwood to Daniel P. Moynihan, letter, July 10, 1995, Folder 1, Box 2441, Series 2, DPMP.
[143] Klein, *Natural: The Misunderstood Presidency,* 155.

The New Deals introduced by New Labour did not have nearly so complex or fraught a development as PRWORA. Through virtue of Labour's parliamentary majority of 179, proposals were all but guaranteed passage. The three New Deal programmes that are focused on in this Chapter are the New Deals for Young People; Lone Parents, and the Long-Term Unemployed (and their partners), collectively described here as the 'New Deals'. These New Deals had fundamental principles in common with the Clinton welfare reform plan and PRWORA: that welfare should be reoriented around work, and that this should be done through attaching work requirements and conditions to the receipt of such benefits.[144] This section explores these conditions and work requirements, demonstrating that despite bearing similarities to earlier conservative policies, they were nonetheless part of a broader antipoverty strategy that was distinctive.

The first New Deals had been developed and announced as early as 1995 and were part of the Labour's 1997 manifesto pledges. Even their name reflected Gordon Brown's interest in American policy. The New Democrats were interested in these programmes, with Al Gore visiting some in Britain in 1999. Blair told Clinton that "it was great. He went down well."[145] These programmes were to be paid for by a windfall tax on the utility companies that had been privatised under the previous Conservative governments. Prior to the 1997 election, there was some concern among New Labour officials about how the windfall tax would be received, leading Brown to suggest that any post-election Budget be referred to as a "welfare-to-work" Budget.[146] The chancellor duly announced the New Deal for Young People in that July's Budget. Brown firmly framed the programme as an opportunity-oriented measure, designed as part of a broader goal of moving people

[144] Deacon, *Perspectives on Welfare,* 102.
[145] Bill Clinton-Tony Blair telephone conversation, transcript, February 4, 1999, WJCPL.
[146] *Alastair Campbell Diaries,* ed. Haggerty, Vol. 1, 696.

from welfare into work and expanding opportunity: "for millions out of work or suffering poverty in work, the welfare state today denies rather than provides opportunity.... Everyone in need of work should have the opportunity to work."[147] Under the terms of the first New Deal, those aged 18-25, who had been unemployed and receiving Jobseekers' Allowance (JSA) for more than six months, would be offered four different options: taking a subsidised job; voluntary work; work as part of an environmental task force; or education and training. There was, he stressed, "no fifth option to stay at home on full benefit."[148] Emphasising the degree to which this was about reorienting welfare around work he stated, "when [young people] sign on for benefit, they will be signing on for work."[149] The programme began in 12 "pathfinder" areas in January 1998, before being rolled-out across the country in April 1998.[150]

When entering the New Deal for Young People, the initial four months would be spent in the "gateway," in which recipients would receive advice and guidance, helping them to identify the steps they needed to take to enter work. If still without work after this period, then recipients were required to choose one of the four options, although the education and training option had tighter eligibility criteria. If placed in a subsidised job, recipients would have to work an average of 30 hours per week, including one day per week of training towards a recognised qualification. The employer would receive up to £60 per week subsidy, for 26 weeks. Voluntary and environmental taskforce jobs lasted six months, where recipients received an allowance that was equivalent to benefits, plus around £15

[147] Gordon Brown, Budget Statement, 1997.
[148] Ibid.
[149] Ibid.
[150] Tim Jarvis, *Welfare-to-Work: The New Deal,* Research Paper 97/118 (London: House of Commons Library, 1998), 7.

per week. If recipients did not take up one of the four options, they received a sanction which was usually a loss of the JSA for two weeks.[151]

At the same time, he also announced the New Deal for Lone Parents, again couching this in the rhetoric of responsibility and opportunity, and the importance of work. Currently, Brown argued, "lone parents receive little encouragement to seek work before their youngest child is 16."[152] Giving them this encouragement, he believed, would help one million lone parents raising two million children on benefits, giving them "new employment opportunities" that would allow them to leave poverty.[153] Notably, the range of requirements added to this programme were less onerous than for young people: once their youngest child was in the second term of full-time education, they would be invited to attend work-focused interviews, and offered work. As a corollary of this, a new national childcare strategy was simultaneously launched, to help parents move into work. The New Deal for Lone Parents began in eight trial areas in July 1997, and was rolled-out nationally in the autumn of 1998, at a cost of some £200 million over five years.[154] It was phased in gradually, and in 2000 was extended to all lone parents whose youngest child was aged at least three.

The 1997 Budget also contained the New Deal for the Long-Term Unemployed. Beginning in 1998, it offered employers tax incentives for hiring those aged over 18 who had been unemployed for more than two years. Recipients also had the option of studying for a recognised qualification.[155] In 28 areas of the country, extended versions of the programme covered those who had been unemployed for more than 12 or 18 months. Participants were obliged to attend

[151] Ibid., 8-12.
[152] Brown, Budget Statement, 1997.
[153] Ibid.
[154] Jarvis, *Welfare-to-Work: The New Deal,* 15.
[155] Ibid., 13-4.

work-focused interviews with a personal adviser who would help them devise a personalised plan to move them back into work. From 2000, as with the New Deal for Young People, it became compulsory to take up one of four options: subsidised private sector employment, work-based training, voluntary or environmental work.[156] In addition to this, a separate programme targeted the partners of the long-term unemployed. Drawing directly on the work done by Ed Balls on the British labour market, discussed in Chapter One, this programme covered the partners of those who had been receiving JSA for at least six months, and offered those aged 18-24 a place in the NDYP. Those aged over 24, and those who had children, were offered personal interviews to develop a plan to move back to work. This was initially voluntary, but became compulsory for those aged under 25 (and without children) in 2000.[157]

These details of the New Deal programmes spoke to the New Labour conception of an active welfare state, which demanded that recipients take more responsibility whilst at the same time offering them opportunity in the form of tax credits and the minimum wage. The work requirements and conditions attached to benefit were accompanied by efforts to change the culture of benefit offices, so that they were more focused on moving people into work than on checking their eligibility for benefits, something that clearly bore the hallmarks of Wisconsin. Under the Conservatives, benefit offices had been combined with Jobcentres when JSA was introduced in 1996; and under New Labour, Jobcentre Plus was created, first piloted in 2001, to further direct focus towards work rather than benefits. Moreover, the ONE programme, piloted from 1999, created one point of access to both benefits and employment services. From April 2000, all recipients in these

[156] Jane Millar, *Keeping Track of Welfare Reform: The New Deal Programmes* (York: Joseph Rowntree Foundation, 2000), 4.
[157] Ibid., 5.

areas were required to attend work-focused interviews with a personal advisor.[158] This movement was further reinforced by the 2001 creation of the Department for Work and Pensions (DWP), in place of the DSS and Employment Service. As the name suggested, the focus was very clearly on work.

Clearly, all of these programmes shared a common move towards attaching greater conditions and work requirements to the receipt of benefit. In short, they demanded greater responsibility from welfare recipients. New Labour presented these changes as necessary in order to move recipients from welfare into work, and portrayed this as the best way of leaving poverty. Yet there was an inherent tension within these programmes. With New Labour demanding responsibility from recipients whilst insisting that many of those on welfare wanted to work, why then was it necessary to bring in work requirements? It was this aspect of compulsion, or 'conditionality,' that has led many to identify, both at the time and since, the New Deals as part of a broadly neoconservative arc of antipoverty policy. Peck argues that the New Deals were part of a broad "workfare offensive" that occurred in both America and Britain in this period.[159] New Labour, he argues, drew on the "de facto compulsion" of the Youth Training Scheme (YTS), which began in 1983, and offered several options for unemployed 16- and 17- year olds. He also identifies the creation of JSA in 1996, through which recipients of unemployment benefits were required to be "available for employment" and "actively seeking employment," as part of an arc of conservative policy measures continued by New Labour. Peck suggests that such policies did not fully move towards "workfare," as Conservatives were unwilling to spend money doing so; but New Labour continued this trend, and took

[158] Ibid., 5.
[159] Peck, *Workfare States,* 267.

it further.[160] Similarly, Dan Finn has pointed out that in the early 1990s, Labour was critical of the Conservatives' Project Work, under which the long-term unemployed were required to work part-time in community projects. This, Finn suggests, mirrored New Labour's changing conception of full employment, and that the government's role was less to create jobs than to ensure economic growth and employment opportunity.[161] Many at the time were equally hesitant: Alastair Campbell's diaries recount that, whilst the New Deals were in development, some on the left of the party were concerned by the sense of "workfare" in the policies.[162]

The New Deals also seemed to move away from a key part of the Labour Party's historic approach to poverty that was also associated with structuralist thought, namely, T.H. Marshall's concept of "social citizenship." Marshall argued that, over time, people had been given civil and political rights. The creation of the welfare state, he suggested, gave them "social rights" that were a key part of citizenship. In short, by being a citizen, one was entitled to the "social rights" offered by the welfare state.[163] Yet as Levitas has argued, New Labour saw paid employment as the primary means of social inclusion, viewing engagement in work as an essential precursor to membership in society.[164] By attaching conditions and work requirements to the receipt of benefit, New Labour clearly seemed to be departing from the old emphasis on "social rights" in the same way that they were moving away from universalism by introducing and expanding means-tested in-work tax credits. This represented their emphasis on demanding responsibility from the poor.

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[160] Peck, *Workfare States,* 267-72.
[161] Dan Finn, "The New Deals and New Labour's 'Employment First' Welfare State," in *Developments in British Social Policy* 2, ed. by Nick Ellison and Chris Pierson (Basingstoke: Pulgrave, 2003), 4.
[162] *Alastair Campbell Diaries,* Haggerty, Vol. 1, ed. 344.
[163] Marshall, *Citizenship and Social Class,* 47.
[164] Levitas, *Inclusive Society,* 128.

However, simply viewing this as a continuation of, or accommodation to, neoconservative approaches to poverty fails to account for the degree to which New Labour's ideas were motivated by its analysis of the changing nature of economics and society. As discussed in Chapter One, by the point they were entering office, many within New Labour, and particularly in the Treasury, had developed a belief that the combined forces of deindustrialisation, globalisation, and technological change were changing the nature of poverty. Poverty in Britain was becoming more concentrated, both geographically and within households where there were no earners. The focus that the New Deal policies placed on these households—by targeting lone parents, and the long-term unemployed and their partners—was entirely consistent with these ideas. In particular, the emphasis on long-term unemployed and their partners clearly drew on the analysis conducted by Ed Balls, which had argued for the need to "find a more effective way of subsidising the non-employed than simply paying permanent benefits in exchange for work tests."[165] Thus, for all their rhetorical emphasis on the moral value of work, and the need for antipoverty policy to demand responsibility from the poor—all aspects of the neoconservative tradition of thought—there was also a clear structuralist aspect to New Labour's policy, in its acknowledgement of major economic change. In suggesting that the modern economy necessitated a new approach, however, New Labour offered a distinctive antipoverty policy.

From Wives to Workers

It is important to note here that the New Democrat and New Labour emphasis on paid employment as a primary means of reducing poverty, and their

[165] Balls, "Danger: Men Not at Work," 28.

common efforts to reorient traditional welfare programmes to this goal, represented a profound shift in the treatment of women in antipoverty policy.

Feminist scholarship has convincingly demonstrated that the American welfare state, and AFDC in particular, were built on "maternalist" assumptions of a gendered division of labour within two-parent households.[166] Male breadwinners were to be paid a family wage, whilst their wives maintained the household and raised children. AFDC was designed to ensure that widows, and deserted wives, would be able to receive an income, and therefore would not have to work. From the outset, therefore, it was a programme designed to avoid the entry of mothers into the labour market. As Alice Kessler-Harris writes, "the idea that some people (generally women) would get benefits by virtue of their family positions and others (mainly men) by virtue of their paid employment marks the commitment of the United States to its version of the welfare state."[167]

The replacement of AFDC with TANF, however, also marked a sea-change in the underlying assumptions about women's roles. As Deacon writes, TANF "provides for a single mother on the grounds that she is a potential worker, not that she is someone with recognized responsibilities for the care of children."[168] This effectively answered the feminist critiques of AFDC, and acknowledged that many women, especially those on low incomes, had in fact long been engaged in employment as a means of trying to avoid poverty. Nevertheless, many American feminists were strongly critical of PRWORA, and viewed debates surrounding it as continuing a long trend of the demonisation of lone mothers—and in particular,

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[166] A good overview of this literature is provided by Linda Gordon, "The New Feminist Scholarship on the Welfare State," in Gordon, *Women, the State and Welfare*. See also Theda Skocpol and Gretchen Ritter, "Gender and the Origins of Modern Social Policies in Britain and the United States," *Studies in American Political Development* 5, no. 1 (1999): 36-93.
[167] Alice Kessler-Harris, *In Pursuit of Equity: Women, Men, and the Quest for Economic Citizenship in Twentieth Century America* (Oxford: Oxford University Press, 2001), 4.
[168] Deacon, *Perspectives on Welfare,* 98.

lone African American mothers. As Ruth Sidel wrote, "poor single mothers have been seen as suspect since colonial times and poor black single mothers have been systematically excluded from financial aid as well as community support."[169] Nancy Rose similarly noted that African American women had tended to be the focus of mandatory work programmes since the 1930s, in a way that white women and men were not.[170] TANF, as a clear statement of an expectation that lone mothers ought to work, seemed to continue this trend, updating it for the postindustrial age.[171] For this reason, Ellen Reese has located PRWORA within a broader history of periodic backlash against lone African American mothers, describing the legislation as a "draconian workfare program forcing poor mothers to accept 'a job, any job.'"[172]

Other feminists criticised TANF's implicit treatment of women as workers, rather than mothers, for the lack of choice that it afforded poor women as to their role in society, and for devaluing care work. Ann Shola Orloff wrote that PRWORA "eliminat[ed] caregiving as a base for making claims [on welfare]," so that "institutionalised expectations for mothers no longer are distinguished from those for fathers—both are now required to be employed, and programmatic distinctions now follow lines of differentiation in labor markets, rather than a family/employment dualism."[173] Other scholars of American welfare offered similar critiques: Gwendolyn Mink wrote that under PRWORA, "poor single mothers forfeit rights the rest of us enjoy as fundamental to our citizenship—family rights,

[169] Ruth Sidel, *Keeping Women and Children Last: America's War on the Poor* (New York: Penguin, 1996), xvii
[170] Nancy E. Rose, "Gender, Race, and the Welfare State," *Feminist Studies* 19, no. 2 (Summer 1993): 320.
[171] Nancy Fraser, "After the Family Wage: Gender Equity and the Welfare State," *Political Theory* 22, no. 4 (November 1994): 592.
[172] Reese, *Backlash Against Welfare Mothers,* 20.
[173] Ann Shola Orloff, "Ending the Entitlements of Poor Single Mothers: Changing Social Policies, Women's Employment, and Caregiving in the Contemporary United States," in *Women and Welfare: Theory and Practice in the United States and Europe,* eds. Nancy J. Hirschmann and Ulrike Liebert (New Brunswick, NJ: Rutgers University Press, 2001), 134.

reproductive rights, and vocational liberty—just because they need welfare."[174] As Orloff suggested in her essay, expecting lone mothers to work also represented the transfer of caregiving roles to paid labour, rather than keeping it within the home.

These critiques were all valid. Nonetheless, it is important to recognise that the principles of work requirements and time limits that the New Democrats put forwards, and to the extent that these were reflected in PRWORA, were based on their analysis of changing gender roles in the modern world. Donna Shalala summarised this, stating that,

> I came from a family in which all the women worked, not because they were feminists, but because they were working class and they had to do it for economic reasons. More and more women working in the workforce....We cannot support a different kind of behaviour among women that are on welfare.[175]

To the New Democrats, it was simply no longer politically sustainable to exempt lone mothers from working as more and more women were entering the labour market. Moreover, it was not necessarily desirable, or fair, to assume that lone mothers would prefer caregiving work to paid employment. In this, they had some support. Theda Skocpol, while calling on Clinton to veto PRWORA, acknowledged that "people will no longer accept a welfare system that ostensibly pays poor mothers to stay home.... Progressives should give up defending an outmoded and terribly inadequate welfare system centered on AFDC."[176] This reflected the complex set of issues surrounding efforts to move lone mothers into work. On the one hand, the New Democrats' policy represented a progressive view of women's role in the world that sought to divorce welfare from its gendered origins. On the

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[174] Gwendolyn Mink, "Aren't Poor Single Mothers Women? Feminists, Welfare Reform, and Welfare Justice," in *Whose Welfare?* ed. Gwendolyn Mink (Ithaca, NY: Cornell University Press, 1999), 171. (171-88)
[175] Press briefing by the president, Leon Panetta, Donna Shalala, David Ellwood, Mary Jo Bane, and Bruce Reed, June 15, 1994, Announcements, Box 2, Bruce Reed Welfare Reform Series, WJCPL.
[176] Theda Skocpol, "Bury It," *New Republic,* August 12, 1996.

other hand, their means for doing so represented an effective denial of the choices of poor single women, and implicitly devalued caring work. This marked a distinct shift in the treatment of women in American antipoverty policy.

