Comparative Analysis of Racist Implications of the Welfare State in the U.S. vs. U.K. through Child Benefits

Furaha Njoroge

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Comparative Analysis of Racist Implications of the Welfare State in the U.S. vs. UK through Child Benefits

submitted to
Professor Hilary Appel

by
Furaha Njoroge

for
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Abstract:

This thesis explores America’s narratives surrounding safety net, varying history of child benefits and welfare between the U.S and U.K., newfound research regarding England’s programs, implicit bias, and interviews and scholarly reports of relevant experts. By comparing the welfare states of both the U.S and the U.K, it is proven how racism is both deeply rooted in how citizens of both countries perceive safety nets, and has thus led to the exclusion of racial minorities in both welfare systems. Specifically, looking at child benefits, we can determine these negative impacts and policies erected which further oppress Black Americans, the Black British and other oppressed minorities. Finally, it explores the prospect of future solutions in an anti-racist welfare state, while also praising certain successful aspects of the British/European socialism welfare system.

Keywords: Welfare, Racism, Child Benefits, US welfare, UK welfare, safety net
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Wow. This is it. It’s surreal really, writing the acknowledgement page of my undergraduate senior thesis. The end of my 4-year college experience, done, just like that.

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To my Uncle Thumbi and Auntie Nyambura, your encouragement and pride for me did not go unnoticed or unappreciated. I felt the impact of your prayers every day, and I can’t thank you enough for always being there, checking in, and pushing me to the finish line.

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And to our late Uncle Karangu, you always valued school so highly. Never did you fail to remind us how important it was to continue pursuing education. I did it! And thank you for caring enough to lead us as kids in all the church performances, and not only teaching us, but being our number 1 fan when we performed. I will never forget seeing your eyes light up and
your big smile as you yelled encouragement to us and got the entire crowd yelling for us as we performed “Yesu ni wangu, wa uzima na milele.” It was that memory that I held onto this semester, it was that memory that pushed me to the finish line.

To my late cousin Mwangi, it hurts to know you aren't here physically to see me finish my thesis and graduate. You always said how you would come to California and visit… Right about now a nice big hug and a “Congratulations Mama,” would bring me to tears. I dedicate this thesis to you and to your memory. Love you and miss you immensely. <3

Lastly, and most importantly, I thank God for getting me this far and ensuring I earned my undergraduate degree successfully and with no delays. It is only because of him that I am here and I pray that he will continue guiding me on this journey we call life.
Introduction

Growing up in poverty has long-term consequences for children and is extremely intertwined with issues of inequality and social mobility. Children who grow up in poverty have poorer physical and mental health; worse performance in school, higher criminality rates, and given neighborhood segregation by income, they are more likely to attend lower quality schools and live in neighborhoods with fewer employed adults. These factors all make it harder for children to reach their human capital potential and achieve higher levels of income when they reach adulthood. Therefore, investment in children is very important in the long-term success of the economy and should thus be placed in higher priority in the policy conversation of safety net and welfare¹.

This thesis thus looks at the welfare states of the United States of America and the United Kingdom, and attempts to understand the racial implications incorporated into both systems through the lens of child benefits.

When looking at statistics of America, more than 10 million U.S. children were officially poor before the current pandemic, according to government statistics, deeming 14.4% of children in the united states living in poverty. Even further, the extent of child poverty varies greatly across race and ethnic groups, as well as by family structure. Black and Hispanic children have

¹ *For the sake of maintaining historical integrity, the word welfare will be used to refer to a range of government programs that provide financial or other aid to individuals or groups who cannot support themselves, despite its extremely racist connotations.*
the highest rates of poverty in the U.S.: 26.5% and 20.9% respectively, compared to 8.3% among white children and 7.7% among Asian children.\(^2\)

**Figure 2**

**Children of color are more likely than white children to experience poverty**

<table>
<thead>
<tr>
<th>U.S. child poverty rates by race and ethnicity, 2019</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Black, non-Hispanic</td>
<td>26.3%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>20.9%</td>
</tr>
<tr>
<td>American Indian or Alaska Native, non-Hispanic</td>
<td>20.6%</td>
</tr>
<tr>
<td>Overall</td>
<td>14.4%</td>
</tr>
<tr>
<td>Other race and two or more races, non-Hispanic</td>
<td>14.0%</td>
</tr>
<tr>
<td>White, non-Hispanic</td>
<td>8.3%</td>
</tr>
<tr>
<td>Asian or Pacific Islander or Native Hawaiian, non-Hispanic</td>
<td>7.7%</td>
</tr>
</tbody>
</table>

Note: The authors used 2020 Current Population Survey (CPS), Annual Social and Economic Supplement, data to create broader race and ethnicity categories by combining the CPS' separate ethnicity category with its more detailed race category.

In the UK, 200,000 children fell into poverty between 2019 and 2020, according to government figures, taking the UK child poverty level to 4.3 million over all. It was a 15 per cent rise despite a £20-per-week increase in the median UK income. Moreover, as many as 3.2 million children in poverty – three quarters of those whose families were facing financial hardship – lived in households with at least one working adult, demonstrating a significant rise for in-work poverty.\(^3\) Additionally, around two-fifths of people from ethnic minorities live in

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low-income households, twice the rate for White people. Within this, there are big variations by ethnic group. More specifically, the proportion of people who live in low-income households is as follows: 20% for White people, 30% for Indians and Black Caribbean, 50% for Black Africans, 60% for Pakistanis, 70% for Bangladeshis.\(^4\)

Therefore, it can be determined that both countries have a disproportionate number of ethnic and racial minorities in the bottom portion of child poverty statistics, even though the two countries have been said to have very differing welfare systems.

The U.S. welfare state has been said to be unusual from most European welfare systems, such as the UK, in its extensive reliance on private markets to produce public social goods; its geographic variability; its insistence on deservingness as an eligibility criterion; and its orientation toward benefits for the elderly, rather than children and working-age adults. Therefore, it has been argued that America’s system is less inclusionary than the UK’s, more racist, and less effective.

