

REAGAN'S BOLD WELFARE INITIATIVE OFFERS HOPE FOR THE POOR

The Reagan Administration's long-awaited strategy for welfare reform was unveiled by the White House last week. It boldly departs from two decades of policy orthodoxy which has spent hundreds of billions of dollars without having solved the problem of poverty and dependency. The report was called for in Ronald Reagan's 1986 State of the Union address. The White House group that undertook the study saw its task not as grafting yet another layer of federal programs onto the existing system, but as developing a plan to decentralize welfare and to spur experiments and innovation in policy making. The federal government should not add to the confusion of the welfare system, the report notes, "until this country better knows what relieves poverty and reduces dependency." Such honesty about the current state of knowledge about welfare is refreshing. The report calls for Congress to permit the Administration to launch long-term experiments with states and communities, involving significant restructuring of existing programs, to test methods of improving the current system. The results, if successful, would be incorporated nationwide. This builds on a long American tradition of using states and localities as laboratories of policy.

Congress should act quickly on the Administration's proposals. The plan would reverse the more than two decades of welfare centralization that has resulted in a rigid "one pattern must fit all" system that largely ignores local conditions and micromanages the lives of the poor, encouraging dependency by forcing low-income Americans to focus on their deficiencies rather than strengths to obtain federal help.

Americans long have recognized that bureaucratic central planning leads to economic stagnation by suffocating initiative and discouraging self-reliance. Yet although most Americans are allowed to prosper thanks to consumer choice, local initiative, and rewards for self-improvement, the poor are told where to live and what to eat. They are denied choice in education and other services, and they

mainly receive more benefits only if they can show their condition is not improving. Centrally planned "solutions," complete with professional "experts" are parachuted into poor neighborhoods to replace local self-help institutions and neighborhood initiatives.

The White House report points out that such a centrally managed national welfare system is necessarily rigid and structurally incapable of significant policy innovation. The study notes that it is at the state and community level that healthy experimentation and policy breakthroughs are occurring. The report significantly does not ask Congress to slash existing federal programs in the hope that states and communities will replace them. It proposes instead a different relationship between the federal government and other institutions concerned with welfare. Under the plan, the federal government would establish ten goals for welfare policy, including the formation of self-reliant families and the reduction of dependency. Then states and localities would be permitted, within guidelines consistent with these goals, to restructure welfare programs completely on an experimental basis for five years and to explore ways of achieving better results than the current system. There would be no cut in the federal welfare support received by the state undertaking the experiment, but the rigid top-down approach of today's welfare system would be replaced by a bottom-up strategy designed to unlock local initiative.

The White House approach is a logical response to the lessons of decades of welfare policy. Before the 1960s, social welfare policy was primarily the domain of states, localities, and private institutions. While this led to impressive results in many areas of the country, liberals made the legitimate charge that care of the poor depended too much on where they happened to live. Liberals then, in the Great Society programs of Lyndon Johnson which form the core of today's welfare system, went to the opposite extreme--strict and suffocating centralization. The Reagan approach recognizes the need for broad national welfare goals and obligations, but also encourages state and community by giving them the latitude to design and implement experiments in welfare policy, providing they are consistent with the national goals.

The White House proposals would require Congress to enact system-wide waivers in welfare programs, to enable federal departments to grant states and communities the freedom to change eligibility requirements and reorganize existing programs. In this, Reagan can claim to be following Lyndon Johnson, who explained that his Great Society legacy should be like chalk on a blackboard, with succeeding generations erasing what had failed and trying new approaches to improve policy. So far, the system's centralized nature has discouraged the continuous innovation that Johnson envisioned. By focusing on the system itself, and stimulating creative policymaking through decentralization and experimentation, the Reagan plan is a bold step toward Johnson's elusive goal of victory over poverty.

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