Likewise, in Britain, the welfare state was largely premised on an assumption that women's primary roles were as wives and mothers, a view that many within the early Labour Party shared.[177] The welfare state of Beveridge was constructed around this notion, so that employment-related benefits were primarily conceived of as male, with women's benefits obtained through their husband's work. As lone motherhood increased over the course of the century, however, the design of the welfare state meant that lone mothers were largely reliant on Income Support and other means-tested benefits, with some 85 percent having received Income Support at some point.[178] They had to attempt to balance work with caring roles, within a welfare state that remained unclear as to whether women should be treated as mothers or workers.

The emphasis on moving lone mothers into work through the New Deal for Lone Parents therefore marked a major departure from earlier policy. New Labour made it clear, repeatedly, that paid employment was an important, and appropriate, way out of poverty for lone parents. Brown, for example, wrote that "no adult should be denied employment for months on end without being offered retraining or work, particularly women who are too often denied childcare and prevented from enjoying a second chance in education and securing the jobs they need."[179] As with the New Democrats, this partly represented a progressive

[177] Pat Thane, "Visions of Gender in the Making of the British Welfare State: the Case of Women in the British Labour Party and Social Policy, 1906-1945,", in *Maternity and Gender Policies: Women and the Rise of European Welfare States, 1880s-1950s,* ed. Gisela Bock and Pat Thane (London: Routledge, 1991).
[178] Jane Millar, "Lone Mothers and Poverty," in *Women and Poverty in Britain: the 1990s*, ed. Caroline Glendenning and Jane Millar, rev. ed. (Hemel Hempsted: Harvester Wheatsheaf, 1992), 154-5.
[179] Brown, "In the Real World."

conception of women's roles, and a recognition that an increasing number of women were entering the labour market, rendering the founding assumptions of the welfare state untenable. Driver and Martell argue that this represented a major, progressive change in the treatment of women.[180]

As in America, many nonetheless pointed to some of the inconsistencies and problems of this policy. John Hills noted that the policy of moving lone mothers into work rested, in part, on a large expansion of childcare. Therefore, he argued, New Labour seemed to prefer paying third parties to look after children, than creating a system which allowed people to look after their own children.[181] Others, such as Levitas, argued that New Labour's approach continued to devalue caring work, as earlier policy had done: "the very phrase welfare-to-work, when applied to lone parents, carries the message that parenting is not work."[182] More than this, such an approach was, through the New Deal for Lone Parents, only targeted at low-income women. As Levitas argued, employment was viewed as a form of inclusion, and poverty reduction, only for those who would otherwise require welfare benefits.[183]

Like the New Democrats, New Labour's welfare-to-work policies therefore represented a distinct change in the treatment of women in antipoverty policy. Where once they had been assumed to be mothers and caregivers, they were now regarded fully as potential workers. This was not always couched in the same moralising terms as the neoconservative emphasis on pushing lone parents into work, as both parties also believed that it was wrong to assume that a woman's place was as a caregiver. This moved away from the historic conservative emphasis on traditional family values. At the same time, by adopting policies designed to

[180] Driver and Martell, *Blair's Britain,* 209.
[181] Hills, *Thatcherism, New Labour and the Welfare State*. 27.
[182] Levitas, *Inclusive Society,* 145.
[183] Ibid., 146.

treat poor women as workers, they denied them the same choices afforded to more affluent women, and implied that caregiving was something to be provided by the market, rather than valued in the home.

Demanding responsibility

Efforts to reorient traditional welfare programmes around work were a core, and common, feature of the antipoverty policy of the New Democrats and New Labour. In America, Clinton's failed welfare reform plan, and eventual decision to sign PRWORA, reflected the complexities of the relationship between the president and Congress. At the same time, these policies also reflected the New Democrat emphasis on the importance of work. Clinton consistently called for time limits and work requirements to be placed on the receipt of AFDC, but as the debate moved to the right, he found himself accepting stricter measures than in his plan, as well as the ending of the entitlement to AFDC, and greater state control of its replacement, TANF. In Britain, New Labour did not experience the same political difficulties, implementing New Deals targeted at specific groups. These had varying work requirements and conditions attached to them, some of which became tougher over time. In this way, both parties accepted some of the neoconservative emphasis on the need for welfare programmes to demand greater responsibility from recipients in the form of work. Wisconsin's welfare reforms, with the influence of Lawrence Mead, provided a model for these policies, whilst also pushing debates in America further to the right. To a degree, both PRWORA and the New Deals also continued moves towards greater conditionality and work requirements that were initiated by conservative governments, who had shared them across the Atlantic. New Labour also drew on experiments and policies from America. Both parties, in

pursuing these policies, moved away from themes of rights and entitlement that were important parts of their history. It was in this area of antipoverty policy that the theme of responsibility—and responsibility from the poor—was most apparent.

Some have also suggested that these policies represented an accommodation to the imperatives of the market. Peck, for example, argues that both the New Democrats and New Labour pursued regulatory projects that sought to "churn" the poor between welfare and low-wage work, creating a group of workers in service of the modern, flexible labour market. The increased expectation that women should work, rather than provide unpaid care, was consistent with this.[184] Wacquant offers a similar argument in the case of the New Democrats, arguing that their "workfare" policies were a means of regulating the post-Fordist labour market.[185] Others have pointed to the involvement of the private sector with these policies—either as deliverers of services, or as receiving subsidies to hire people from welfare—as evidence of accommodation to market forces.[186] However, these arguments fail to separate out the fact that both parties saw market forces, in the form of globalisation, deindustrialisation, and technological change, as immutable, and therefore sought to manage them. Moving people into work offered the best route out of poverty, they argued, but only if it was accompanied by efforts to ensure that such jobs represented real opportunities. It was here that welfare-to-work policy meshed with efforts to make work pay. In this way, the structuralist element of their approach was also visible: a recognition that changing economies, as well as changing social patterns, necessitated a new approach. However, this new approach moved beyond the moralism of the neoconservatives and the emphasis on rights and entitlements of the structuralists.

[184] Peck, *Workfare States,* 13-4; 312.
[185] Wacquant, "Crafting the Neoliberal State," 209.
[186] Theodore and Peck, "Welfare-to-Work," 497.

Chapter Four

Personal Responsibility

> *Preventing teen pregnancy and out-of-wedlock births is a critical part of welfare reform. To prevent welfare dependency, teenagers must get the message that staying in school, postponing pregnancy, and preparing to work are the right things to do.*
> —Bill Clinton, 1994[1]

> *Teenage parents are more likely than lone mothers generally to rely on benefits alone, and... teenage lone parents are likely to be stuck on benefits for longer spells than other lone parents.*
> —Social Exclusion Unit, 1999[2]

At first glance, the subjects of teenage and out-of-wedlock pregnancy appear to have little direct relevance to antipoverty policy. This chapter argues, however, that these issues, whilst set apart from the more obvious topics of welfare-to-work programmes and efforts to make work pay, were nevertheless a third common aspect in the antipoverty policy of the New Democrats and New Labour. Both parties perceived a link between having children as a teenager, or outside of marriage; and the chance of living or falling into poverty. Teenage pregnancy, in particular, was portrayed as symptomatic of poverty and a sense among young people that they lacked opportunity. Equally, both parties argued, having children as a teenager, and especially doing so outside of marriage, was likely to lead to poverty. The New Democrats and New Labour therefore pursued a range of policies designed to reduce teenage and out-of-wedlock pregnancy, and framed these measures as crucial parts of their antipoverty policy.

This chapter examines the ways in which the New Democrats and New Labour saw a link between poverty and teenage and out-of-wedlock pregnancy,

[1] William J. Clinton, "Message to the Congress Transmitting Proposed Welfare Reform Legislation," statement, June 21, 1994, APP, http://www.presidency.ucsb.edu/ws/index.php?pid=50367.
[2] Social Exclusion Unit, *Teenage Pregnancy* (London: Social Exclusion Unit, 1999), 24.

and outlines the ways in which these ideas translated into policy. It focuses, in particular, on how these issues were dealt with in Clinton's failed 1994 welfare reform plan, as well as the reform legislation, PRWORA, that he eventually signed. It also considers the Clinton administration's National Campaign to Reduce Teenage Pregnancy, arguing that these policies represented a distinctively New Democrat approach to the questions of teenage and out-of-wedlock pregnancy, and their relation to poverty. In the British context, this chapter focuses on the efforts made to reduce teenage pregnancy through the Social Exclusion Unit (SEU), demonstrating that its work, and the vocabulary of social exclusion, represented a clear New Labour approach to these subjects. This chapter identifies several instances in which the New Democrats and New Labour were actively debating these issues, and in which New Labour was learning from American policy. As well as detailing specific instances of the two parties sharing ideas with each other, this chapter also points to the influence of communitarian thinkers, such as Amitai Etzioni and Geoff Mulgan, on these aspects of policy on both sides of the Atlantic.

Within this common aspect of antipoverty policy it is argued that the approach of the New Democrats and New Labour was distinctive, moving beyond neoconservative and structuralist approaches to poverty. On one hand, both parties were willing to discuss such intimate matters in terms of public policy, and to do so with a clear moral tone. In this way, they moved away from what they perceived as the excesses of liberal social attitudes, and sought to emphasise the importance of personal responsibility in helping to reduce poverty, something which bore the hallmark of neoconservative ideas. On the other hand, both the New Democrats and New Labour saw teenage and out-of-wedlock pregnancy as related to broader structural issues, such as economic stagnation in specific areas, and a lack of opportunity among young people. Moreover, their rhetoric and policies never went

as far as those advocated by neoconservatives such as Charles Murray. Yet for all the distinctiveness, and basic commonality of their approach, this chapter demonstrates that there were nonetheless some differences between the New Democrat and New Labour treatments of these issues, reflecting the different political cultures and social mores of America and Britain. The New Democrats expressed a greater degree of concern about out-of-wedlock pregnancy than New Labour, who focused largely on teenage pregnancy. This was partly reflected in the different vocabulary that both parties used when discussing these issues: the language of "underclass" in America, and "social exclusion" in Britain. For all these nuances, however, both parties believed that that tacking teenage and out-of-wedlock poverty was nonetheless vital to reducing poverty, and they went about this in ways that clearly differed from neoconservative and structuralist analysis. In this area of policy, their dual emphasis on opportunity and responsibility was particularly apparent.

This chapter first briefly outlines the context for their ideas, noting that both neoconservatives and structuralists in America and Britain acknowledged a relationship between teenage and out-of-wedlock pregnancy, and poverty, though the two groups viewed this relationship very differently. It further demonstrates the degree to which concerns about rising teenage and out-of-wedlock pregnancy evoked debate and discussion in the American and British media by the early 1990s. The chapter then turns to a discussion of the New Democrat and New Labour understanding of how teenage and out-of-wedlock pregnancy related to poverty, and the ways in which this was underpinned by the influence of communitarian thinkers. The ways that this was expressed in policy in both countries are then discussed, and the fundamental commonalities—and subtle differences—in their approaches are outlined.

Children Having Children

During the latter half of the century, rates of teenage and out-of-wedlock pregnancy in America and Britain rose, alarming intellectuals and the media. This was a particularly Anglo-American phenomenon: New Labour noted that British rates of teenage pregnancy were far higher than in other western European countries, and nearer those of America.[3] Drawing on Stanley Cohen's concept of "moral panic," Gilbert Herdt has written that:

> teen pregnancy especially among young women of color, very clearly became a broad theme that fuelled cultural anger and a variety of loosely related moral panics... Racist notions of who was and was not a fit parent, who was and was not a 'welfare queen,' and the like were powerful mechanisms of moral and sexual regulation bearing on young African American women as unwed mothers or as 'welfare' mothers.[4]

This points to the ways in which this fear over increased teenage and out-of-wedlock pregnancy were strongly bounded up with concerns about antipoverty programmes. Similarly, Simon Duncan has identified a British moral panic over teenage pregnancy by the 1990s, which was also linked with fears about the cost of antipoverty programmes.[5] In both countries, these fears also coincided with fears of, and interest in, the "underclass," which as discussed in Chapter One, had the issue of teenage and out-of-wedlock pregnancies at its heart. A particularly British manifestation of this, in which issues around family breakdown were also central, was the stereotype of the "chav," which emerged in the late 1990s. As the left-wing commentator Owen Jones has written, the behaviours associated with "chavs" included teenage pregnancy, and this was linked with council estates, so that

[3] Social Exclusion Unit, *Teenage Pregnancy*, 6.
[4] Gilbert Herdt, *Moral Panics, Sex Panics: Fear and the Fight Over Sexual Rights* (New York: New York University Press, 2000), 24.
[5] Simon Duncan, *What's the Problem? Teenage Parents: A Critical Review,* Families and Social Capital ESRC Research Group Working Paper no. 15 (London: ESRC, 2005), 1.

teenage pregnancy became a trait viewed as endemic in certain areas—the term "chav" supposedly derived from an abbreviation of the phrase "council house and violence". [6] This bore a similarity to the notion of "underclass."

Such concerns were more prevalent in America, reflecting the fact that AFDC was deliberately designed as a programme for single mothers. These debates were deeply racialised, with emphasis usually placed on teenage and out-of-wedlock pregnancies, reflecting an area of analysis established by Daniel Patrick Moynihan. By the mid-1980s, 45 percent of African American families were headed by a woman compared to 20 percent in the 1960s. In 1982, 57 percent of births to African American women occurred outside of marriage.[7] What raised particular concern, however, was that increasing proportions of these births were occurring to women who had never married; rather than who were separated, divorced, or widowed. In 1900, 55 percent of households comprised a married couple with children; by 2000, this had fallen to 25 percent of households.[8] Teenage pregnancy among unmarried young women was a specific area of concern, and one December 1985 issue of *Time* carried the cover story "children having children."[9] Various studies throughout the decade seemed to highlight the degree to which this was a problem: according to one, the pregnancy rate among American teenagers was the highest in the industrialised world, at 95 pregnancies per 1,000 15- to 19-year-olds.[10] Concern manifested itself in a range of schemes and ideas to reduce teenage pregnancy, which were scattered across the country. One local health officer in Maryland, for example, offered teenage girls $1 per day if they did not become

[6] Owen Jones, *Chavs: The Demonisation of the Working Class* (London: Verso, 2012), 8.
[7] Patterson, *America's Struggle,* 212.
[8] Katz, *Undeserving Poor,* 160.
[9] "Children Having Children," *Time,* December 9, 1985, http://content.time.com/time/magazine/0,9263,7601851209,00.html.
[10] Nadine Brozan, "Rate of Pregnancies for US Teenagers Found High in Study," *New York Times,* March 13, 1985, ProQuest, http://search.proquest.com/docview/111133963/.

pregnant.[11] Several other states seriously debated incentivising women on AFDC to get the contraceptive implant, highlighting the link frequently made between poverty, welfare, and out-of-wedlock pregnancies.[12]

American intellectuals—both structuralist and neoconservative—were paying attention to these trends, and they became a major theme of their analysis of poverty. However, the ways in which the two understood teenage and out-of-wedlock pregnancy, and their relationship to poverty, was very different. Structuralists had written of out-of-wedlock pregnancy as early as the 1960s, in the classic accounts of the "rediscovery" of poverty. Oscar Lewis, Michael Harrington, and Daniel Patrick Moynihan all touched on the issue, portraying it as part of the "culture of poverty" that the American poor inhabited.[13] Moynihan's treatment of this was the most controversial, as he suggested that having children outside of marriage was firstly, a particularly African American phenomenon, and secondly, a cause of the "steady expansion" of AFDC.[14] Yet even here, Moynihan acknowledged that structural factors were a key determinant of teenage and out-of-wedlock births, controversially linking African American family breakdown with the legacy of slavery. As discussed in Chapter One, Moynihan's work was deeply contentious. This meant, as Katz has shown, that many structuralists chose not to produce work on the subject, allowing neoconservative intellectuals to co-opt the discussion to much more moralising ends.[15] It was not until the 1980s that structuralists returned to the subject, and offered a more thorough account of the ways in which structural economic change, and in particular the loss of industrial and blue-collar jobs in

[11] B. Drummond Ayres, "$1 a Day to Curb Teenage Pregnancy," *New York Times,* May 28, 1990, ProQuest, http://search.proquest.com/docview/108553470/.
[12] "Ending Child Labour," *Economist,* January 30, 1993: 46-7, Gale Cengage, http://find.galegroup.com/econ/.
[13] Lewis, *Five Families,* 17-8; Harrington, *The Other America,* 136; Moynihan, *Case for National Action,* 8-12.
[14] Moynihan, *Case for National Action,* 14.
[15] Katz, *Undeserving Poor,* 56.

urban areas, caused higher teenage and out-of-wedlock births. William Julius Wilson's work was key to this. He argued that, "the weight of existing evidence suggests that the problems of male joblessness could be the single most important factor underlying the rise of unwed mothers among poor black women."[16] Throughout such accounts—discussed in greater detail elsewhere in this thesis—it was clear that structuralists saw a link between teenage and out-of-wedlock pregnancy, and poverty. In the case of those such as Moynihan and Wilson, they believed that it was vital to discuss these subjects in the context of poverty.