However, it is interesting to note that both the United States system of welfare and the United Kingdom’s system of welfare can both be described as a liberal welfare system. As opposed to the social-democratic welfare state (based on the principle of universalism granting access to benefits and services based on citizenship)\(^5\), and the Christian-democratic welfare state

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(based on the principle of subsidiarity and the dominance of social insurance schemes, offering a medium level of decommodification and a high degree of social stratification), the liberal state in terms of welfare is based on the notion of market dominance and private provision, essentially centered around capitalism; ideally, the state only interferes to ameliorate poverty and provide for basic needs, largely on a means-tested basis. The Liberal welfare state embodies both an ideology—individual responsibility and laissez-faire liberalism—and a set of typical policies—means-testing, low benefits, reliance on markets. The typical Liberal welfare state pushes individuals to secure their livelihood through participation in the market economy and to procure their own insurance against social risks, in part by ensuring that state benefits are means-tested, stigmatized, and generally “less eligible” (i.e., less desirable) than work.\(^6\)

This thesis thus looks at the history of both country’s welfare systems, narratives surrounding welfare, effects of specific changes in child benefits on minority populations, and argues that racism is deeply rooted and structural in how people perceive safety net programs and their recipients in both countries. By determining that the UK, while seeming more inclusionary and generous, is just as prejudice racially as the US will lead to the conclusion that both systems require a complete reconstruction with active anti-racist policy.

\(^6\)“The Welfare State.” *LumenLearning*. Boundless Political Science: , courses.lumenlearning.com/boundless-politicalscience/chapter/the-welfare-state/#:~:text=of%20the%201930s
Consequently, this thesis thus also confirms that racist narratives have led to an exclusion of racial minorities and limit in effectiveness of safety net in alleviating child poverty. Shifting from negative language, emphasizing the long-term benefits of investment in children, addressing structural racism and demanding accountability, and disseminating uplifting stories of essential welfare recipients, however, could be a starting strategy in shifting the narrative.
Chapter 1: Impact of Racism on the Welfare state of the United States of America through Child Benefits

Social safety net programs, sometimes called “welfare” programs, are programs meant to meet the basic needs for families who fall on hard times. Programs including the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Medicaid, unemployment insurance (UI), and child care assistance are meant to ensure Americans with little to no income have access to health care, food, employment training opportunities. Historically for the U.S, however, policymakers at nearly all levels have erected program barriers to weaken the program’s coverage over time. In many cases, these obstacles can be traced directly to negative narratives and attitudes toward safety net programs. What are these negative mindsets and barriers? How have they affected the rollout of these programs to Blacks and other minority Americans?

As a result of COVID-19, children have suffered the cost of the devastating results of the pandemic, and have been provided insufficient support, but a new bill in America is said to be the possible revolution the country’s welfare system needs.

However, it is important to note that while the pandemic has exacerbated and highlighted the economic security of too many children and families, the issues that cause such high rates of child poverty in the United States existed long before the concurrent public health crisis. This section plans to uncover how the United States historically has not had a comprehensive social safety net to fully shield kids from the emotional, physical, neurological, and generational
impacts of such instability. And even more so, it is evident that child poverty has always been persistent and structural, considering a child’s economic security is deeply intertwined with their caregivers’ experience in the labor market. Systemic oppression and inequality dating back to the country’s founding have heavily contributed to the disproportionate rates of poverty for Black and Latinx children in particular. In order to prove how racism has affected welfare in America, I plan to examine the history of safety net and child benefits in the country, determine its effects on minority populations of America (particularly the Black population), and provide a framework for the future of an anti-racist child benefits program in the country.

Looking specifically at child benefits, we can track the trajectory of the benefits and determine these negative impacts and their effect on the Black American population. What are these negative mindsets that have shaped this trajectory?

*How has Racism Influenced Narratives and Federal Policy around the Safety Net?*

The influence of racism on safety nets dates back to the formation of the Southern Strategy of Nixon and Reagan, an electoral strategy to attract white voters by appealing to people who held racist views against Black people.

Former Presidents Richard Nixon and Ronald Reagan used the Southern Strategy to directly attack Black Americans who were using public assistance, and further perpetuated racial stereotypes. President Reagan’s most-used argument, that America needed to start evaluating who deserved to receive benefits from safety net programs, was influenced by the trope of the “welfare queen.”
This derogatory term was used to refer mostly to Black single women who allegedly misused or collected excessive payments through fraud, child endangerment, or manipulation. It stems from the infamous story of Linda Taylor, the original “welfare queen.” Taylor was charged with committing $8,000 in fraud and having various aliases, and she was ultimately convicted and sentenced.\(^7\)

White supremacists used this story to continue discriminating against the Black community and push for welfare restrictions that would specifically target Black Americans living in poverty. In fact, the anti-welfare and anti-Black trope allowed white supremacists to play on racial anxieties without summoning them directly, because there was a true, though single episode, to back it up. Reagan in particular was able to use this image of rampant welfare fraud to sell voters on his cuts to public spending. His stereotyping strategy was using anecdotes to emphasize his intent to fix the welfare system while in office.

Other politicians used the same strategy. For example, “In Chicago, they found a woman who holds the record,”\(^8\) the former California governor declared at a campaign rally in January 1976. “She used 80 names, 30 addresses, 15 telephone numbers to collect food stamps, Social Security, veterans’ benefits for four nonexistent deceased veteran husbands, as well as welfare.

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Her tax-free cash income alone has been running $150,000 a year.” As soon as he quoted that dollar amount, the crowd gasped.9

But Linda Taylor was an anomaly. Other than the countless charges of fraud from various government programs, she was also investigated for homicide, kidnapping, and baby trafficking, and is said to be responsible for one of Chicago’s biggest unsolved kidnappings. Linda Taylor was a criminal. But she somehow came to become the convenient villain in the attack on social safety nets and was the embodiment of a pernicious stereotype.