Neoconservatives such as Charles Murray took a very different view. Growing out of the structuralist recognition of a link between pregnancy and poverty, the neoconservatives argued that the causal link between the two was the other way around. Murray wrote of a "crisis of illegitimacy," arguing that this was caused by the self-destructive behaviour of the poor, which was facilitated by AFDC.[17] Consequently, their policy prescriptions focused on changing behaviour, rather than on understanding and adjusting the structural factors that increased teenage and out-of-wedlock pregnancy. Murray advocated a return to the shame that he believed had once pervaded having children outside of marriage, and the abolition of AFDC so that there was no support for women having children outside of marriage. Of course, as several works have pointed out, this was not the first time that AFDC was criticised for allegedly perpetuating out-of-wedlock births.[18]

In part, this focus on the relationship between poverty, AFDC, and out-of-wedlock pregnancy was not new, and was encouraged by the design of the programme, which directly focused on lone mothers. Throughout AFDC's history,

[16] Wilson, *Truly Disadvantaged,* 72.
[17] Murray, *Losing Ground,* 120.
[18] Reese, *Backlash Against Welfare Mothers* identifies several periods of backlash. Lisa Levenstein, "From Innocent Children to Unwanted Migrants and Unwed Moms: Two Chapters in the Public Doscourse on Welfare in the United States, 1960-1961," *Journal of Women's History* 11, no. 4 (Winter 2000): 10-33 offers a detailed account of these themes in Louisiana and New York in the early 1960s.

there was a tension between efforts to aid lone mothers, and to disincentivise family breakup. For example, numerous states deployed "man in the house" rules, until they were struck down by the Supreme Court in 1968, in *King v. Smith.* Under these rules, women on AFDC might have spot checks paid on their homes during the night, where the presence of an adult man in the house was taken as a sign that she and her children had a man to depend on financially, and were therefore barred from AFDC.[19] Estimates suggest that around 20,000 people were excluded from AFDC because of "man in the house" rules.[20] At the same time, from 1961 onwards states could expand AFDC to families where there was an unemployed adult male still in the house, but by 1988 only 28 states had undertaken this measure.[21] The programme was, therefore, one historically imbued with deeply gendered ideas, which target lone mothers, whilst consistently expressing unease with their single state. Nonetheless, it was the turn of the 1990s that saw these tensions come to dominate intellectual and political debates about poverty.

It is perhaps because of AFDC's direct relationship to single parenthood that American scholars have generally recognised the importance of teenage and out-of-wedlock pregnancy as issues in antipoverty debates, and in Clinton's antipoverty policy.[22] The fact that policy regarding these issues was bound up with welfare reform legislation also means that it is an important factor in the detailed accounts of the development of PRWORA offered by Haskins and Weaver.[23] By contrast, accounts of New Labour's antipoverty policy have tended to neglect the subject of teenage and out-of-wedlock pregnancy, reflecting the ways in which this was outside of the realm of the traditional welfare programmes that tend to be the

[19] For a detailed history of AFDC, see in particular Reese, *Backlash Against Welfare Mothers.*
[20] Katz, *Undeserving Poor,* 141.
[21] Ibid., 140.
[22] See, in particular, Reese, *Backlash Against Welfare* Mothers; Sidel, *Keeping Women and Children Last*, esp. ch. 6.
[23] Haskins, *Work Over Welfare*; Weaver, *Ending Welfare as We Know It.*

focus of such studies. For example, in one influential collection of essays examining New Labour's first term in office, the topic of family is explored in a specific essay by Jane Lewis, rather than within Howard Glennerster's contribution on social policy.[24] In other works, it has been downplayed. Andrew Connell has argued that New Labour's antipoverty policy focused on work more than policy in the US, where issues of teenage and out-of-wedlock pregnancy were more important.[25] Although much literature in Britain examines the ways in which New Labour's antipoverty policies impacted on lone mothers, this is a subtly different issue to teenage pregnancy. Moreover, the corpus of literature that examines commonalities within New Democrat and New Labour antipoverty policy, as previously noted, focuses primarily on welfare-to-work programmes, and little explores the subjects of teenage and out-of-wedlock pregnancy.[26] Of this literature, only Anne Dageurre and Alan Deacon acknowledge that teenage and out-of-wedlock pregnancies were factors in their policy, but suggest that they were far less important to New Labour than to the New Democrats.[27] Certainly, as is demonstrated throughout this chapter, these issues were more influential in American debates and New Democrat policy than in Britain. Nonetheless, this chapter insists that they were a major commonality in the antipoverty policy of both countries.

Crucially, as explored elsewhere in this thesis, Murray's ideas were exported to Britain in the late 1980s and early 1990s, through his essays for the *Times.* Whilst they met with intellectual criticism in Britain, his ideas merged with existed concerns and ongoing trends to produce media concern by the mid-1990s about

[24] Jane Lewis, "Women, Men, and the Family," in Seldon, *Blair Effect*; Glennerster, "Social Policy".
[25] Connell, *Welfare Policy under New Labour,* 149.
[26] Such works which do not discuss teenage or out-of-wedlock pregnancy include Peck, *Workfare States*; Theodore and Peck, "Welfare-to-Work," and King and Wickham-Jones, "Bridging the Atlantic."
[27] Daguerre, "Importing Workfare," 48-9; Deacon, *Perspectives on Welfare,* 93-5.

teenage and out-of-wedlock pregnancy rates. 28.3 percent of births in England occurred out of wedlock in 1990, and eighty percent of births to those aged under 20 were outside of marriage.[28] By 1996, Britain had the highest rate of teenage pregnancies in Europe, with three out of one hundred young women having children.[29] As in America, concerns about these figures were expressed by both liberals and those on the Right, although these debates were not imbued with the racial coding that existed across the Atlantic. One *Guardian* editorial noted that "divorce, children borne out of wedlock and abortion are all climbing precipitously," highlighting that this occurred under a Conservative government which professed itself concerned with family values. Responding to a speech on the subject by Neil Kinnock, they recognised "the new pressures which the increase in poverty and unemployment have placed on secure families."[30] In this analysis, teenage and out-of-wedlock pregnancies were viewed in relation to poverty, but it was poverty—and the structural factors that caused it—which were believed to cause higher teenage pregnancy rates. As the *Guardian* wrote in a later editorial, "these shifts are happening across the Western world. Their causes are complex."[31] Such analysis was considerably different to that offered by more conservative newspapers such as the *Times,* which emphasised "illegitimacy" and related it to the cost of welfare benefits, implying that it was responsible for poverty, rather than *vice versa.* These differences of analysis mirrored those of British intellectuals. Both structuralists and those influenced by the neoconservative writings of Murray felt that teenage pregnancy—and the focus in Britain was more on teenage

[28] "Big Rise in Illegitimate Birth Rate," *Times,* July 9, 1992, Gale Cengage, http://find.galegroup.com/ttda/.
[29] Dominic Kennedy, "Britain Has Highest Rate of Teenage Pregnancies," *Times,* July 10, 1996, Gale Cengage, http://find.galegroup.com/ttda/.
[30] "Growing Strife in Family Life," *Guardian,* September 21, 1990 ProQuest, http://search.proquest.com/docview/187110928/.
[31] "Time to Look After the Family," *Guardian,* December 24, 1990, ProQuest, http://search.proquest.com/docview/187192903/.

pregnancy—bore a relationship to poverty. The conservative commentator Melanie Phillips, who wrote approvingly of Murray's work, drew on American debates to note the "uncomfortable truth that family disintegration is responsible for a vast proportion of social problems."[32] According to the Guardian, structuralists saw poverty as having led to increased teenage pregnancy. The New Democrat and New Labour understanding of the relationship between these issues and poverty went beyond these two approaches, accepting some of the moralistic neoconservative arguments, whilst acknowledging the importance of structural factors in causing higher rates of teenage and out-of-wedlock pregnancy.

The family unsupported

The subjects of teenage and out-of-wedlock pregnancy were a source of considerable concern to the New Democrats, who believed that they needed to combat these issues as part of their antipoverty policy. In this way, they implicitly responded to the challenge of structuralists such as Wilson, as well as the writers Thomas and Mary Edsall, who argued that Democrats had not done enough to address the issues that Murray and his fellow neoconservatives raised. As the Edsalls wrote,

> This refusal to address conflicting evidence—of policy failure as well as of policy success—permitted the political right to capture the debate. By the early 1980s, domestic policymaking had become dominated by the conservative argument that rising illegitimate birth rates, joblessness, and welfare dependency grew out of—or were reinforced by—economic incentives to bear out-of-wedlock children and the disincentives to work created by the Great Society.[33]

Joe Klein concurred, writing that

[32] Melanie Phillips, "Lightening the Welfare State," *Guardian,* February 12, 1993, ProQuest, http://search.proquest.com/docview/187439194/.
[33] Edsall and Edsall, *Chain Reaction,* 15.

> there was an intellectual sclerosis [among Democrats]. The most vocal activists on the left tended to blame 'society'—which really meant the free market system—for the rapidly rising crime rate and for a relatively new, stubbornly persistent form of intergenerational poverty, which was marked by out-of-wedlock births and welfare dependency.[34]

The New Democrats agreed that it was necessary to formulate a new response to these neoconservative criticisms, which acknowledged that teenage and out-of-wedlock pregnancy were problems that perpetuated poverty, but which also maintained that structural factors played a role. The need for antipoverty policy to go beyond neoconservative and structuralist treatments of the relationship between teenage and out-of-wedlock pregnancy, and poverty, was a consistent New Democrat theme. Whilst developing the Family Support Act, Clinton had set up a taskforce on teenage pregnancy, reflecting his early interest in the subject. The DLC's 1991 New American Choice Resolutions stated that "the traditional answers on the right and left do not work anymore: 'family values' cannot feed poor children, and government programs can never be a substitute for strong families."[35] This drew on a 1990 PPI paper by Elaine Kamarck and Bill Galston, which argued for "a new family policy that transcends the polarized debate between liberals, who emphasize economic pressures while neglecting family structure and behavior, and conservatives, who preach family values while neglecting economics."[36] Similarly, Kathleen Sylvester, a PPI staffer who advised the Clinton administration, stressed that,

> our national leaders have viewed the issues of illegitimacy and family breakdown through a dense fog of ideology. Liberals have offered palliatives but refuse to condemn unwed teen parenting as wrong; conservatives have

[34] Klein, *Natural: The Misunderstood Presidency,* 29.
[35] DLC, *New American Choice Resolutions.*
[36] Elaine Kamarck and William Galston, "America's Children, Still at Risk: Six Ways to a New Family Policy," *New York Times,* November 19, 1990, ProQuest, http://search.proquest.com/docview/108459326/. See also Elaine Kamarck and William Galston, "Putting Children First: A Progressive Family Policy for the 1990s," in *Mandate for Change,* eds. Will Marshall and Martin Schram (New York: Berkley, 1993).

> offered condemnation and moral righteousness unaccompanied by constructive solutions to change the circumstances that lead to teen parenting.... It is time to reject the false choices offered by liberals and conservatives.[37]

To do so, Sylvester argued, there was a need for "a progressive synthesis that combined an insistence on personal and moral accountability with a recognition that poverty is deeply implicated in teenage pregnancy and the breakdown of families."[38]

The first aspect of the New Democrats' distinctive approach was to accept elements of the neoconservative argument that two-parent families were economically and morally desirable. The DLC acknowledged "a growing body of evidence [which] supports the conclusion that the intact, two-parent family is usually best suited to the task of providing for the economic and moral well-being of children."[39] Kamarck and Galston had similarly written that, "the best antipoverty program for children is a stable, intact family."[40] This was accompanied by the emphasis they placed on the importance of parental responsibility, which appeared to accept the neoconservative view that parents needed to exhibit more responsible sexual behaviour and be more willing to accept the burden of caring for children. As Sylvester wrote for the PPI, "all parents must be held accountable for supporting their children."[41] Clinton similarly argued that "people are going to have to think more about their future, more about their children's future, and when they do have children both parents are going to have to take more responsibility for

[37] Kathleen Sylvester, *Preventable Calamity: Rolling Back Teen Pregnancy* (Washington, DC: Progressive Policy Institute, 1994), Teen Pregnancy, Box 39, Bruce Reed Welfare Reform Series, WJCPL.
[38] Ibid.
[39] DLC, *New American Choice Resolutions.*
[40] Kamarck and Galston, "Putting Children First," 159.
[41] Sylvester, *Preventable Calamity.* WJCL.

them."[42] Speaking in Kansas City, Clinton stressed that "children should not be born until parents are married and fully capable of taking care of them."[43] Within all of this there was a clear moral tone, which appeared similar to that of figures such as Murray. A firm moral belief was placed in the importance of marriage and two-parent families as the correct environment in which to raise children.

Crucially, the New Democrats also recognised that AFDC did not encourage these values, reflecting a cornerstone of Murray's argument. As one draft administration Budget stated, "instead of encouraging young people to defer parenthood until they are ready to raise a child and insisting that absent parents support their children, it [AFDC] allows parents to act irresponsibly."[44] Clinton stressed similar themes, telling the NGA that too often, AFDC "rewards values other than family and personal responsibility. Instead of encouraging families to stay together as often as they should, it often encourages families to break apart."[45] One article in the *New Democrat* argued that "the [AFDC] system nurtures young women. It offers them money, status, and some measure of independence for becoming mothers," painting this as part of a cycle in which, "like many of their parents, many of these children will become teen parents, rely on the welfare system for support, and produce a new generation of needy children…."[46] Statistics held by the administration stated that if young women lived with both their biological parents, then the chance of them having a child as unmarried teenagers was 11 percent; if a young woman lived with a lone mother, and had been born out

[42] William J. Clinton, "Exchange with Reporters," December 3, 1993, Washington DC, transcript. APP, http://www.presidency.ucsb.edu/ws/index.php?pid=46194.
[43] William J. Clinton, "Remarks on Welfare Reform,", June 14, 1994, Kansas City, MO, transcript, APP, http://www.presidency.ucsb.edu/ws/index.php?pid=50335.
[44] Draft Sections of Budget, memo, undated, OMB-DPC Program Staff [1], Box 11, Carol Rasco Subject Series, WJCPL.
[45] William J. Clinton, "Remarks to the National Governor's Association", February 1, 1994, transcript, Washington, DC, APP, http://www.presidency.ucsb.edu/ws/index.php?pid=49032.
[46] Kathleen Sylvester, "Children Having Children," *New Democrat* 6, no. 3 (June-July 1994).

of wedlock, then their chance of becoming a teenage mothers was 37 percent.[47] Similarly, Isabel Sawhill of the OMB wrote that "although most single parents do a heroic job of raising their children, the fact remains that welfare dependency could be significantly reduced if more young people were ready to assume the responsibility of raising children."[48] Bruce Reed wrote to Clinton's Chief of Staff Mack McLarty that "Murray is right about one thing: we'll never end welfare unless we reduce the number of out-of-wedlock births," although he criticised Murray for paying virtually no attention to the men involved in creating such pregnancies.[49] Here, the New Democrats' ideas about the relationship between poverty and teenage and out-of-wedlock pregnancy bore close resemblance to those of Murray: that AFDC facilitated and perpetuated poverty, by creating a system that enabled young women to bear children without a husband to support them. This, in turn, passed the likelihood of poverty and welfare "dependency" down to their children.

However, the New Democrats departed from the neoconservatives in seeing AFDC as merely one factor in increased teenage and out-of-wedlock pregnancy rates. Where Murray saw a simple chain of events—AFDC enabling women to fulfil their (purportedly natural) desire for children, thus creating poverty and dependency—the New Democrats saw a more complex picture. In particular, they acknowledged that there were structural determinants of teenage and out-of-wedlock pregnancy. Rather than simply causing pregnancies, poverty was also part of the explanation for them. To the New Democrats, this was about the lack of opportunity in urban areas, caused by deindustrialisation. In this regard, they drew strongly on Wilson's work, as Al Gore made clear in a 1993 speech: "both the

[47] Effects of Family Structure on High School Dropout Rates, memo, undated, Illegitimacy, Box 15, Bruce Reed Welfare Reform Series, WJCPL.
[48] Draft Sections of Budget, WJCPL.
[49] Bruce Reed to Thomas McLarty, memo, February 6, 1994, Welfare Reform [4], Box 18, Carol Rasco Subject Series, WJCPL.

President and I find Dr Wilson's argument persuasive. He argues that joblessness has increased among young black men partly because jobs have vanished from urban America. He argues that the two-parent black family is disappearing because male joblessness has made marriage less attractive."[50] Stressing that, however, this was not only an issue that affected African Americans, Gore stated that "a community without jobs is likely to be a community without husbands and without active, engaged fathers."[51] Thus, Gore highlighted a relationship between structural economic changes—and in particular those of the new economy—and teenage and out-of-wedlock pregnancies, which in turn caused or enhanced poverty. Isabel Sawhill, a staffer in the OMB with a longstanding interest in issues of marriage and poverty, made a similar acknowledgement, writing that, "the social and economic forces that influence the poor and the non-poor run deeper than the welfare system."[52] The influence of structuralists such as Wilson is clearly evident; and as previously noted, he was involved with the administration, attending dinners at the White House and participating in a January 1994 academic retreat organised by Clinton.[53]

As well as understanding increased teenage and out-of-wedlock pregnancy as, partly, the result of the new poverty caused by structural economic change, the New Democrats also believed that it helped perpetuate poverty. This was, as outlined above, similar to Murray's arguments about dependency. However, whilst the New Democrats agreed that having children outside of marriage could create dependency on AFDC, they also argued that it perpetuated poverty by limiting the opportunity of young, unmarried, women. Galston wrote to the Welfare Reform

[50] Al Gore Speech at Kennedy School Forum, Cambridge MA, December 6, 1996, Black Male Employment 1993, Box 2, Carol Rasco Subject Series, WJCPL.
[51] Ibid.
[52] Draft Sections of Budget, WJCPL.
[53] Stanley Greenberg to Bill Clinton, memo, January 4, 1994, Academic Retreat, Box 3, Carol Rasco Subject Series, WJCPL.

Task Force that, "nothing hurts the life chances of teenage girls more than out-of-wedlock parenting."[54] Sawhill related this more explicitly to the administration's other focus—the importance of work—arguing that "teenage childbearing often leads to school drop-out, which results in the failure to acquire skills that are needed to succeed in the labor market, and this leads to welfare dependency."[55] Sylvester concurred, writing that teenage pregnancy "is a calamity for these young mothers because early parenthood denies them opportunity and choices."[56] Figures which the administration saw found that four out of ten young women became pregnant under the age of 20, and that teen mothers accounted for 47 per cent of all births to unmarried women. For such women, the New Democrats argued, the chance of finishing high school was reduced, robbing them of the opportunity for a better future.[57] According to the administration, if a young woman lived with both her biological parents, she had a 13 percent chance of leaving high school without graduating; if she lived in a family headed by a lone woman, and had been work out of wedlock, she had a 37 percent chance of not getting her high school diploma, even when education, location, and other factors were controlled for.[58] Kamarck and Galston had similarly written in 1990 that "the daughters of teenage mothers are more likely to become teenage mothers themselves and are at higher risk of long-term welfare dependency."[59] Thus, they went beyond the neoconservative moralistic critique of teenage and out-of-wedlock pregnancy as merely creating dependency on AFDC, and acknowledged the harmful effect these trends could

[54] William Galston to Welfare Reform Taskforce, memo, April 8, 1994, White House, Box 45, Bruce Reed Welfare Reform Series, WJCPL.
[55] Draft Sections of Budget, WJCPL.
[56] Sylvester, *Preventable Calamity*, WJCPL.
[57] Draft Questions and Answers for Teenage Pregnancy Event, memo, April 30, 1997, Teen Pregnancy, Box 127, Bruce Reed Subject Series, WJCPL.
[58] Effects of Family Structure on High School Dropout Rates, WJCPL.
[59] Kamarck and Galston, "Putting Children First," 162.

have on young women's long-term future from a more economic perspective. Clinton attempted to outline this difference in a 1995 press briefing, stating that,

> philosophically, I wouldn't be in favour of Murray's approach because I do not think the evidence is there that being on welfare itself maintains the welfare culture. I think what maintains the welfare culture is the high rate of out-of-wedlock births and the disincentives to get off [AFDC], to stay home, to do the right thing, to move into jobs even though they may have modest wages.[60]

This statement encapsulated the complexity of the New Democrats' view: that teenage and out-of-wedlock births did perpetuate poverty and welfare dependency, but that AFDC itself was not the problem. Moreover, whilst the president spoke of the "welfare culture," a phrase that seemed deeply conservative, he also recognised the problems around work in the new economy, and the disincentives this created.

This was, broadly, consistent with the emphasis on paid employment, and the need for skills in order to compete in the new economy that was woven throughout the other New Democrat antipoverty measures discussed in this thesis. As noted in the previous chapter, many American feminist scholars have pointed out that the emphasis on paid employment for lone parents deprived poorer women of the choices between full-time motherhood and work that wealthier women had, and that such an emphasis devalued caring roles.[61] In their belief that teenage and out-of-wedlock pregnancy were damaging because they perpetuated poverty by preventing young women from entering the labour market, this aspect of the New Democrat policy might have the same criticisms levelled at it.

Additionally, the New Democrat position may be read as representing a desire to push lone mothers into the flexible labour markets of the neoliberal economy. In this analysis, teenage pregnancy was a particular problem as it

[60] Press briefing by Bill Clinton, Leon Panetta, Donna Shalala, David Ellwood and Bruce Reed, transcript, June 15, 1995, Announcements, Box 2, Bruce Reed Welfare Reform Series, WJCPL.
[61] See Orloff, "Ending the Entitlements of Poor Single Mothers"; and Mink, "Aren't Poor Single Mothers Women?"

inhibited young women from obtaining the skills needed to do this. However, such a reading obscures the extent to which the New Democrats recognised that higher rates of teenage and out-of-wedlock pregnancy were related to the decline in jobs created by that same economy. It also obscures the fact that the New Democrat policy accepted some of the same moralising beliefs about pregnancy and marriage that the neoconservatives advocated. It was in this complicated recognition of elements of both the structuralist and neoconservative traditions, and the understanding of these in relation to the demands of the new economy, that the distinctiveness of the New Democrat approach lay.

This was reflected in the broad policy prescriptions that the New Democrats offered. They believed that preventing teenage pregnancy was an important preventative step that may reduce the number of people going on AFDC, and boost their life chances. Mary Jo Bane, David Ellwood, and Bruce Reed told Clinton that the administration needed to "prevent the need for welfare in the first place by promoting parental responsibility and preventing teen pregnancy." This was, they stressed, "the best way to end welfare dependency [by] eliminat[ing] the need for welfare in the first place."[62] The policies which this led to are discussed in the second half of this chapter.

New Labour similarly took a distinctive approach to teenage pregnancy which, as with the New Democrats, moved beyond the neoconservative ideas that had been largely exported to Britain, as well as the structuralist ideas that had been previously dominant. As noted above, teenage pregnancy, rather than out-of-wedlock pregnancy, was the focus in Britain, reflecting the lesser influence of moral issues and religion in British public debate. On the one hand, New Labour accepted

[62] Mary Jo Bane, David Ellwood, and Bruce Reed to Bill Clinton, memo, December, 1994, Welfare Reform [5], Box 18, Carol Rasco Subject Series, WJCPL.

some of the moral critique of welfare programmes offered by the neoconservatives, viewing teenage pregnancy as part of a cycle of poverty that existing welfare programmes did little to stop. They also professed a belief that two-parent families were the preferable family formation. On the other hand, they also saw higher rates of teenage pregnancy as a symptom of the new poverty caused by the decline of blue-collar male jobs. The concept of social exclusion was key to this: in New Labour's analysis, teenage pregnancy both took young women outside of the mainstream of society, and was caused by exclusion from the opportunities that society could, and should offer. As with the New Democrats, this was a complex picture in which teenage pregnancy was both a cause and an effect of poverty in the new economy. In its understanding of teenage pregnancy as part of the picture of social exclusion, however, and the corresponding solutions which they proposed—help into education and training, and better sex education—their approach was more progressive than that of their American counterparts.

New Labour were clear that they believed in the moral importance of families. Blair stated that, "the family is central to our vision of a modern Britain, built on the kinds of responsibilities that we learn in the home.... Our collective strength lies in making the institution of the family work for the good of Britain."[63] This rhetoric had a clear moral edge, and New Labour linked it to a broader sense of unease about apparently declining values. Blair's speech to the Labour Party Conference in 1996 offered a clear example of this:

> When I was growing up the family was strong, the sense of social responsibility was strong, crime was low. There was a national ethos and spirit that had won us the war and stayed with us in peace. What was strong then is fragile now. National purpose faltering, our feeling of collective responsibility starved of expression, the family unsupported.[64]

[63] Tony Blair, "Leader's Speech to the Labour Party Conference, Blackpool," Blackpool, September 29, 1998, transcript, BPS, http://www.britishpoliticalspeech.org/speech-archive.htm?speech=204.
[64] Blair, "Leader's Speech to the Labour Party Conference", 1996.

This related to a condemnation of what New Labour perceived to be the countercultural excesses of the 1960s. In a speech in Washington, D.C., Blair professed his belief that "my generation went through a period in the Sixties where people just sort of said, 'well, you know, you do your own thing.' [Today] my generation and younger ones want a society that is free from prejudice but not from rules."[65] In part, perhaps, this drew on Blair's own religious faith, and the *Economist* noted that he "had a taste for preaching," disclosing that they found "his ardour… the frightening thing about him."[66]

In this way, New Labour appeared to accept some of the neoconservatives' moral agenda that emphasised the importance of family, and viewed it as something that ought to be a part of debates over antipoverty policy. Nonetheless, as Jean Carabine has convincingly argued, their approach to the subject of teenage pregnancy was notably less charged with moralism than the Conservatives' had been during the 1980s and 1990s. In particular, New Labour argued that much change in the structure of families had been positive, recognising that it was not desirable to return to the deeply gendered strictures of the traditional nuclear family. Giddens summed up this approach, arguing that "strengthening family commitments and obligations, so long as these are based on active trust, does not seem at all incompatible with the diversity of family forms now being pioneered in all the industrialised societies."[67] In short, New Labour recognised that the structure of the family had changed, and whilst they wished to strengthen families, they did not equate this with only one form of family. It is particularly notable here that in order to finance the WFTC, the Married Couple's Tax Allowance, which

[65] Quoted in Robert Philpot, "Turning Ideas into Action," *New Democrat* 11, no. 3 (May-June 1999): 13.
[66] "Tough Love," *Economist,* October 14, 2000, Gale Cengage, http://find.galegroup.com/econ/; "Whatever It Takes," *Economist*. May 22, 1999, Gale Cengage, http://find.galegroup.com/econ/.
[67] Giddens, "Brave New World," 30.

incentivised marriage, was abolished by Brown in 1999. This implied that New Labour was more concerned with supporting children, regardless of family structure, than with encouraging marriage. Moralising, Carabine argues, did not disappear entirely in New Labour's treatment of teenage pregnancy—as the above remarks demonstrate—but it was instead "presented to us as being a problem for different reasons."[68]

These reasons were complex. New Labour expressed concern about increased teenage pregnancy rates, implicitly appearing to accept some of the moral criticisms of the neoconservatives. In the foreword to a 1999 government report on teenage pregnancy, Blair wrote of it as a failure, noting that the problem was much greater in Britain than in other European countries, and labelling Britain's figures "shameful".[69] The Prime Minister was clear that he believed that it was wrong for young people to have sex, baldly stating "I don't believe young people should have sex before they are sixteen. I have strong beliefs on this."[70] In this context, they stressed the need for individuals to take responsibility for their behaviour, and for the results of it, in language that bore a strong similarity to that of the New Democrats. Blair argued that, "responsibility from all" was "the only way forward as we break the old culture which left generations of families trapped in unemployment and poverty."[71] Similarly, David Miliband, as head of the No. 10 Policy Unit, stated that, "work, welfare and family policy need to be mutually reinforcing."[72] Moreover, as with the New Democrats, New Labour at times seemed to accept that teenage pregnancy was part of a cycle of poverty that was encouraged

[68] Jean Carabine, "New Labour's Teenage Pregnancy Policy: Constituting Knowing Responsible Citizens?" *Cultural Studies* 21, no. 6 (2007): 956.
[69] Tony Blair, foreword to *Teenage Pregnancy: A Report by the Social Exclusion Unit,* by the Social Exclusion Unit (London: Social Exclusion Unit, 1999), 4.
[70] Ibid., 4.
[71] Tony Blair, "Remarks at Faith in Politics Event."
[72] Quoted in Timmins, *Five Giants,* 611.

by existing antipoverty programmes. Such programmes, they argued, gave teenage parents "little of the right support," providing only cash assistance in the form of Income Support, and help with housing. This "makes it all the more likely that they will remain isolated and on benefit for longer than they need to be."[73] As Barbara Roche, the minister for social exclusion, wrote in a 2003 report: "if you grow up in a low-income household, you are more likely to become a lone parent, at a younger age—and thus to start the cycle of child poverty, low expectations, poor educational attainment and poor health again."[74]

However, their understanding of what did constitute the "right support" for teenage parents pointed towards the complexity of their understanding of the subject, and its relationship to poverty. In particular, New Labour believed that teenage pregnancy was, largely, the result of a lack of opportunity, leading young women to feel as though pregnancy was the most that they could make of their lives. As Blair wrote, "most teenagers who are likely to become pregnant come from poor areas, and from disadvantaged backgrounds. Often they feel they have nothing to lose by becoming pregnant."[75] New Labour argued that the problem was not evenly distributed across the country, and was "far worse in the poorest areas and among the most vulnerable young people, including those in care and those who have been excluded from school."[76] In a 1999 article in the *Times* explaining New Labour's approach to teenage pregnancy, Blair wrote that,

> The issue of teenage pregnancy is one part of a far bigger picture. It's not simply that they became mothers too young. It is indicative of a way of life that harms them and their children. A significant minority of children, often in sink estates, grow up amid family instability, poor education, endemic

[73] Social Exclusion Unit, *Teenage Pregnancy,* 62-4.
[74] Barbara Roche, foreword to *Tackling Social Exclusion* by Social Exclusion Unit (London: Office of the Deputy Prime Minister, 2003), 2-3.
[75] Blair, foreword to *Teenage Pregnancy*, 4.
[76] Social Exclusion Unit, *Teenage Pregnancy,* 6.