Although the term “welfare queen” has faced much criticism, sadly, the idea of rampant welfare fraud remains. The trope itself has been used in the recent work-requirements debate. Former Speaker of the House Paul Ryan has explicitly stated his sentiment toward these programs and making changes to them under the banner of welfare reform.10 In 2014, he laid the groundwork for President Donald Trump’s11 current push for work requirements because inner-city residents are “not even thinking about working or learning the value of the culture of work,” and “a lot of poor people are born lazy.”12 This framing cues up various destructive stereotypes of poor people in general. And because African Americans are a large group of the poor

population in the United States, this extends directly to them, creating a biased, untrue narrative on who are the deserving poor and who are the “welfare queens.”

In reality, fraud steadily decreased from about four cents on the dollar in 1993 to one cent by 2006. Yet this goes unacknowledged and racist ideas have allowed for other stereotypes to surface, such as the “lazy African American man.” Now, many Americans automatically pair welfare with the face of a fraudulent Black single mother or a lazy Black man. In a survey in 2018 conducted by the Center for Law and Social Policy, nearly two-thirds of survey respondents said the SNAP programs’ recipients are mostly Black or that there are as many Black Americans as white Americans receiving benefits, while only 21 percent correctly said there are more white than Black food stamp recipients.

We can see that with each program, the amount of people who assumed Black people dominate the program varied with program and language. Public housing, head start, welfare, and food stamps show that respondents thought larger numbers of Black people benefited from them, while unemployment insurance and social security were mainly used by white people. The divide in welfare programs, which Reagan perpetuated and is discussed below, has also resulted in a divide in negative and positive support for the programs based on who is thought to be supported by them.

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In reality, white Americans are the biggest beneficiaries of the government safety net. Of 43 million food stamp recipients in 2018, 36.2 percent were white, 25.6 percent were Black, 17.2 percent Hispanic and 15.5 percent unknown.14 In the Medicaid program, there were over 70 million beneficiaries in 2016, of whom 43 percent were white, 18 percent Black, and 30 percent Hispanic. Not only does this demonstrate that white Americans are the biggest beneficiaries of safety net programs, but this also demonstrates that although there are more Black people living in poverty, the proportion who receive Medicaid and food stamps is not substantially greater than their proportion of the population.15 Consider the table below.

<table>
<thead>
<tr>
<th></th>
<th>% of total US population</th>
<th>% of this group considered to be in poverty in the US</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>White Americans</strong></td>
<td>76.3%</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Black Americans</strong></td>
<td>13.4%</td>
<td>21.2%</td>
</tr>
</tbody>
</table>

According to the Kaiser Family Foundation, White Americans make up a bigger portion of the population, but a small portion of the country’s poverty rate. In contrast, Black Americans and Native Americans make up a much smaller portion of the country total population, but a significantly bigger part of the poverty rate, and very similar for the other minority groups. Black people, therefore, are not hogging the Medicaid money or the food stamps both in absolute or proportionate terms.

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Current</th>
<th>Previous</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hispanic Americans</td>
<td>18.5%</td>
<td>17.2%</td>
</tr>
<tr>
<td>Asian/Native Hawaiian and Pacific Islander</td>
<td>0.4%</td>
<td>9.7%</td>
</tr>
<tr>
<td>Native American/Alaska Native</td>
<td>1.7%</td>
<td>42.2%</td>
</tr>
<tr>
<td>Multiple Races</td>
<td></td>
<td>14.9%</td>
</tr>
<tr>
<td>Total</td>
<td>---</td>
<td>12.3%</td>
</tr>
</tbody>
</table>
Considering the programs that were more associated with Black Americans were child assistance, food stamps, Medicaid, and TANF, Republican lawmakers, such as Paul Ryan and Donald Trump, often target these programs for cuts and stricter eligibility requirements.

Black Americans are the face of welfare and the face of welfare fraud and dependence. Therefore, the problem is not Black Americans being excluded or rejected from these programs, but rather they are forced to work harder to prove their financial need for assistance through the requirements, created by lawmakers using negative, anti-welfare rhetoric.

**Dialogue of the “Undeserving” and “Deserving Poor”**

There should not be an argument about who deserves to receive support when they are in need of it. Unfortunately, this debate is one of the biggest issues social aid has faced since its implementation.

When people speak of the “deserving poor,” they are referring to those who cannot be blamed for their poverty; their impoverishment is not due to individual behavioral or character flaws, but rather to structural or macro forces well outside an individual’s control. The “undeserving poor” refers to the opposite, those who some say can be blamed and are experiencing poverty as a result of their actions.

Notably, although corporations and other groups profit from receiving billions of dollars in government aid, the argument about who deserves government support rarely centers on special interests. In fact, aid to the wealthy and corporations, primarily through tax credits and
massive financial bailouts, do not get the criticism that aid to needy families gets. Instead, the
debate has revolved around individuals—and the arguments have often been racialized, most
notably in how Black women have been portrayed as undeserving due to the inaccurate “welfare
queen” trope propagated in the 1980s that continues today.

The idea of who is deserving and who is not has changed over the years. New York
University historian Linda Gordon found in 1935 that single moms living in poverty and their
children were one of the least controversial groups to give aid to, while the elderly were one of
the most controversial groups. This narrative stemmed from the idea that support for older
Americans could let adult children off the hook by shifting the burden of care to the federal
government.

It was President Reagan who began to change perceptions of who was “deserving” in the
same speech that popularized the term “social safety net.” The elderly and veterans were at the
top of the list of the “deserving,” and he promised not to cut programs that affected these groups,
such as veteran pensions and Medicare. However, he elevated suspicions of means-tested
programs that required people to prove they were living in poverty, such as food stamps (now
called the Supplemental Nutrition Assistance Program or SNAP), Medicaid and cash assistance.
He subsequently targeted those programs for cuts.\textsuperscript{16}

Much like how many Americans are taught early on in elementary school that racism and slavery were in the far past and America has healed from it, the much-too-obvious lie that the racist stereotypes of Black Americans are no longer incorporated into the current state of the welfare system is also an absurd way for white supremacists to further push anti-black and anti-poor sentiments into the U.S.

Bill Clinton’s “bipartisan” campaign promise in the 90’s to reform the welfare system created room for the trope to resurface. He vowed to “end welfare as we know it.”\textsuperscript{17}

The unjust notion that only people who actively worked for it deserved welfare easily allowed for the AFDC in 1996 (Aid to Families with Dependent Children) to be eradicated by anti-welfare advocates and to be transformed into TANF (temporary assistance for needy families). The idea of welfare dependency stemming from the trope of the welfare queen was the main push to reform the main program of welfare in the United States. There became a growing concern that providing people money without demanding anything in return proved that it dis incentivized working, marrying and that it was a promoting self-destructive behaviors, all because of a trope that can be attributed to one Linda Taylor.

TANF was thus created, which did not guarantee benefits to all those that were low-income and eligible but rather gave states the power to determine even stricter/unattainable

eligibility requirements and benefit levels. Because of the considerable leeway given to states in how to spend the money, the choices the states make have been unmistakably correlated to race. In fact, the higher the proportion of African Americans in a state, the more likely officials are to try to change the way poor families run their lives, rather than simply provide direct cash assistance.

According to a study published in the journal *Socio-Economic Review*, states with a higher share of Black families tend to allocate TANF funds, that should be used toward the provision of cash assistance, toward efforts encourage the formation of two-parent families and reduce the incidence of out-of-wedlock pregnancies. The justification is that by strengthening the family units through these initiatives, there are much greater long-term benefits than simply giving money to needy people. Instead, this diversion of state funds has turned out to exacerbate racial differences and inequities in child poverty across the nation. Just closing the racial differences in states’ use of TANF funds would significantly narrow the black-white child-poverty gap, by up to 15 percent.

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For example, Arkansas, which has a large African America population, spent only 4% of total TANF budget on cash assistance, and allocated two-thirds of the budget on the aforementioned family formation initiatives. In Mississippi, the remainder of the comparatively little cash support TANF funds is used to finance an abstinence only sex education curriculum. In Louisiana, funds have been redirected toward Alternatives to Abortion program. In Maine: a Christian camp. Some states, however, redirect the funds to child-care services, earning subsidies for the working poor and to other efforts to promote or incentivize employment. For example, Georgia actually has spent a large chunk of their TANF funds on child-welfare services and foster care support.\textsuperscript{21} However valuable these programs are in alleviating child poverty, other states pay for these services out of general revenues while simultaneously using TANF funds for cash assistance and other direct support. Direct cash-support is essential in reducing levels of child poverty.

In a recent New York Times podcast, hosted by Michael Barbaro, they discussed how the growing perspective in the “undeserving” poor led to the entire reboot of the welfare state.

“Rather than money being seen as the solution to the problem, government aid became defined as the problem. So it wasn’t that we would provide less aid to the poor. In fact, aid to the poor grew. But it only went to families with earnings. It left fewer protections for families who, for whatever reason, didn’t find or keep work and eroded the safety net for the children in those families.”\textsuperscript{22}


This division is still prevalent today, but Reagan’s ability to change people’s perceptions about who is deserving while also dividing the system consequently proves that we can change the rhetoric to show that everyone in need of public assistance deserves support. The definition of the “deserving poor” gives credence to the idea that poverty is a result of society’s structure, even though the “undeserving poor” theory implies that poverty is a choice. The latter can be refuted by the former. Society’s structure—including the influence of racism and racist policies—inherently erects barriers to success for some. For example, Black Americans have the second-lowest household incomes, just above those of Indigenous people. Further, as of 2016, Black families had a median income of $35,400, while white families made a median income of $61,200. The disparity is large considering the labor force participation rate of Black mothers in 2019 was 78 percent, surpassing that of mothers of other races, whose participation rates are at 66 percent. Nearly a third (28 percent) of Black women are employed in service jobs compared to just one-fifth of white women.

Even further, women of color have been disproportionately represented in jobs with low pay and inadequate workplace benefits and protections. The lack of benefits such as paid leave,

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child care support, etc., force working mothers to lose or leave their jobs in order to care for their newborns and/or other young children. Less than half of Black workers and just one-quarter of Latino workers had access to paid leave, and Black and Hispanic women were more likely than white women to lose or leave their jobs after giving birth. Just the addition of child care or child tax benefits would allow more mothers to stay in the workforce and continue working.

Referred to as occupational segregation, the uneven distribution of jobs can easily be seen as the result of systemic/racist inequities that have pushed those at the bottom of the socioeconomic pyramid to the very margins of the labor market. For example, despite their value and essentiality to our economy and overall well-being, low paying jobs such as caregiving and service sector jobs have commonly become associated with women of color, leaving them more likely to be paid a poverty-level wage in contrast to white workers. In actuality, while 8.6 percent of white workers can expect to be paid a poverty-level wage, 19.2 percent of Hispanic workers, 14.3 percent of Black workers, and 10.9 percent of Asian or Pacific Islander workers can expect the same. Just increasing minimum wage to $15 would lift many families and their children suffering these unfair inequities out of poverty.

Moreover, when we look at child benefits and how the racist notion of the welfare queen has affected them, we can clearly see this laid out in the family cap rule. Thirteen American

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states still use a TANF family cap, a rule that bars women receiving TANF from collecting additional benefits for a child born while she was already receiving cash assistance. This rule was devised to discourage women who receive assistance from having children. Even though there is no clear evidence that women often attempt to bear more children to get more aid, the rule was still approved. This became a barrier specifically to Black women, who, as of 2016, had a birth rate of 60.1 percent in Georgia alone, (while also affecting Hispanic mothers at a high rate of 82.3 percent). Even more so, the false stereotype of the welfare queen being often attributed to black mothers “cheating the welfare system” and bearing more children to receive benefits had to have played a part in the creation of this rule.

Work requirements stemming from rhetoric around who deserves financial support have also been used to bar Black Americans from enrolling in safety net programs. During Clinton’s welfare reform efforts, work requirements for TANF were created to ensure the recipient is working within 24 months of receiving assistance. This incentivized states to create harsher requirements throughout the years to fulfill their work participation rates and further push people out of the programs. Most recently, the Division of Family and Children Services in Georgia began rolling out a statewide work requirement for those receiving food stamps, so that people without documented disability must work to receive support. However, Black Americans are more likely to live in areas with few quality jobs and may face discrimination in the hiring

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process, an additional burden to accessing aid. Therefore, Black Americans are the most affected by these work requirements, especially those with children, even though they account for about 22 percent of the US population considered to be living in poverty.