> crime, drug abuse and few decent job opportunities. They are the ones most likely to become the teenage mothers and fathers.[77]

Woven throughout all of these statements was a belief that increased rates of teenage pregnancy stemmed from a lack of opportunity—specifically, employment and economic opportunity—that led young men and women to conclude that becoming parents was a way of giving a sense of pride to their lives. In relating teenage pregnancy to a lack of opportunity, and to a lack of opportunity in specific areas, New Labour therefore viewed it in relation to the job losses incurred as a result of deindustrialisation, globalisation, and technological change. The government identified a geography of teenage pregnancy that, broadly, corresponded to some of the poorest areas in England, where teenage conception and birth rates were six times higher than in the wealthiest areas.[78] It was, in short, part of a "poverty of ambition" that was caused by, and in turn perpetuated, poverty.[79]

Specifically, New Labour linked teenage pregnancy to a particular group of young people dubbed "NEETs" (Not in Education, Employment, or Training). In their analysis, because these youths lacked the education and skills to thrive in the new economy, increasingly stratified between high-skill, high-wage jobs on the one hand, and low-skill, low-paid jobs on the other, they had little sense of purpose in life. Stated one report by the SEU: "being outside education, employment or training between 16 and 18 has serious consequences for the individual and society in both the short and long term. It is a major predictor of later unemployment and

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[77] Tony Blair, "Teenage Mums Are All Our Business," *Times,* September 8, 1999. Gale Cengage, http://find.galegroup.com/ttda/.
[78] Social Exclusion Unit, *Teenage Pregnancy,* 20-1.
[79] Department of Social Security, *Opportunity For All: Tackling Poverty and Social Exclusion: First Official Report* (London: Department of Social Security, 1999), 45.

for women, also of teenage motherhood."[80] A major literature review on the drivers of social exclusion, commissioned by New Labour similarly argued that, "the evidence suggests that the key structural driver is early school leaving and the lack of opportunity for young women, particularly in areas of high unemployment. Tackling this social exclusion will have an impact on the exclusionary results of teenage pregnancy."[81] This also demonstrates New Labours push for more evidence-based policy.

New Labour rejected one specific neoconservative criticism of antipoverty programmes, which held that teenagers became pregnant in order to receive council housing and benefits. This idea had been suggested by several Conservative politicians, including Peter Lilley in his "little list," as discussed in Chapter One, and John Redwood, who remarked that "the assumption is that the illegitimate child is the passport to a council flat and a benefit income."[82] This accusation was, the SEU stated, "unprovable," and they noted that most teenage mothers were unaware of the benefits to which they were entitled when they became pregnant. Not only this, but the benefits that young mothers received were scarcely an embarrassment of riches.[83] This again highlighted the degree to which, whilst they viewed teenage pregnancy and poverty as related, they did not accept the simple conservative theory that the existence of benefits incentivised teenage pregnancy.

If teenage pregnancy was caused by a lack of opportunity, or by being socially excluded, then New Labour believed that it also served to perpetuate these

[80] Social Exclusion Unit, *Bridging the Gap: New Opportunities for 16-18 Year Olds Not in Education, Employment or Training* (London: Cabinet Office, 1999), 31.
[81] Jonathan Bradshaw et al., *The Drivers of Social Exclusion: A Review of the Literature for the Social Exclusion Unit* (London: Office of the Deputy Prime Minister, 2004), 61.
[82] Richard Thomas, "Benefit Cut 'Will Backfire,'" *Guardian,* September 5, 1995, ProQuest, http://search.proquest.com/docview/187729100/.
[83] Social Exclusion Unit, *Teenage Pregnancy,* 31.

traits, and thus poverty. As Carabine argues, New Labour perceived teenage pregnancy as creating "an accumulation of social risks."[84] These risks were primarily understood to relate to the opportunity of young parents to enter the modern labour market. If a young woman became a parent at a young age, she was likely to struggle obtaining the education and skills that she needed. As the SEU argued, "as societies and economies become ever more dependent on skills and knowledge, the personal and societal costs of allowing significant numbers of teenagers to drop out of education are much higher than were a generation ago."[85] New Labour therefore presented teenage pregnancy as a major driver of social exclusion, perpetuating poverty as it prevented people from moving into work. Their understanding of teenage pregnancy was therefore "in keeping with New Labour's construction of education as the fundamental way to ensure citizens are equipped with the human capital necessary to contribute to the economy in the long term, and avoid welfare dependency."[86] Such an emphasis is open to similar criticisms that many levelled at New Labour's efforts to move (adult) lone mothers into work: that the value of the caring work of teenage mothers was devalued. This is a critique that has been offered by Kidger, who wrote that,

> teenage mothers are therefore excluded from the possibility of being both full-time carers of their children and socially included citizens, instead finding themselves faced with an irresolvable dilemma, in which they face judgement either as 'bad' mothers who are not their for their children, or as 'bad' citizens who have not earned inclusion.[87]

Similarly, Carabine suggested that young mothers might be "blamed—not for their immorality—but for their failure to take the opportunities offered to them and for

[84] Carabine, "New Labour's Teenage Pregnancy Policy," 957.
[85] Social Exclusion Unit, *Teenage Pregnancy,* 7.
[86] Judi Kidger, "Including Mothers: Limitations to New Labour's Strategy for Supporting Teenage Parents," *Critical Social Policy* 24, no. 3 (August 2004): 293.
[87] Ibid., 296.

their failure to make the 'right' decisions."[88] Moreover, the emphasis on ensuring that teenage mothers would be able to move into the labour market in future might be seen through the lens of those who have suggested that New Labour's primary goal was to create a workforce able to take the low-paid jobs of the new economy. Again, however, such an argument obscures the elements of moralism that suffused New Labour's rhetoric, as well as their emphasis on the new economy as causing increased rates of teenage pregnancy.

Regardless of these criticisms, it is clear that New Labour viewed teenage pregnancy and poverty as part of a complex cycle. Living in poverty, or being socially excluded, increased the chance of becoming pregnant at a young age, which in turn further excluded people, making them dependent on benefits as they were unable to gain the education and skills needed in the new economy. Blair termed this the "cycle of disadvantage."[89] Elaborating on this, the report stated that, "social exclusion is driven by a complex interplay of social, economy and demographic trends, as well as difficult transitions in life and individual risk factors.... Causes and consequences are interlinked and often difficult to disentangle from each other."[90] An earlier report offered a similar argument, noting that, "teenage pregnancy is often a cause and a consequence of social exclusion."[91] This was clearly a more nuanced understanding of the relationship between poverty and teenage pregnancy than that offered by neoconservatives. It afforded more importance to structural economic changes in increasing teenage pregnancy rates, something that neoconservative accounts largely neglected, preferring to offer only a moral critique of the behaviour of the poor. In its emphasis on the

[88] Carabine, "New Labour's Teenage Pregnancy Policy," 971.
[89] Tony Blair, foreword to *Breaking the Cycle: Taking Stock of Progress and Priorities for the Future* by Social Exclusion Unit (London: Office of the Deputy Prime Minister, 2004), 1.
[90] Social Exclusion Unit, B*reaking the Cycle,* 28.
[91] Social Exclusion Unit, *Teenage Pregnancy,* 17.

decline of blue-collar jobs in specific areas creating a lack of opportunity which was manifested in higher numbers of teenage pregnancies, the New Labour approach seemed, like that of the New Democrats, to draw heavily on the work of Wilson. The SEU literature review of the drivers of social exclusion made reference to *The Truly Disadvantaged,* suggesting that New Labour was aware of Wilson's work.[92] However, not all aspects of Wilson's work directly translated to the British experience, in particular his focus on how race was woven into poverty and teenage and out-of-wedlock pregnancy.

There were clear commonalities in the ways that the New Democrats and New Labour understood teenage pregnancy and out-of-wedlock pregnancy in relation to poverty. Both saw these issues as stemming from a lack of opportunity, in the form of paid employment, which was the result of structural economic change. They also understood that having a child at a young age, and out of wedlock, could create or reinforce poverty by preventing young people from obtaining the skills they needed to enter the modern labour market. Thus their understanding of teenage and out-of-wedlock pregnancy was inherently bound up with their sense that the new economy was changing the nature of modern poverty. Whilst their willingness to consider teenage and out-of-wedlock pregnancy as related to poverty appeared, at first glance, to represent an acceptance of neoconservative ideas about poverty, the New Democrats and New Labour offered a more complex understanding that was less morally charged, though not immune from moralising.

However, although their fundamental approach was similar, there were also subtle differences in the ways in which the two parties approached these subjects, which became even clearer in the policies they implemented. The New Democrat

[92] Bradshaw et al., *Drivers of Social Exclusion,* 86.

approach took a greater moral tone than that of their British counterparts, and was also more concerned with out-of-wedlock pregnancy than New Labour. Moreover, New Labour also employed a different vocabulary to discuss these issues, viewing them through the prism of social exclusion—although, as Hilary Silver has shown, the New Democrats' rhetoric was broadly similar.[93] Finally, as pointed to above, debates in Britain were far less racialised than in America. Even whilst acknowledging these differences, however, it is still possible to point to fundamental commonalities in the way that they approached the relationship between poverty and teenage pregnancy.

The remoralisation of antipoverty policy

The fundamental commonality of their approach lay in the fact that both parties had identified similar challenges, and developed similar responses to them. Yet it is also possible to identify instances, and networks, through which the New Democrats and New Labour debated these ideas. A conversation between Clinton, Blair, and Brown—recounted in Chapter One of this thesis—contained a brief discussion of the relationship between out-of-wedlock births, poverty, and work.[94] Beyond this, the two parties discussed these issues at some of the meetings and seminars that they organised. When Blair visited Washington, D.C. in early 1998, he took with him a number of ministers responsible for aspects of social policy, including Miliband, and the Health Secretary Alan Milburn. One meeting they held which focused on social exclusion was dubbed "Chequers II" by the media—

[93] Silver, "Social Exclusion and Social Solidarity," 542.
[94] Bill Clinton-Tony Blair telephone conversation, transcript, May 29, 1997, WJCPL.

as it followed an earlier meeting held at the Prime Minister's country residence.[95] Ahead of the 1999 Florence meeting between various centre-left world leaders, including Clinton and Blair, Miliband told Sidney Blumenthal that they wanted to focus on "how we promote *family* stability without reversing beneficial change."[96] The Clinton administration also felt that these were issues that they could profitably discuss with New Labour. Bruce Reed wrote to Clinton before the Florence meeting to suggest that they highlight their campaign to reduce teenage pregnancies to other leaders, including Blair, framing it as "giving individuals and families better tools to protect their values in the new marketplace."[97]

In addition to these discussions, the New Democrats and New Labour were also drawing on a network of communitarian intellectuals, who provided the philosophical underpinning for their broad idea of the need to balance opportunity and responsibility. Several communitarians, in particular Amitai Etzioni and Geoff Mulgan, dealt specifically with the subject of the family and poverty in their works. They stressed the need to move away from the countercultural excesses of the 1960s, and reassert values through antipoverty policy, whilst also acknowledging that much social change had been positive, especially for women. Etzioni wrote on these themes for the *New Democrat.* In one article, he argued that "the communitarian movement favors the new familism: recognizing the importance of the family without favoring a return to the traditional one."[98] As part of this, antipoverty policy needed to encourage people "to stay in school, participate in training, and avoid pregnancy."[99] The left, Etzioni maintained, should not be afraid

[95] Peter Riddell, "Hot Foot to the White House," *Times*. February 2, 1998. Gale Cengage, http://find.galegroup.com/ttda/.
[96] David Miliband to Sidney Blumenthal, WJCPL. Emphasis original.
[97] Thomas Freedman and Bruce Reed to Clinton, memo, WJCPL.
[98] Amitai Etzioni, "The Communitarian Platform," *New Democrat* 4, no. 3 (July 1992): 23.
[99] Ibid.

to discuss issues of values, and to do so in relation to antipoverty policy.[100] To this end, Etzioni worked with PPI staffer, and future Clinton advisor, Bill Galston, with the pair meeting in 1990 to discuss the ways that policy might be used to strengthen marriage and the family.[101] Galston later liaised with HHS to include these issues in the White House's 1994 welfare reform proposal, and wrote the passage of Clinton's 1995 State of the Union Address that called for an anti-teenage pregnancy campaign.[102] Similarly, Etzioni wrote in the foreword to the British edition of his *Spirit of Community* that, "the best time to reinforce the moral and social foundations of institutions is not after they have collapsed but when they are cracking. Does anyone truly believe that they have not yet cracked in the United Kingdom?"[103]

Etzioni was also close to Geoff Mulgan, the British founder of the think-tank Demos.[104] The two shared a broad philosophical approach, including on the subject of family and antipoverty policy. As Ruth Levitas has characterised their work, both believed in "the remoralisation of social life."[105] Mulgan believed that policies needed to reassert certain values—or what he termed "mentalities"—by which people ought to live their lives. This meant rejecting the liberalism which, he suggested, was too hesitant to uphold values: "freedom of choice all too often ends with compulsive and self-destructive behaviour."[106] Unemployment and family breakdown, he argued, were "at root, a matter of order, of orders that have gone wrong and are out of kilter."[107] Mulgan's articulation of these ideas, and his

[100] Amitai Etzioni, *Spirit of Community,* 13.
[101] Ibid., 84.
[102] Galston, interview, Miller Center
[103] Etzioni, *Spirit of Community,* ix.
[104] "University of Downing Street," *Economist*, September 2, 1999, Gale Cengage, http://find.galegroup.com/econ/.
[105] Levitas, *Inclusive Society?* 91.
[106] Geoff Mulgan, *Connexity: How to Live in a Connected World* (Boston, MA: Harvard Business School Press. 1998), 5.
[107] Ibid., 83-4.

relationship with Etzioni, were significant as he became head of the Prime Minister's Strategy Unit, and subsequently Director of Policy at No. 10. Such was his influence that the *Times* labelled him "prince of wonks."[108] He was one of those present at meetings such as "Chequers II." Thus, it is possible to identify a network of intellectuals on both sides of the Atlantic, with strong links to the New Democrats and New Labour, who believed that values of family and responsibility needed to be reasserted within antipoverty policy. Although the ideas of the communitarians could be glimpsed in common efforts to make work pay, and reorient traditional welfare programmes around work, it was in the area of teenage and out-of-wedlock pregnancy that their influence was most apparent. In their emphasis on the need to remoralise antipoverty policy—but in a way that recognised the value of social change—Etzioni and Mulgan provided the basic philosophical rationale behind the common New Democrat and New Labour effort to combat poverty by reducing teenage and out-of-wedlock pregnancy. However, while accepting this need for moralism, and elements of the conservative moral critique of antipoverty programmes, the New Democrats and New Labour nonetheless allowed significant room for structural factors in their understanding of the relationship between teenage and out-of-wedlock pregnancy, and poverty.

Reducing teenage pregnancy

Efforts to reduce teenage and out-of-wedlock pregnancy were core themes in the New Democrats' antipoverty strategy throughout the Clinton administration. The first manifestation of this came in the administration's 1994 welfare reform

[108] Jill Sherman, "Prince of Wonks Finds His Throne," *Times,* December 28, 2000, Gale Cengage, http://find.galegroup.com/ttda/.

proposal, which argued that reducing teenage pregnancy was vital to reducing poverty. Transmitting his proposed legislation to Congress, Clinton argued that, "preventing teen pregnancy and out-of-wedlock births is a critical part of welfare reform. To prevent welfare dependency, teenagers must get the message that staying in school, postponing pregnancy and preparing to work are the right things to do."[109] As these remarks suggested, the administration viewed this as a preventative strategy. Galston had written, as they developed the plan, that "if we are serious about transforming the welfare system, welfare reform must include a national commitment and a program of national scope that targets young people *before* they become pregnant, *before* they go on welfare, *before* they become trapped in a cycle of poverty."[110] Proposing to spend $600 million on such an effort, Galston stressed that it may "provide a key to reducing poverty and welfare rolls in the long run, whatever the particulars of any proposal for a transition from welfare to work once on welfare."[111] This demonstrated that the New Democrats saw efforts to reduce teenage pregnancy as a vital part of their antipoverty strategy, distinct from but complementary to welfare-to-work efforts. As another staffer wrote, "the most effective—if not the only—way to reduce child poverty and to promote upward mobility for young woman [sic] (and men) in this country is to reverse the upward trend of young, unmarried men and women begetting and bearing children."[112]

To this end, the Clinton plan required minor mothers—by which it meant unmarried mothers under the age of eighteen—to remain in school, and in the home of either a parent or guardian, as a condition of receiving AFDC. They would

[109] William J. Clinton, "Message to Congress Transmitting Proposed Welfare Reform Legislation," Statement, June 21, 1994, Washington, DC, transcript, APP, http://www.presidency.ucsb.edu/ws/index.php?pid=50367.
[110] William Galston to Mary Jo Bane, David Ellwood, and Bruce Reed, memo, April 7, 1994, Teen Pregnancy [4], Box 40, Bruce Reed Welfare Reform Series, WJCPL. Emphasis original.
[111] Ibid.
[112] Paul Dimond to Bruce Reed, memo, March 3, 1993, White House, Box 45, Bruce Reed Welfare Reform Series, WJCPL.

also be required to establish the paternity of the father of their child, who would have to pay child support through a more stringent system, something that David Ellwood had long advocated. The administration's proposal also gave states the choice to decide whether to implement a family cap. If a family cap was implemented, then the state would pay no extra benefits for any children conceived whilst the mother was receiving AFDC. Shalala argued that there was little evidence that doing this acted as a deterrent from having more children, and noted that the administration had "passed on that conclusion about no evidence to the States."[113] Giving the states the option to implement a cap was a political concession to congressional Republicans, many of whom supported such a measure. Nonetheless, the administration was clear that they would prefer states not to take the option.

These proposals were, Shalala and the Working Group argued, cornerstones of the administration's approach.[114] Testifying before the Senate Finance Committee, Shalala argued that, "the link between unmarried teenage births and poverty is clear."[115] Becoming a teenage mother was likely to lead to poverty, and therefore teenage pregnancy rates needed to be reduced. At the same time, the administration noted that some young women were more "at risk" of becoming teenage parents. Therefore, the administration also proposed to find new community-based programmes to reduce teenage pregnancy, and set up a "national clearinghouse" to allow areas to share these programmes. Their proposals to require teenage mothers to remain in school, and at home, also reflected their belief that teenage pregnancy could prevent young women from gaining the skills they need to enter the labour markets of the new economy. This

[113] Shalala, Testimony before Senate Finance Committee.
[114] Press briefing by Donna Shalala and David Ellwood, June 15, 1994, transcript, Announcements, Box 2, Bruce Reed Welfare Reform Series, WJCPL.
[115] Shalala, Testimony before the Senate Finance Committee.

distinguished it from the views of Republicans, who saw such a policy as about discouraging pregnancy. E. Clay Shaw argued that requiring young mothers to remain at home would remove "the lure of the cash," suggesting that teenage pregnancies were merely efforts to obtain AFDC benefits.[116] Notably, her testimony pleased Moynihan, who stated that "I do not believe that in this history of the Congress a Secretary of Health and Human Services has ever come before this committee or any committee and talked as openly and directly about… the question of children born in homes where there has never been a marriage."[117]

The complexity of the New Democrat approach was also reflected in the waivers that it granted to states to engage in experiments with AFDC. Many of these experiments focused on reorienting AFDC around work. However, some also dealt with teenage and out-of-wedlock pregnancy. This was the case in Wisconsin, where Thompson implemented a series of reforms dubbed "Bridefare" by the media.[118] These reforms had a long genesis, beginning in 1992, when the Bush administration granted the original waiver to implement the idea. From 1994, pilot areas in the state stopped paying lower benefits to married couples, and found that it didn't increase their propensity to marriage; but did seem to reduce the number of young women who became pregnant again.[119] These measures were also part of the waiver request that Wisconsin submitted to the Clinton administration in 1996. Teenage mothers were required to remain in the home of a parent or guardian, and remain in education, in order to be eligible for benefits under the state's new

[116] Quoted in Sidel, *Keeping Women and Children Last,* 118.
[117] Daniel Patrick Moynihan, Remarks before the Senate Finance Committee, July 13, 1994, Work and Responsibility Act of 1995: Hearing before the Committee on Finance, United States Senate, 103rd Congress, Second Session on S. 2224, 1994 (Washington, DC: US Government Printing Office, 1994), http://www.finance.senate.gov/imo/media/doc/hrg103-1017.pdf.
[118] Norman Atkins, "Tommy Thompson: When He Sounded the Battle Cry on Welfare, Wisconsin's Voters Listened, and so, Apparently, did Newt Gingrich," *New York Times,* January 15, 1995, ProQuest, http://search.proquest.com/docview/109436408/.
[119] Thompson, *Power to the People,* 60.

welfare programme. Speaking about the waiver Clinton praised the fact that it "would send a clear message to teen parents as well. If you're a minor with a baby, you'll receive benefits only if you stay in school, live at home, and turn your life around."[120] Not only did the administration approve the plan, but it bore a strong similarity to the proposals that they had made in 1994. In fact, the administration later held up their support for such state demonstrations as evidence that they took the relationship between poverty and teenage pregnancy seriously.[121] They were also discussing these themes with Thompson: in a 1995 bipartisan summit on welfare reform, attended by Clinton, held at Blair House in Washington, D.C., a session on parental responsibility was led by Thompson.[122]

The New Democrats faced greater difficulty trying to maintain their complex approach as debates over federal welfare reform intensified during 1995 and 1995. When a Republican bill emerged from the Ways and Means Committee in early 1995, Shalala wrote to the committee chairman, E. Clay Shaw, to complain about its treatment of teenage mothers, arguing that the bill did not require young women to live at home, remain in education, or establish the paternity of their child.[123] Whilst this may have appeared an attempt to out-manoeuvre the GOP, it also reflected the administration's complex belief that teenage pregnancy needed to be discouraged because it perpetuated poverty by denying young women the opportunity to obtain the skills they needed to compete in the new economy. Moreover, the administration refused to countenance the more stringent demands of some Republicans. The Ways and Means bill forbade states from giving welfare

[120] William J. Clinton, Weekly Radio Address, May 18, 1996, Washington, DC, transcript, APP, http://www.presidency.ucsb.edu/ws/index.php?pid=52834.
[121] Preventing Teenage Pregnancy, information Sheet, September 11, 1997, Health Reform-Teen Pregnancy, Box 19, Neera Tanden Subject Series, WJCPL.
[122] Welfare Reform Working Session Agenda, memo, undated, POTUS Welfare Briefings, Box 125, Carol Rasco Issues Series, WJCPL.
[123] Donna Shalala to E. Clay Shaw, letter, WJCPL.

payments to unmarried teenage mothers, and Bruce Reed noted that this went even further than the NGA wanted.[124] To the New Democrats, this provision went too far, not least because it punished the children of teenage parents. As Carol Rasco wrote to senior White House staff, "we must give ourselves room on this issue by always redirecting the discussion to the test we want to hold welfare reform to.... Does it avoid punishing kids because their mothers are poor, young or unmarried?"[125] To try to avoid such a provision, the administration sought to encourage divisions among the GOP by forming an unlikely alliance with anti-abortion supporters, asking them to disavow the bill on the grounds that denying aid to teenage mothers may increase the number of abortions.[126]

The administration's commitment to keeping teenage mothers in education, and in the homes of parents or guardians, remained constant throughout this legislative wrangling. In May 1996, Clinton issued a series of Executive Orders requiring teenage mothers on AFDC to remain in school, and resident in the home of a parent or guardian, or in supervised accommodation. The administration expected teenage mothers to be involved in state JOBS programmes—taking the education option—or have employability plans. States would be audited on their plans to keep teenage mothers in school.[127] In part, as Galston reflected, this was a means of Clinton demonstrating that he could take action on welfare even as Republicans led the congressional debate.[128] Yet it also reflected the core, consistent New Democrat belief that teenage pregnancy was a problem because it denied

[124] Bruce Reed to Bill Clinton, memo, February 9, 1995, Welfare Reform Republican Bill [1], Box 128, Carol Rasco Subject Series, WJCPL.
[125] Carol Rasco to Senior Staff, memo, February 9, 1995, Welfare Reform Republican Bill [1], Box 128, Carol Rasco Subject Series, WJCPL.
[126] Bruce Reed to Carol Rasco, memo, March 1, 1995, Welfare Reform Republican Bill [2], Box 128, Carol Rasco Subject Series, WJCPL.
[127] Mary Jo Bane to Bruce Reed, memo, April 29, 1996, Minor Mothers, Box 22, Bruce Reed Welfare Reform Series, WJCPL.
[128] Galston interview, Miller Center.

young people a future. As Clinton acknowledged, his approach drew on a programme in Ohio, named the Learning, Earning, and Parenting Programme (LEAP). The programme incentivised teenage mothers without a high school diploma to remain in education, offering cash payments if they continued to attend school, and practical support in the form of childcare. Thus, the administration's approach was clearly one that emphasised the importance of combating poverty by allowing teenage mothers to enter the labour market in future. Their framing of these orders underlined this, with administration officials stating that their actions put "young mothers on the right path, toward employment and self-sufficiency."[129]

They were also clear that their efforts to keep young women in family homes, or supervised accommodation, were distinct from the approach advocated by Newt Gingrich in late 1994. Gingrich suggested that the children of teenage mothers ought to be placed in orphanages, at the same time as unmarried mothers lost their entitlement to AFDC. Drawing on an old Mickey Rooney film, Gingrich suggested that orphanages were not so bad—or, at least, that that they were no worse than having an unmarried teenage mother. Understandably, his remarks evoked considerable controversy for their deeply punitive and shaming approach—although as Elizabeth Drew, suggested, Gingrich deliberately sought to arouse controversy, in order to push debates to the right.[130] In a letter to Gingrich several months later, Clinton wrote that "instead of refusing to help teen mothers and their children, we should require them to turn their lives around."[131] Placing young mothers in orphanages was not only morally wrong, the administration believed, but futile: it would do nothing to give those women opportunity. The PPI

[129] Question and Answer on Executive Action, transcript, undated, Minor Mothers, Box 22, Bruce Reed Welfare Reform Series, WJCPL.
[130] Drew, *Showdown,* 45-6.
[131] Bill Clinton to Newt Gingrich, letter, March 20, 1995, Memos to the President [1], Box 21, Bruce Reed Welfare Reform Series, WJCPL.

had proposed instead that young mothers aged under be placed in "second chance homes" if they were unable to live with a parent or guardian. These homes would be run by local community groups, offering practical support to young mothers, without separating them from their children. They were, Galston wrote, "clearly distinguished from Gingrich-style orphanages."[132] Again, the New Democrat focus was on preventing poverty by trying to ensure that young mothers could have the opportunity to gain skills and enter the labour market. This was distinct from the conservative approach, which was more focused on preventing poverty by trying to shame young women into not having children outside of marriage.

Any doubt that debates over teenage and out-of-wedlock pregnancy were a critical part of debates over antipoverty policy may be erased by reading the very first sentence of PRWORA, which stated that "marriage is the foundation of a successful society."[133] These "findings" at the beginning of the legislation firmly drew a link between poverty and teenage pregnancy, noting that only 9 percent of married couples with children aged under 18 had an income below the poverty level, whilst 46 percent of households headed by a lone mother and with children aged under 18 fell below the poverty line.[134] Of the four main purposes that the legislation listed, three pertained to issues of pregnancy and family.[135] The specific provisions relating to teenage pregnancy that Clinton signed into law largely reflected these findings, but also contained many of the policies that Clinton had outlined in his 1994 plan. Unmarried parents aged under 18 needed to remain at home, and in school, in order to receive benefits under the new TANF programme. Moreover, the five states that achieved the highest fall in out-of-wedlock births *and*

[132] William Galston to Bill Clinton, memo, December 23, 1994, PPI Recommendations, Box 25, Carol Rasco Subject Series, WJCPL.
[133] Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Title I, Section 101 (1).
[134] Ibid., Title I, Section 101 (9)a.
[135] Ibid., Title I, Section 401a.

decreased abortions received cash bonuses. National goals for reducing teenage pregnancy were set by HHS, who were also obliged to ensure that at least a quarter of communities across the country had anti-teenage pregnancy programmes in place. States were required to develop plans for reducing teenage and out-of-wedlock pregnancies. At the same time, as one analysis pointed out, an old mandate that required states to provide family planning services to those on welfare was abolished, and instead states could opt to spend some of their block grant on family planning services, although this did not include abortion.[136] States were given the option of implementing a family cap, although this was not mandated. In all of these provisions, the law largely followed many of the policy proposals that New Democrats had previously made. However, there were some important differences of emphasis: although $87 million a year of funding for sex education was contained in the bill, this was premised on programmes that taught abstinence and criticised pre-marital sex.[137] This was rather less pragmatic than the New Democrat acceptance that proper sex education ought to be provided, reflecting the political realities that Clinton faced.

Many were critical of these provisions. Anna Marie Smith wrote that, "it is remarkable that the promotion of marriage and the control of poor women's reproductive choices are seen as initiatives that are at least equal, if not greater, in importance with respect to the achievement of welfare 'reform.'"[138] Alan Deacon has similarly noted that PRWORA sought to control the reproductive choices of

[136] National Campaign to End Teenage Pregnancy, Teenage Pregnancy Provisions in the Welfare Reform Bill, information Sheet, March 1997, Teen Pregnancy [5], Box 40, Bruce Reed Welfare Reform Series, WJCPL.
[137] Ibid; see also Alexandra M. Lord, *Condom Nation: The US Government's Sex Education Campaign From World War I to the Internet* (Baltimore: Johns Hopkins University Press, 2009), 181.
[138] Anna Marie Smith, "The Politicization of Marriage in Contemporary American Public Policy: the Defense of Marriage Act and the Personal Responsibility Act," *Citizenship Studies* 5, no. 3 (2001), 312-3.

poor women.[139] Certainly, the legislation did effectively enshrine in federal law the neoconservative idea that poverty was primarily caused by teenage and out-of-wedlock pregnancy. It adopted a moralistic approach to combating this. Nonetheless, within some of the provisions—in particular, the requirements for teenage mothers to remain at home and in education—was the New Democrat idea that teenage pregnancy should not constrain the opportunities that a young woman had. Moreover, the provisions contained within the bill were far less punitive than some policymakers advocated. Representative James Talent (R-MO) argued that women under 21 who had children outside of marriage should be cut off from AFDC and Food Stamps permanently and so should their children.[140] This was part of a more complicated approach to poverty than the bills suggested, and becomes clearer when viewed in conjunction with some of the administration's other efforts to combat poverty by reducing teenage pregnancy.

The centrepiece of their efforts outside of PRWORA was the National Campaign to Prevent Teenage Pregnancy, first anticipated by Clinton in his 1995 State of the Union address. Beginning operation in 1996, the Campaign was a non-partisan, private effort, chaired by former governor of New Jersey Thomas H. Kean, and with a board of directors that included Galston, Katherine Graham, and Whoopi Goldberg. The president of the Campaign was Isabel Sawhill, who, as noted earlier in this chapter, had previously worked for OMB. Several taskforces were set up, focusing on the media; researching effective programmes; and on religion and public values (a taskforce whose members included Etzioni). Its goal was to reduce teenage pregnancy by one-third between 1996 and 2005, and to this

[139] Deacon, *Perspectives on Welfare,* 95.
[140] Béland and Waddan, *Politics of Policy Change,* 56.

end it had a $2 million annual budget.[141] Its staff reflected its New Democrat nature, even though it was distinct from the Clinton White House. Crucially, the work of the campaign also reflected the New Democrat approach to teenage and out-of-wedlock pregnancy, and poverty. It understood teenage pregnancy as, partly, the result of poverty, stating that "social and economic deprivation remain important precursors of teenage pregnancy."[142] The fact that the Campaign worked, in some instances, within the Empowerment Zones created by the administration in economically deprived areas further underscored the link that the New Democrats saw between structural economic change and increased rates of teenage pregnancy. Moreover, the campaign also acknowledged that teenage pregnancy was a problem because it reduced the chance of a young mother finishing school, so that she would struggle to find work in the new economy.[143] Teenage pregnancy was thus placed within a vicious cycle of a lack of economic opportunity.