Systemic issues such as racism in hiring create these disparities that drive Black families into poverty—and thus, the idea that some people “deserve” access to safety net programs and others do not is false. It shouldn’t be a question, and at the very least, children should be protected always and invested in, instead of incorrectly deeming them tickets to cheat the system of welfare. This demonstrates how racism is embedded within negative attitudes and perceptions of safety net programs and policies.

**New Child Provision in Economic Stimulus Bill**

As a result of the COVID-19 pandemic and the resulting recession, Americans, especially children, are facing the devastating consequences of failed leadership and inadequate support. Since April of 2020, more than 4 in 10 children live in a household struggling to meet basic expenses, between 7 million and 11 million children live in households in which they are unable to eat enough because of the cost\(^30\), and 21.7% of children had at least one unemployed parent, the highest rate reported since 1967.\(^31\)

On March 9th, 2021, President Joe Biden’s economic stimulus bill was passed and included a revolutionary provision to social safety nets never seen before in the history of America. The stimulus package includes direct payments to most American families, extends unemployment insurance, and expands food assistance. Most strikingly, the package also includes the Child Tax Credit, which is really a guaranteed income for families with children.

Looking at the history of child benefits in America and its hesitance to provide sufficient aid, this is a fairly radical idea in the American context. The bill was passed after much pressure from the public as a result of the financial stress brought on by the COVID-19 pandemic. This includes 69 million people, and 93% of American children.\(^{32}\)

The most striking aspect of this bill is the absence of strict eligibility requirements or other limiting factors that are usually put in place to hinder access to Black Americans. The aforementioned racist family cap, for example, was put in place to discourage women from bearing more children to receive more benefits. This bill, however, does not discriminate and instead expands the child tax credit to guaranteeing income for all families with children by ensuring $300 a month per child, no matter how many children. In fact, it only starts to diminish once a family with two parents hits an annual income of $150,000. Essentially, all but 6% or so of American families will benefit somehow from this new stimulus, extending to families whose earnings were too low to fully qualify under the previous child tax credit law.

Returning to the idea of the deserving poor, philosophically-speaking, this is a big shift in the way the government has perceived aid and children in the United States.

Welfare policies began with the New Deal, with the intention to expand the government’s role in alleviating poverty, economic desperation, joblessness, all while attempting to provide greater opportunities, and restore prosperity. However, Reagan managed to mobilize negative sentiments toward means-tested programs, which means that your eligibility to claim it and how much money you receive will depend on your income and how much capital you have, and his initial cuts and requirements were only the beginning. Fundamentally, as a result of Reagan and other presidents (progressives and conservatives alike), the system of welfare in the United States was expanded with the idea that only the deserving should receive aid. Bill Clinton’s welfare reform initiative in 1996 officially shifted welfare assistance from “an open-ended right” to a “finite program built to provide short-term cash assistance and steer people quickly into jobs.” 33 TANF, the more restrictive and underfunded program created as a result of Clinton’s reform act, allegedly led to millions of people leaving welfare rolls, a rise in employment, and child poverty was reduced. However, in reality the drastic decrease in people on welfare was due to the inaccessibility of the programs as a result of stricter eligibility requirements, and to their offloading into workfare and ridding them of their classification as welfare recipients. Furthermore, the economy in the 1990’s was considered an unusually strong economic time, with a full-employment economy.

The welfare state of the United States has therefore always been highly motivated by reciprocal altruism, encouraging the poor to work themselves out of welfare and contribute more to the economy. This new economic stimulus bill, however, guarantees a threshold under which no child should be able to fall under in United States, a fundamentally different way of thinking about what children need and the government’s responsibility for them. Women who were previously forced to stay home to take care of their children, which has become more common as a result of the pandemic, now have the prospect of using the new tax credit on child care or any other expenses they have.

That is why this new stimulus bill could be the revolution the welfare state of the U.S. needed. It would cut the child poverty rate nearly in half, and by more than half for African-American children. This ensures that even though the bill is universal, it is equitable in that it disproportionately will help children at the bottom, and therefore aid in lifting those families out of poverty. It helps everyone other than the affluent, but it also levels out and helps the minorities that have been systematically the most oppressed in every way possible. The plan ensures benefits for a single year. If it becomes permanent as the Democrat leaders intended, however, it will greatly expand the safety net of the United States and possibly lead to more equitable aid programs.

It does not erase the many decades of a unjust and unfair welfare system, however, coupled with some sort of reparation initiative and even further policies that move away from the reciprocal altruism mentality could mean a new state of welfare in the United States. The fact that Senator Mitt Romney, Republican of Utah, also proposed an even larger child benefit bill
The provision is new to America, but not to several foreign countries. Specifically, the Western European countries of the U.K., Australia, Ireland, the Netherlands, Belgium, France, and Germany are all familiar with providing subsidies to families with children. In fact, United States’ politicians, mostly conservatives, have often dismissed these kinds of ideas as European socialism. Some conservatives have even gone as far to call the child benefit “welfare” (in the negative connotation that has been slowly building for decades around the word), and warned that it would decrease budgets and weaken the incentive to work or marry. As a result of this ever-present, extremely racist, and misogynistic undeserving poor rhetoric, cash benefits was seen as having great potential for misuse and abuse.

So what changed? How did a country that has historically attempted to exclude minorities out of the system create such an influential, equitable, and anti-racist bill? Well for one, the idea of investing in children has become more palatable for Americans. The recognition of how important early childhood and those formative years has spread, which has been argued by liberals and various non-profits for decades. With less emphasis on supporting children at their youngest age, negative lifelong consequences become more likely, such as lower educational attainment, worse health, lower, earnings, and higher involvement in the criminal justice system. The long-term consequences of deprivation in children’s early years, while previously shrugged off by the U.S government and conservatives, have become a point of focus in the past year as a
result of changing perspectives. It is possible to change perspectives, which is encouraging in the prospect of a complete upheaval of the current welfare system of America.

The economic crisis and rising inequality caused by the pandemic also plays a very significant role in the addition of this new bill. A question then arises, would this bill have been proposed this year had it not been proposed within an emergency economic stimulus package? In other words, if COVID-19 had never occurred, would children finally be getting the start of financial security in the U.S?

The fact of the matter is Democrats and progressives took this opportunity, the recession and drastic rising inequality, to propose an addition to the safety net that they have wanted for a long time. The pandemic and the urgent need for government assistance thus offered unique opportunity for them: a window of opportunity. With more and more people requiring aid as a result of the pandemic and rising unemployment, the politics of providing cash assistance lost some of its stigma. This further proves the racist component that has been intertwined with the U.S welfare system. Now that white, middle class, and other higher social classes were in need of assistance, the idea that people need some direct aid didn’t seem so far-fetched. Though little conservative support led to the proposal and passing of this bill, there has been very weak conservative opposition to it.

Another factor that plays a part in the new bill and perspectives on aid is 2020’s spurs of civil unrest as a result of the year’s racially-targeted murders. Police brutality, racism, and racially-charged murders are not new. However, this year’s events spurred a movement larger than ever before, shaking the entire world. In fact, the horrible, unwarranted murder of George
Floyd led to what the organizer of Black Lives Matter movement a “resurgence of Black Lives Matter,” and the U.S. saw more people want to get involved and promoting more accountability and less ignorance. Therefore, with the unrest of the past year, the Democratic Party made it even more a priority to address structural racism and historic injustice. Since the bill is meant to have the greatest effect on reducing poverty among Black children and their families, along with Latinx families, it enhances the appeal to the Democratic Party and to supporters of the Black Lives Matter movement. The intention is almost purely political, as is most of what comes out of policy in America, but it is still going to be influential in lifting millions of Americans, in particular Black and Latinx Americans, out of poverty.

Another reason this bill is so revolutionary is the idea that even though the bill is temporary, with an assurance of being in place for at least a year, is what the democrats bet on when they proposed the bill in the first place: that it’s much harder to take something away from people than it is to give to them at first. Yes, Republicans and conservatives have had little opposition to the bill now, but it could be for the mere reason that they want to let the bill run out after a year. The hope is, after a year, if Republicans do attempt to block renewal of the bill, Democrats can easily frame it as a huge tax increase on poor and working-class people, threatening the prospect of an uprising. This means, there is a potential of becoming a permanent fixture of the American government. As mentioned before, the new bill has been compared to the long-standing welfare system of the U.K. Should the U.S adopt the U.K’s system of welfare? This next chapter examines the U.K’s system and its use of child benefits to understand if the program is more anti-racist and less exclusionary.
Chapter 2: Impact of Racism on the Welfare State of the United Kingdom

History of the Welfare System and Child Benefits in the United Kingdom

Before the 20th century, the welfare state in the United Kingdom was not the same one that we see in effect today, but instead was a series of “poor laws” established from late-medieval laws. These English poor laws were said to be easily susceptible to abuse according to the government, and were perceived to promote laziness, squalor and criminality. As a result, qualifications for receiving aid through the poor relief laws became stricter, which forced many recipients to turn to private charity. This includes the private sector, such as the church, which filled in the gap that the public sector ignored. For example, the Methodists were against the idea of the “undeserving poor,” and the “lazy poor” rhetoric, and instead insisted “the poor were those who lacked the necessities of life,” and thus took nourishing food to the hungry, collected decent clothes, and furnished adequate housing for widows and orphans. In many ways, the Methodists, Charles Wesley in particular, were ahead of their time in terms of their views of welfare.

It wasn’t until 1906, when the Liberal Party in Britain launched a series of welfare reforms that opinions began to change and the stigma attached to claiming relief was removed. However, there have been many changes in perspective since then.

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Between the years 1906-1914, the liberal welfare reforms included free school meals in 1906, a minimum wage introduced in 1909, pensions were introduced in 1908; and the national insurance act of 1911 ensured free medical treatment and sick pay for 10 shillings a week for 26 weeks. The first modern child tax credit was introduced in the 1909 ‘People’s’ Budget.’ This allowed for a £10 income tax allowance per child.

The U.K’s current welfare system truly began to take shape after World War II, and has continued to change since. \(^{36}\) Even more importantly, among the changes during the 1980's was the rise of Margaret Thatcher and the Conservative Party after 1979.\(^{37}\)

Firstly, in the 1920’s, an alternative method to alleviate poverty was suggested: the Family Allowance. This was non-means tested program targeted at low-income larger families and provided money for each child after the first, with a slow increase of price per child and age of eligibility throughout the years. Over the 1930s, growing evidence showed that large numbers of children were born into poverty, with 47% suffering five years or more of malnutrition\(^ {38}\). Therefore, in 1945, family allowances were officially introduced. Family allowances were thus given at a rate of 5s (= £0.25) per week per child in a family, except for the eldest. This was

\(^{36}\) Vic George and Peter Taylor-Gooby (Eds.), (1997), "European Welfare Policy: Squaring the Circle,，“ The Journal of Sociology & Social Welfare: Vol. 24 : Iss. 2 , Article 18. Available at: https://scholarworks.wmich.edu/jssw/vol24/iss2/18


raised from September 1952, by the Family Allowances and National Insurance Act 1952, to 8s (= £0.40), and from October 1956, by the Family Allowances Act and National Insurance Act 1956, to 8s for the second child with 10s (= £0.50) for the third and subsequent children.\textsuperscript{39}

With the introduction of family allowances came the fading away of the minimum wage introduced in 1909. The National Minimum Wage Act of 1998 was the next time minimum wage was brought up, set at £3.60 per hour. Interestingly enough, this minimum wage set positively affected workers in service industries and, in particular, people from ethnic minority backgrounds.