Nonetheless, their approach was not free from moralising: the Campaign stated that "we believe unmarried teenagers should abstain from having sex. We do not believed that a couple should engage in sexual intimacy until they are ready to commit to each other and are prepared to financially and emotionally support a child."[144] Yet this moral approach to questions of family and poverty was also tempered by a more pragmatic elements, reflecting Clinton's own rhetoric: "it is unrealistic, even dangerous, to ignore the fact that some teens will, in fact, have sex outside of marriage and before they are ready for it."[145] This meant that the Campaign advocated the importance of abstinence, as well as sex education. They

[141] Information on National Campaign to Prevent Teenage Pregnancy, information Sheet, Children's Health-National Campaign to Prevent Teen Pregnancy [1], Box 9, Neera Tanden Subject Files, WJCPL.
[142] Ibid.
[143] Draft Questions and Answers on Teenage Pregnancy Event, Memo, WJCPL.
[144] Ibid.
[145] Ibid.

also believed that "simply encouraging teens to marry is not the solution."[146] This marked a departure from the anti-teenage pregnancy provisions that Clinton signed into law through PRWORA, which, as noted, largely focused on abstinence and marriage promotion. The New Democrats were able to pursue the more progressive aspects of their approach when not battling with a Republican-controlled Congress, and operating a programme outside of it.

The problems that Clinton had pursuing some of his more pragmatic approach to reducing teenage and out-of-wedlock pregnancies were also thrown into relief by the controversy around his appointments to the role of Surgeon-General. Clinton's first appointee, Dr Jocelyn Elders, was from Arkansas and had worked there to establish school-based clinics that promoted both abstinence and safe sex. This had earned her the opprobrium of many conservative activists, with Phyllis Schlafly labelling her the "Condom Queen."[147] This was, Clinton reflected, part of the reason that he appointed here, reflecting the strong importance that he placed on the issue.[148] However, in 1995, after Elders made controversial remarks about precisely what should be included in sex education, Clinton asked for her resignation, rueing that he lacked the political capital to defend her.[149] In her place, he nominated Dr Henry Foster, again because of his strong record on working to reduce teenage pregnancy. Foster had founded the "I Have a Future" programme, which worked in housing projects to reduce teenage pregnancy by creating a sense of opportunity. Ultimately, Foster was not confirmed for the post, due to allegations that he had performed a number of abortions as a doctor. However, the administration appointed him as a senior advisor on teenage pregnancy, and he became involved with the National Campaign to Prevent Teenage Pregnancy. His

[146] Information on National Campaign to Prevent Teenage Pregnancy, WJCPL.
[147] Lord, *Condom Nation,* 172.
[148] Clinton, *My Life,* 456.
[149] Ibid., 457.

approach—that pregnancy was a consequence of poverty, and a cause of it—reflected the beliefs of the New Democrats.

New Labour's policy on teenage pregnancy represented a much smaller part of its antipoverty efforts. In part, this was because their antipoverty measures were distinct from other programmes: the SEU in fact stressed that the New Deals discussed in Chapter Three did not affect teenage pregnancy, as they were targeted at adults.[150] Nonetheless, it was still viewed as an important step in combating poverty. Their policies reflected their analysis: that increased rates of teenage pregnancy were caused by people lacking opportunity and being excluded from society, and that having a child at a young age served to further reinforce this lack of opportunity, entrenching poverty and exclusion. As their framing of the issue in terms of social exclusion suggested, most policy was controlled by the SEU, as part of its broader agenda. Originally, the Departments of Education and Health had focused on combating teenage pregnancy, and developed four taskforces to do so. The recommendations that they developed included putting sex education onto the National Curriculum. However, their campaign, led mostly by Tessa Jowell, was placed on hold after Blair announced that the SEU would also work on the subject.[151] Policies were directed by a Ministerial Task Force, and coordinated by the Teenage Pregnancy Unit, which sat, notably, in the Department for Education. This reflected the New Labour understanding of the relationship between teenage pregnancy, exclusion, and poverty: it was not just a health issue.

The SEU unveiled its plan in 1999, and the policies contained with it aimed to both prevent teenage pregnancy, and prevent it from reinforcing poverty and exclusion in the long term. The overarching goal of the plan was to halve the

[150] Social Exclusion Unit, *Teenage Pregnancy,* 63.
[151] Polly Toynbee, "Blair Must Have the Courage to Tackle the Causes of Teenage Pregnancies," *Guardian,* December 14, 1998, ProQuest, http://search.proquest.com/docview/188257404/.

conception rate among those aged under 18 by 2010.[152] Prevention-based policies included pragmatic changes: the better provision of sex education within schools, advice to young people on sex and relationships through a national helpline, and advice for parents on how to discuss these issues with their children. A £15 million publicity campaign aimed to highlight to teenagers the difficulties of becoming a parent at a young age. Crucially, it was both young women and men who were the targets of these efforts, reflecting the New Labour belief that teenage pregnancy was, in part, the result of social and cultural pressures.[153] Jowell described the recommendations as "intensely sensible and practical," and praised the "progress that has been made from the rather pathetic hand-wringing about moral decay that characterised so much of the debate about teenage pregnancy in the past."[154] Although New Labour accepted some of the neoconservative moral critique of family breakdown, as noted above, they were nonetheless prepared to implement more practical solutions than many conservatives had been willing to do. John Major, Blair's immediate predecessor, had pursued a campaign in 1993 labelled "back to basics," which emphasised the need to "accept responsibility for yourself and your family," and placed this within the context of "a world that seems to be changing too fast for comfort, old certainties crumbling, traditional values falling away."[155] This was an altogether less pragmatic approach than that of Blair and New Labour.

However, the most important aspect of their preventative approach was the attempt to try to alter what they perceived as the low expectations of young people

[152] Simon Duncan, *What's the Problem?* 2.
[153] Social Exclusion Unit, *Teenage Pregnancy,* 10.
[154] Tessa Jowell, "Remarks in Parliament," *Parliamentary Debates, House of Commons* 333, June 23, 1999, col. 1127. http://www.publications.parliament.uk/pa/cm199899/cmhansrd/vo990623/debtext/90623-11.htm#90623-11_spmino.
[155] Quoted in Patrick Wintour and Stephen Bates, "Major Goes Back to the Old Values," *Guardian,* September 9, 1993, ProQuest, http://search.proquest.com/docview/187548038/.

in areas that suffered from economic change. To this end, they launched a national campaign to educate young people about relationships, contraception, and life pressures. This targeted more deprived areas, where there were higher rates of teenage pregnancy. [156]As Jowell stated, "the great challenge to our programme of action is to provide reasons for young girls not to become pregnant—to convince them that life holds more for them than having a baby at fourteen, fifteen or sixteen."[157] This programme drew on the SEU's study of a number of international efforts, and particularly those in America. The SEU visited 68 anti-teenage pregnancy schemes in Britain, the Netherlands, and America during its study, and of these 22 were based in America.[158] Most were located in urban areas, where there were high rates of poverty, such as Washington, D.C. In many cases, they were local schemes that mentored young people, giving them a sense of opportunities other than having children. They also often offered sex education and information about contraceptives. One of the programmes that the SEU studied was the National Campaign to Prevent Teen Pregnancy, which Clinton had established. The SEU's report outlined the structure and funding of the Campaign, and similarities between it and New Labour's national campaign were clear.[159] Both brought together groups from the private and voluntary sectors, as well as the media: as the government stated, "there needs to be nothing less than a common national effort to change the culture surrounding teenage pregnancy, involving Government and professionals, opinion formers and the media, communities, parents and teenagers themselves."[160] Moreover, in England, local areas were required to develop a strategy to reduce the number of teenage pregnancies by

[156] Social Exclusion Unit, *Teenage Pregnancy,* 8.
[157] Jowell, "Remarks in Parliament," Commons, June 23, 1999, col. 1128.
[158] Social Exclusion Unit, *Teenage Pregnancy,* 73-89.
[159] Ibid., 89.
[160] Ibid., 8.

between 40 and 60 percent, using a grant that was determined by the rate of pregnancies in the area. The initial government budget for this was £26 million.[161] This again seemed a similar approach to that of the Clinton's National Campaign, which focused on helping local areas to identify and share effective local solutions. The locally-focused approach further underlined the degree to which New Labour understood teenage pregnancy as the result of poverty and a lack of economic opportunity in specific areas. As well as being locally-focused, efforts were further targeted at groups which the government deemed to be especially at risk of pregnancy by already being excluded: young offenders, and those in care.[162]

Yet the approach outlined by the SEU also reflected the New Labour analysis of teenage pregnancy as something that could perpetuate poverty and exclusion, by denying young women the chance to succeed in the labour markets of the new economy. As well as seeking to halve the teenage pregnancy rate, the government also sought to "lessen the risks of young people suffering the consequences of social exclusion by getting more teenage parents into education, training or employment."[163] Mothers aged under 16 were required to go back to school, and those aged between 16 and 18 were given a personal advisor through the ONE pilot programmes, who aimed to encourage them to return to education and training. They were eligible for the new Education Maintenance Allowance (EMA), introduced in September 1999, which provided cash support to incentivise those on low incomes to remain in education. Additionally, they were provided with practical support, in the form of SureStart, which provided childcare to young

[161] Tony Blair, "Written Answer," *Commons*, June 14, 1999, http://www.publications.parliament.uk/pa/cm199899/cmhansrd/vo990614/text/90614w05.htm#90614w05.htm_spmin4. col. 17W.
[162] Ibid., col. 17W.
[163] Blair, "Written Answer," *Commons*, June 14, 1999, col. 17W.

parents, so that they could continue their education.[164] All of this, as Carabine has argued, reflected a strong belief that teenage pregnancy could further perpetuate the poverty and exclusion that caused it.[165]

Opportunity and responsibility

Efforts to reduce teenage and out-of-wedlock pregnancy, and most especially the former, were a common aspect of the antipoverty policy of the New Democrats and New Labour. Both parties believed that this was a key element of antipoverty policy, in a way that had largely not been undertaken before. It sat alongside their welfare-to-work efforts, and their measures to make work pay, although an obvious question was raised over how their rhetorical emphasis on the importance of the family corresponded with efforts to move lone mothers into paid employment. Their efforts seemed to hew to the neoconservative tradition of thought, as exemplified in Charles Murray's work on America and Britain. They appeared to accept that there was a relationship between deeply personal behaviours—sex and marriage—and poverty. Their rhetoric seemed to underline this at times, as they stressed the moral importance of the family, and demanded personal responsibility from young men and women. This was underpinned by the influence of communitarian intellectuals, who stressed the need to move away from what the perceived to be the countercultural excesses of the 1960s.

However, the relationship that the New Democrats and New Labour saw between teenage and out-of-wedlock pregnancy, and poverty, was more

[164] Ibid., col. 17W.
[165] Carabine, "New Labour's Teenage Pregnancy Policy," 962.

complicated. Rather than viewing it as a solely behavioural trait, facilitated by the existence of welfare programmes, they instead located increased teenage pregnancy rates within a complex web of poverty and social exclusion. Poverty and a lack of economic opportunity—or exclusion in the specific parlance of New Labour—contributed to teenage pregnancy, as young people saw little other opportunity for themselves. This was especially true in areas that were hardest hit by job losses resulting from structural economic change. The structure and incentives created by welfare programmes did little to offset this. Moreover, they believed that having a child at a young age further reinforced poverty and a lack of opportunity, by preventing young people from receiving the education and skills that they needed to be able to enter work in the new economy. Existing antipoverty programmes, they believed, did little to overcome this.

Therefore, structural factors were also present in their understanding, and reflected in their policies, which sought to reduce pregnancies, and increase the opportunities of those who had children young. This structuralist understanding was much clearer in the New Labour approach, through its idea of social exclusion. New Labour's political control, and the generally less morally-inflected political culture of Britain, meant that it was able to take this approach in its policy, focusing on sex education, as well as policies designed to support young parents back into education and work. For the New Democrats, it was more complicated. Abstinence and marriage promotion were part of the Clinton approach, and there was greater moral discussion of the problem of teenage pregnancy. Nonetheless, in some of the provisions that can be traced from Clinton's 1994 plan to PRWORA, and through the National Campaign to Prevent Teen Pregnancy that he established, the emphasis on trying to open opportunities for young parents was apparent. This was therefore, an approach that went beyond the simple moralism of the conservatives,

and the structural understanding of figures such as Wilson, as it rooted its common analysis in an understanding of the new economy, and alongside their efforts to move people into work. It was the area of the New Democrats' and New Labour's common antipoverty policy in which the dual themes of opportunity *and* responsibility were most obvious, and most clearly balanced.

Conclusion

A Modern Moment

In the late nineteenth and early twentieth centuries, as Daniel T. Rodgers has demonstrated, progressive policymakers in America and Europe experienced "a moment" in social policy, in which they shared ideas and policies, and sought to respond to common challenges posed by the forces of industrialisation and urbanisation.[1] This thesis has shown that, between 1992 and 2005, another transatlantic "moment," albeit a narrower one, occurred, as New Democrat and New Labour politicians in America and Britain developed a common antipoverty policy that sought to move beyond existing approaches to poverty.

The impetus behind this common policy came, at least in part, from the similar political project that the two parties were engaged in. Both had been largely consigned to the electoral wilderness during the ascendancy of the New Right, and sought to renew themselves politically and intellectually in order to return to government once more. Beyond this, policymakers in both parties identified similar challenges around poverty in their respective countries. Welfare programmes were increasingly unpopular, and criticised from all sides of the political spectrum. Poverty, despite the great efforts of postwar centre-left governments, appeared stubbornly constant. The New Right appeared to be winning the battle of ideas about the size and role of government, and about its ability to solve problems including poverty, something that the collapse of the Soviet Union only seemed to highlight.

At the same time, major economic and social changes were afoot on both sides of the Atlantic. Globalisation made capital mobile, so that jobs moved

[1] Rodgers, *Atlantic Crossings,* 4.

overseas as new, cheaper labour markets opened up. Old manufacturing industries, once a source of well-paid, medium-skill jobs, were crumbling, or moving abroad. And technological change proceeded apace, as digital technologies became ever more sophisticated. All of these factors, to the New Democrats and New Labour, seemed to be changing poverty. It was becoming more concentrated, both geographically—in the areas where manufacturing had declined—and demographically, particularly affecting women and lone mothers. The labour market was becoming increasingly stratified between high-wage, high-skill jobs, and low-wage, low-skill jobs. Households, too, were divided between those with two incomes—something increasingly necessary in an economy where wages were largely stagnant—and those with no income.

Observing these changes, the New Democrats and New Labour reacted in the same way. They believed that a new approach to poverty was necessary. Two intellectual understandings of poverty largely predominated in America and Britain in the latter half of the twentieth century. The first was the structuralist approach, which viewed poverty through the lens of economic change. Structuralist thinkers in the 1950s pointed to the persistence of relative poverty amid apparent plenty, and believed that government could act to ameliorate it. Some structuralists also discussed the behaviour of the poor, including around sex and marriage, but the controversy this evoked, especially in the case of Daniel Patrick Moynihan, soon led to the decline of the 'culture of poverty' idea. Nonetheless, structuralists had always viewed behaviour in relation to economic change, a theme that was picked up by the revived structuralists of the 1980s, such as William Julius Wilson. Structuralists also took different approaches to the question of how government might combat poverty. Some stressed an opportunity-based approach that sought to provide services to the poor that allowed them to

boost their skills, and move out of poverty. By contrast, others, especially in the 1970s, advocated an entitlement-oriented policy, that focused on the rights of the poor.[2]

During the latter decades of the twentieth century, however, a new vein of thought emerged: the neoconservative understanding of poverty. Rooted in the alleged failure of liberal antipoverty efforts, neoconservatives focused their attention on the behaviour of the poor, arguing that the structures of antipoverty programmes allowed recipients to engage in self-destructive behaviours. This analysis had different strands. Some, such as Charles Murray, were primarily concerned with the personal behaviour of the poor, most especially around marriage and sex. To others, such as Lawrence Mead, the primary problem with the poor was an alleged reluctance to work. Across both strands, the focus was nevertheless on the behaviour of the poor and, unlike the structuralists, neoconservatives did not relate this to economic factors. Poverty was largely the fault of the individual, aided and abetted by antipoverty programmes. This was an American school of thought in origin, but one which was increasingly exported to Britain. In both countries, it existed alongside the New Right desire to roll back the state, cut public spending, and reduce the alleged welfare bureaucracy.

To the New Democrats and New Labour, observing the contemporary economy, neither of these approaches seemed entirely applicable. A new response to poverty needed to be formulated, which was rooted in an understanding of major economic and social forces—including changing gender roles and family patterns—and a belief that these forces were immutable, and needed to be managed in a way that reduced poverty. It is the contention of this thesis that both parties developed such a distinctive approach to poverty that was also commonly

[2] See Davies, "War on Dependency"; and Davies, *From Opportunity to Entitlement*.

held between them. This stemmed from the close contacts that figures in both parties had, and the personal and academic relationships between New Democrat and New Labour policymakers. Ideas tended to flow eastwards across the Atlantic, rather than westwards, as they did in the period that Rodgers studied. This was not merely the Americanisation of British antipoverty policy, however. Rather, the New Democrats and New Labour were identifying the same problems, and developing common solutions to them.