In 1970, the Family Income Supplement was introduced with even more added benefits of children, with rates rising to a maximum £23/week for one child, and an additional maximum of £2/week for each subsequent child, based on a maximum income threshold of £90/week, plus £10/week for each additional child.\textsuperscript{40} However, the supplement also included the added requirement of proof of employment and a minimum of 24 hours a week.

The Child Benefit Bill was introduced in 1975 by Barbara Castle, replacing the family allowance.\textsuperscript{41} This was the first introduction of a universal payment in the UK, in which payments would be paid for each child, doubling the number of children that were previously affected by

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\textsuperscript{40} Peter Sloman, (1 June 2016), "The Pragmatist's Solution to Poverty: The Heath Government's Tax Credit Scheme and the Politics of Social Policy in the 1970s" (PDF), Twentieth Century British History. 27 (2). \url{doi:10.1093/tcbh/hwv042}, Retrieved 21 August 2018.
\end{flushright}
the family allowances. The new bill was not originally means-tested, much like the family allowances, and ensured rates would be uprated in line with inflation.

In 1991, a new higher rate of child benefits, payable for the first child only, and in 1998, the Child Benefit increased by more than 20%.\(^\text{42}\) Even further, in 1995, the Jobseekers Act 1995 was passed, which provided unemployment income insurance while people were looking for work, without any means-testing.\(^\text{43}\)

As a result of the Welfare Act of 2007, in 2008, the Employment and Support Allowance (ESA) was introduced. This act was a welfare payment for adults younger than the State Pension age who are having difficulty finding work because of their long-term medical condition or a disability. Though not means-tested, the ESA required a work capability assessment in order to determine if the person is eligible based on “limited capability for work.”\(^\text{44}\)

In 2013, the Universal Child Credit for the first time since its introduction became means-tested, with those earning more than £50,000 per year would have part of their benefit withdrawn, and if earning over £60,000, would receive nothing at all. The issue was even more exacerbated by the fact that the charge was based on individual, not household income, meaning a household of two earners each earning £50,000 would receive full child benefit, while a single-


\(^{43}\) Directgov, "Jobseeker's Allowance", Public services all in one place, HM Government, Archived from the original on 3 September 2012. Retrieved 1 September 2012.

A high-earner household earning £60,000 would receive none. Even further, the reduction or elimination for those high-earners that were now being excluded from the benefits did not take form of a reduced child benefit amount, but rather the state is reimbursed by a tax charged to them. Therefore, some of these families were then forced to opt-out” of child benefits to avoid paying back the amount they were “overpaid.”

As of today, the child benefit is administered by Her Majesty's Revenue and Customs with the same means-tested system. As of April 2015, this is £20.70 per week for the first child (including the eldest of a multiple birth) and £13.70 per week for each additional child.

**Era of Austerity Disproportionately Affected Minorities**

Austerity in economics can be defined as strict economic policies that a government imposes to control growing public debt, defined by increased frugality. The term had previously been used to describe the years immediately following World War II. However, following the global economic crisis that erupted in 2007/2008, an era of “austerity” plagued Great Britain, “involving major cuts and reductions in public spending on a scale not seen for decades… reducing the size of the state in favor of the private market.”

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and accountability of the welfare state in the United Kingdom and increased exclusivity in welfare for ethnic minorities and people of color.

The Austerity Program was officially initiated in 2010, by the Conservative and Liberal Democrat coalition government. The end-goal of significantly reducing public expenditure and ending ‘excessive government spending’ was to achieve a balanced of the budget, eliminate the budget deficit, and decrease the national debt as a percentage of GDP. Therefore, during the proposed austerity period of 2010-2015/16, the coalition government reduced public spending by £14.3 billion compared with 2009–10. Not only did the coalition government, in particular former Prime Minister of the U.K. David Cameron, intend to decrease public spending during the proposed austerity period, but they indicated that they had no intention of increasing public spending once the goals were potentially achieved.

Though there was considerable amount of reduction in deficit and debt as a proportion of GDP falling by 2015, by 2018-19, there was approximately £2.5 billion in reduction in spending on working-age benefits, and in 2019–20: £2.7 billion. Therefore, the most affected became the poorest 20% of the country, including a disproportionate amount of women and people of color.

Under the austerity program, the Welfare Reform Act of 2012 was introduced by the government of Cameron. The act resulted in the increase in the number of children in poverty in the UK, with the total by 2019 around 600,000 higher than it had been in 2012.

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The act introduced several drastic changes, including the introduction of the universal credit. This universal credit was introduced in order to replace six of the previously main means-tested benefits, including Jobseeker’s Allowance, Employment and Support Allowance, Income Support, Housing Benefits, and the Child Tax Credit. The universal credit thus operates as a single payment to claimants, available to working poor on low income and the unemployed. The aim was to simplify the benefits system by bringing together several benefits into one payment, while also intending to incentivize people to work by making it easier for people who have temporary, low-paid work to move in and out of employment without losing benefits. The term universal is misleading, since it is not the same as a basic income guarantee as payments are conditional on availability and further means-tested. Therefore, the Universal Credit expands job search requirements and conditionality, favoring the working middle class that is often the white middle class.

Additionally, among other amendments, the Welfare Reform Act of 2012 also included a benefit cap, which limited the amount of money available to social security claimants, amendment in housing benefit and a personal independence payment. The benefit cap itself affected as many as 37% of ethnic minority household and threatened at least 100,000 households with homelessness.

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50 See page 35 for further explanation of: Jobseeker’s Allowance, Employment and Support Allowance, Income Support, Housing Benefits, and the Child Tax Credit
Moreover, the country’s two-child policy of 2012, which proposed only paying child benefit for the first two children of unemployed parent, taking effect officially in 2017. This can be easily compared to the racist family cap of the U.S that limited benefits based on children. Jonathan Reynolds, Labor’s shadow social security secretary, “The two-child limit is a cruel and unnecessary policy which expects families to make impossible choices. The limit now affects over 1 million children and is rapidly driving up child poverty. In the midst of a pandemic and jobs crisis, it is particularly callous to continue to pursue this punitive policy.”