This thesis argues that this common, distinctive approach had three core elements: efforts to ensure the value of work, through in-work tax credits and national minimum wages; attempts to reform welfare programmes around work; and policies to reduce teenage and out-of-wedlock pregnancy. In each of these three areas, the New Democrats and New Labour pursued similar policies. Moreover, the historical record offers examples of policymakers from both parties discussing, sharing, and debating many of these policies. There was a conversation between the two parties about antipoverty policy throughout this period. It is in outlining these three areas, and expanding the body of literature that has only identified welfare-to-work as a point of commonality between them, that this thesis makes its original contribution. In so doing, it also draws on a wider range of sources, including archival materials, than earlier studies.

The secondary contribution of this thesis is to insist on the distinctiveness of the New Democrat-New Labour approach to poverty. Where others have sought, in particular, to locate the policies of both parties within a narrative of a move to the right, this only tells part of the story. At the same time, efforts by other scholars to identify older strands of liberal thought within both parties' antipoverty policy also fall short of the mark. Still others have suggested that the New Democrats' and New Labour's recognition of the need to adapt to forces such as globalisation

represented an acceptance of neoliberalism. This is also questionable, for failing to separate out these forces from the political project of neoliberalism. It is argued here that the reality was more complex. Only when the three key elements of their common antipoverty policy are explored can their distinctiveness be revealed. This distinctiveness took elements of the neoconservative approach to poverty, and elements of the structuralist approach, and combined them to fit the new economy. In particular, they took the language of responsibility from the neoconservatives, and the idea of opportunity from the structuralists, formulating an antipoverty policy in which the government and the poor had responsibilities to each other. The government had the responsibility to provide the opportunity to work, in the form of tax credits and minimum wages, as well as training and childcare, and it was the responsibility of the poor to take these opportunities.

The three different parts of antipoverty policy identified by this thesis each reflected this balance of opportunity and responsibility in different ways. Efforts to make work pay, through in-work tax credits and minimum wages, were the clearest manifestation of opportunity. Welfare-to-work programmes, in the form of PRWORA in America, and the New Deals in Britain, particularly reflected the idea of responsibility. And work to reduce teenage and out-of-wedlock pregnancies, which were perceived to be the result of poverty, and a cause of it, represented a blend of opportunity and responsibility.

At the same time, as Rodgers noted, taking a transnational approach can have value by demonstrating the similarities, and the differences, of two different places. Throughout, this thesis has acknowledged the institutional and contextual differences between the New Democrats and New Labour. Clinton, it has been suggested, experienced greater opposition and a more complicated political situation, so that his reforms seemed to veer more towards responsibility than

those of New Labour. He opted to sign Republican-originated legislation, which generally had less progressive results than that of New Labour. Whilst they had a common antipoverty policy, it was not immune to political and institutional contexts.

A mixed legacy

Since Clinton and Blair left office, their antipoverty policies have had a mixed legacy. In America, between January 1994 and June 1999, the number of people on welfare rolls fell from 14 million to under 7 million.[3] In a 2006 essay for the *New York Times* marking the tenth anniversary of signing PRWORA, Bill Clinton cited similar statistics: the number of people on welfare fell from 12 million in 1996 to 4.5 million a decade later.[4] Countering those who have suggested that such falls in welfare rolls did not necessarily mean that poverty had been reduced, Clinton stated that 60 percent of women who had left welfare had done so as they had found work.[5] Reinforcing the arguments that have been advanced in this thesis, Clinton noted that his EITC and minimum wage expansions had also been key to moving people into work.[6] Other evidence has also suggested that the expansion of the EITC was crucial: by 1999, the total cost of in-work poor support was greater than the cost of AFDC had ever been—although, of course, this suggests that low-wage jobs continued to proliferate.[7] The increase in the number of never-married

[3] Deacon, *Perspectives on Welfare,* 97.
[4] Bill Clinton, "How we Ended Welfare, Together," *New York Times,* August 22, 2006, ProQuest, Accessed October 2015. http://www.nytimes.com/2006/08/22/opinion/22clinton.html.
[5] Ibid.
[6] Ibid.
[7] Deacon, *Perspectives on Welfare,* 97.

mothers in work—those most unlikely to undertake paid employment—rose by 50 percent between 1993 and 1999.[8]

Other evidence suggested that Clinton's antipoverty policy had a more mixed legacy. This was particularly the case in the raft of accounts of poverty that have been offered by American writers in recent decades. In 2002, the writer and activist Barbara Ehrenreich spent time working in a series of low-paid, service-sector jobs across America, trying to understand life on low wages. She deliberately linked this to understanding how women leaving AFDC might survive.[9] Ehrenreich depicted the numerous struggles of women working in these low-pay roles, including in waitressing and cleaning, showing how arduous the labour could be. More than this, she showed how difficult it was to get by financially, struggling to make ends meet in these low-paid jobs. Her work also reflected the feminist criticism that PRWORA precluded poor women from choosing whether to be a mother or worker, a decision left to more affluent women. Ehrenreich wrote,

> the 'working poor' are in fact the major philanthropists of our society. They neglect their own children so that the children of others will be cared for; they live in substandard housing so that other homes will be shiny and perfect; they endure privation so that inflation will be low and stock prices remain high.[10]

More of these accounts have been written in the wake of the Great Recession and financial crisis that began in 2007-8. In 2014, Linda Tirado, a woman who had worked in a number of low-paid service sector jobs, especially in the food industry, wrote a searing account of what it was like to work these roles, and remain poor. Tirado pointed out the difficult choices that people in this position had to make in order to survive, such as only being able to buy food that could be stored in small fridges, rendering the cost of food shopping higher. Picking up on

[8] Béland and Waddan, *Politics of Policy Change*, 63-4.
[9] Barbara Ehrenreich, *Nickel and Dimed: Undercover in Low Wage USA* (London: Granta, 2002), 1.
[10] Ibid., 221.

PRWORA's efforts to reduce out-of-wedlock pregnancy, she noted that the nearest Planned Parenthood clinic, where she could receive free contraceptive advice, was three hours' away. She also pointed out that it was harder for the poor to obtain bank accounts, which in turn made it even harder for them to find accommodation.[11] Tirado's work hardly pointed towards a decent quality of living among those working in low-wage jobs. Even more recently, Matthew Desmond has studied the way in which poverty and housing interact in Milwaukee, Wisconsin, a state with particular significance for this thesis. Desmond paints a portrait of housing insecurity, in which those on W-2 struggle to pay rent, find decent-quality accommodation, and are at risk of regularly being evicted.[12]

The Great Recession offered the first major test of how TANF would cope in an economic downturn, and in 2009, the federal government spent an additional $5 billion on contingency TANF funding, reflecting the limits of a block-granted programme to respond to economic fluctuation.[13]Béland and Waddan have found that the programme appears to have done little to reduce poverty during the recession.[14] Therefore, the legacy of PRWORA does not seem to have been generally positive.

Nonetheless, other aspects of the New Democrat approach to poverty do appear to have a significant positive effect. This is particularly the case with the EITC. In 2010 alone, the tax credit lifted over 6 million people above the poverty line, over half of whom were children. This meant that the rate of child poverty was 25 percent lower than it would have been without EITC.[15] The credit was temporarily expanded by President Barack Obama through the 2009 American

[11] Linda Tirado, *Hand to Mouth: The Truth About Being Poor in a Wealthy World* (London: Virago, 2014), 3-5.
[12] Matthew Desmond, *Evicted: Poverty and Profit in the American City* (London: Allen Lane, 2016).
[13] Béland and Waddan, *Politics of Policy Change,* 68.
[14] Ibid., 68.
[15] Katz, *Undeserving Poor,* 131.

Recovery and Reinvestment Act, as a means of reducing the impact of the Great Recession.[16] Researchers have found that the EITC does effectively lift millions of people out of poverty, and further lifts millions above half of the poverty line—and it has been pointed out that such estimates are conservative, and ought to be doubled, due to the likelihood of misreporting by those receiving the credit.[17]

In Britain, the picture appears somewhat more positive, although works have nonetheless pointed to the continued difficulty of life for those on low pay, in precarious service-sector jobs. The journalist Polly Toynbee, drawing on Ehrenreich's work in America, relocated to a council estate and took the jobs offered to her by her local JobCentre, which were almost all low-wage, service sector roles. Her account showed the practical difficulties of moving into and remaining in low-wage work with irregular hours and uncertain shift patterns, as well as the gruelling nature of much of the work.[18] Thus her work bore a clear similarly to that of Ehrenreich: the continuing precarious nature of life in low wage work. It is this kind of life that Guy Standing has depicted in his study of the "precariat."[19]

However, statistics suggest that some of New Labour's policies did have a significant impact on reducing poverty. Between 1997-8 and 2010-11, relative poverty (as it is defined by the European Union) fell from 20 percent to 16 percent. More than this, both absolute and relative poverty among children fell between 1997-8 and 2004-5, reflecting some of the success of New Labour's ambitious goal to eradicate child poverty.[20] Much of this is due to the operation of tax credits, which

[16] Bruce D. Meyer, "The Effects of the Earned Income Tax Credit and Recent Reforms," in *Tax Policy and the Economy,* vol. 24, ed. Jeffrey R. Brown (Chicago, IL: University of Chicago Press, 2010), 155.
[17] Ibid., 177.
[18] Polly Toynbee, *Hard Work: Life in Low-Pay Britain* (London: Bloomsbury, 2003).
[19] Guy Standing, *The Precariat: the New Dangerous Class* (London: Bloomsbury Academic, 2011).
[20] Robert Joyce and Luke Sibieta, "An Assessment of Labour's Record on Income Inequality and Poverty," *Oxford Review of Economic Policy* 29, no. 1 (2013): 191.

have had a significant, if quiet, redistributive effect. The Institute for Fiscal Studies has found that, during its first two terms, New Labour's tax and benefit changes redistributed money away from wealthier households to poorer ones. This, they argue, meant that their policies "have particularly benefited low-income families with children and pensioners receiving tax credits or means-tested benefits."[21] The system established by New Labour was far more generous than the tax and benefits structure under the Conservatives, and tax credits for low-income families increased at a much higher rate than under the Conservatives.[22]

This suggests, then, that the antipoverty policy of New Labour was broadly more effective in reducing poverty than that of the New Democrats, in part reflecting the more progressive measures that it was able to introduce. Nonetheless, poverty remained, and life remained difficult for those hovering just above the poverty line in precarious, low-wage work. The Great Recession has challenged antipoverty policy in both countries, providing a major test of its ability to cope with an economic downturn.

And what of the policies and policymakers discussed in this thesis? TANF has remained in place, and when PRWORA came up for reauthorisation by Congress in 2002, one of its most ardent supporters was Hillary Rodham Clinton. By this time a senator for New York, occupying the seat vacated by Daniel Patrick Moynihan, Rodham Clinton was one of a group of Democrats who called for greater work requirements. This proposal would have required those on TANF to work up to 37 hours a week. To Rodham Clinton, it was reasonable to demand this responsibility from recipients, as more funding for childcare would accompany the

[21] James Browne and Dave Phillips, *Tax and Benefit Reforms Under Labour: Election Briefing Note No. 1* (London: Institute for Fiscal Studies, 2010), 1, accessed July 2016, https://www.ifs.org.uk/bns/bn88.pdf.
[22] Ibid., 14-5.

measure, offering greater opportunity.[23] PRWORA was not reauthorised until 2005, without the requirements that Rodham Clinton had called for. Rodham Clinton had also supported Bill Clinton's decision in 1996 to sign PRWORA. In her memoirs, she wrote that "I agreed he should sign it and worked hard to round up votes for its passage."[24] Whilst she recognised that the legislation was "far from perfect," Rodham Clinton nevertheless felt that "it was preferable to sign the measure knowing that a Democratic administration was in place to implement it humanely."[25] In making this choice, she broke with the couples' longtime friends Peter Edelman and his wife Marian Wright Edelman, the head of the Children's Defense Fund, which Rodham Clinton had long been involved with.[26] Her entry into the 2016 presidential contest has served to bring PRWORA back into the spotlight, with considerable media attention focusing on her role in welfare reform.[27] The EITC and the minimum wage have continued to operate, with activists recently calling for an increase in the federal minimum wage to $15. Moreover, many of those involved in the New Democrats' antipoverty policy have held positions in the Obama administration: Bruce Reed, for example, served as chief of staff to Vice President Joe Biden.

In Britain, New Labour left office in 2010, upon the election of a coalition Conservative-Liberal Democrat government. They announced the introduction of Universal Credit, a scheme designed to combined several means-tested tax credits, including WFTC and CTC, and other benefits, into one system. However, a series

[23] Béland and Waddan, *Politics of Policy Change,* 64-5.
[24] Clinton, *Living History,* 368.
[25] Ibid., 369.
[26] Ibid., 369.
[27] See, for example, Bryce Covert, "Hillary Clinton: 'We Have to Take a Hard Look' at Welfare Reform," *Think Progress,* April 18, 2016, http://thinkprogress.org/economy/2016/04/18/3770333/hillary-clinton-welfare-reform/; Alejandra Marchevsky and Jeanne Theoharis, "Why it Matters that Hillary Clinton Championed Welfare Reform," *The Nation,* March 1, 2016, http://www.thenation.com/article/why-it-matters-that-hillary-clinton-championed-welfare-reform/.

of problems have dogged the project, which to this day remains available only in pilot areas. The Coalition government also proposed a welfare cap, which would put a limit on welfare spending. In 2015, the Conservative chancellor, George Osborne, proposed cuts to in-work tax credits for low-income families—the policies introduced by New Labour. Such was the outrage created that Osborne had to renege on the measure, breaking his own cap on welfare spending in the process.[28] Moreover, in 2015, Osborne announced a new National Living Wage, which came into effect in April 2016 for those aged over 25. This was not, in fact, a true living wage, due to the way it was calculated, and effectively represented a renaming and slight increase in New Labour's National Minimum Wage.[29] What all of this pointed to, however, is the general durability of aspects of the New Democrats' and New Labour's antipoverty policy.

A common, distinctive antipoverty policy

This thesis set out to answer two main research questions. Firstly, it asked whether there were areas of commonality in the antipoverty policy of the New Democrats and New Labour, beyond those already identified on welfare-to-work policies by a small body of literature. In making its original contribution, it argues that there were two other areas of commonality between the two parties. This thesis therefore expands and deepens existing literature, using a broader range of sources than previous works have drawn on. Secondly, this study sought to consider whether, if there was a common New Democrat-New Labour approach to

[28] Heather Stewart, Nicholas Watt, and Rowena Mason, "George Osborne Scraps Tax Credits in Welfare U-Turn," *Guardian,* November 25, 2015, https://www.theguardian.com/uk-news/2015/nov/25/george-osborne-u-turn-scrap-tax-credit-cuts-autumn-statement.
[29] Heather Stewart, "Has George Osborne Really Introduced a Living Wage?" *Guardian,* July 8, 2015, https://www.theguardian.com/society/reality-check/2015/jul/08/george-osborne-budget-national-living-wage.

poverty, it represented something distinctive. This thesis argues that it did, going beyond existing neoconservative and structuralist understandings of poverty, by taking elements of each tradition and fusing them together in a way appropriate to the modern world.

However, like any work, this poses yet more questions, which may prove to be fruitful areas for further research. Two in particular stand out. Firstly, were there any other areas of commonality on antipoverty policy between the two parties? And secondly, did their distinctive approach to antipoverty policy represent a Third Way, a concept so often associated with both leaders? Answering these questions will further deepen our understanding of a core aspect of both parties' policy, and the contexts in which they operated in government. This seems especially important at a time when both the Democratic and Labour parties are engaged in protracted debate about their political identity; debates which seem, at least implicitly, to hinge on people's understandings of the New Democrats and New Labour. By continuing to take a transatlantic approach to study of their antipoverty policy—an area of historical and symbolic significance to both parties—we may be able to better understand the actions of both parties, and the transnational forces to which they sought to respond.

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