**Impact of Reforms on Minorities**

Consequently, this period of austerity, and the resulting permanent welfare policies, disproportionately affected racial minorities in the UK. In 2016 research from the Women's Budget Group and the Runnymede Trust indicated that women, people of color and in particular women of color had been affected most by austerity, and that they would continue to be affected disproportionately until 2020. This was due to the fact that black and Asian women were more likely to be employed in the public sector, in low-paid jobs and insecure work, and experience higher levels of unemployment than other groups. It has been proven that women of color in the UK, as a result of institutional racism and sexism, face discrimination at every stage of the

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recruitment process, therefore explaining why they are constantly in positions of low-paying, insecure, and undervalued jobs.\textsuperscript{54}

Therefore, this is not a new phenomenon, but rather is the magnification of the trend that has existed before austerity gripped the UK: even before the 2008 financial crash the poverty rates among minority ethnic communities were significantly higher than for the white population.\textsuperscript{55}

\textit{Ethnic Homogeneity within the U.K}

What is the degree of racism and the inclusivity of the welfare state in the UK compared to the US? In terms of inclusivity, I argue the system of welfare in the UK is less inclusive than other states in the European Union, and this was something that justified some of Brexit’s support. Britons were fed up with paying for welfare benefits for non-citizens. I suspect, however, that it is more inclusive than the welfare state in the United States.

It has been argued in many cases that the UK system is significantly more inclusive and much more generous to the poor as a result of the absence of racial animosity and ethnic homogeneity in the country, at least compared to conditions in the U.S. UK programs often tend to reach a more larger share of citizens and are designed to protect the poor. Just by looking at


\textsuperscript{55} Maya Goodfellow (28 November 2016). \textit{"A toxic concoction means women of colour are hit hardest by austerity"}, \textit{The Guardian}. 
the inclusion of child-benefits since the beginning of the welfare system as opposed to the United States’ recent implementation of such benefits, we can see the increased “generosity” of the system of welfare in the UK. Even further, the universal credit is available to a larger share of citizens and includes a wider range of benefits as opposed to the U.S’s caps on spending on both child care subsidies and housing assistance.

This is supposedly the result of the system of welfare in the UK beginning years before the incorporation of racial tensions. And therefore, UK government leaders have argued that this signifies that the system was not made to be inherently racist since there was no one to be racist to. This racial argument provides the U.K with the validation of their welfare state being superior and anti-racist/inclusive. However, this is far from true, with the UK having an extensive history of poorly treating many races from the very beginning of the empire.

The truth is, the U.K actually has more racial homogeneity than the U.S, with the U.K. having a 87.2% white population according to the 2011 census, and the U.S having a 60.1% white population as of 2019. Even more importantly, American minorities are disproportionately represented among the poor, but so are ethnic minorities and the Black British population. Therefore, it could be argued that ethno-linguistic homogeneity within the United Kingdom is as severe as racial heterogeneity in the US.

The U.S. welfare state is unusual in its extensive reliance on private markets to produce public social goods; its geographic variability; its insistence on deservingness as an eligibility criterion; and its orientation toward benefits for the elderly rather than children and working-age adults. Nevertheless, the U.S. welfare state is an isolated case. The actors involved in the
construction of the U.S. welfare state, the institutions created in response to social problems, and the contemporary pressures confronting the welfare state all have parallels to the U.K.’s system.56

There is the common notion that Britain, America’s former colonizer, invented racism, and the Americans perfected it. However, the idea that modern Britain is not as bad as the US when it comes to racial injustice is simply untrue. Racism is systemic within Great Britain, dating back to the origins of the empire through colonization, imperialism, and slavery. Research shows ethnic minorities in Britain are facing rising and increasingly overt racism, with levels of discrimination and abuse continuing to grow in the wake of the anti-immigrant rhetoric expressed in the Brexit referendum. Even further, Boris Johnson, UK’s prime minister, recently released a report deeming UK ‘not structurally racist,’ claiming “the U.K. is not a “post-racial” society but issues around race and racism are becoming less important as opportunities improve.”57 The report comes at a critical time for race relations in the U.K., which came to a head with the Black Lives Matter protests last year. Tensions had already been raised over the Windrush scandal, when it emerged that the government broke its own equality laws by depriving some Black residents of the right to live in the U.K. and welfare benefits, and even


deported some of those affected. This goes to show the confidence of the UK government in their lazy anti-racist actions, and their constant dismissal and ignorance of deep racial tensions in the country has led to an overall racist welfare system in the country.

In short, although the system of welfare in the UK is significantly better than the U.S, more inclusionary, and less directly racist, the UK’s systemic racism has played a part in why there is still a disproportionate amount of poor Black Britons and other ethnic minorities in and out of the welfare system. In a way, it is the ignorance government officials, and their turning a blind eye to the obvious structural racism plaguing the country that has led to the exclusion of minorities. In a way it is true, that in the very beginning of the welfare reform in the UK, there was more inclusivity and less negative rhetoric placed on minorities in relation to welfare. But as time moved on, immigrants flooded in, the country became a less heterogenous, less solidified/unified as one group of people, and subsequently a more systemically racist.

This next section thus takes a look at the impact of increased immigration on the heterogeneity of the UK and subsequent perspectives of deservingness when it comes to welfare.

**Intersection of British Welfare Policy and Immigration Policy**

Xenophobia and hostility coupled with growing racism toward immigrants can easily be attributed to the exclusionary welfare state of America. Likewise, in recent years, the United Kingdom has endured intensified linkages between welfare and immigration policies as a result of the country’s growing “hostile environment” towards migrants. In sum, increased opposition to migrants and ethnic diversity has led to increased public support for the exclusion of
minorities from the welfare state, and thus to the exclusion of racial minorities in the UK system of welfare.

The argument in question here is that immigration yields ethnic, racial, cultural, religious and linguistic diversity, which is said to impact negatively on feelings of similarity and commonality among citizens. This, in turn, is claimed to erode trust and cohesion between people, which ultimately undermines public support for a system of redistribution that is precisely built upon such solidarity. 58 This thus brings the concept of welfare chauvinism into the policy conversation, which is ultimately the view that people from minority groups should be excluded from accessing the welfare state. Therefore, the same negative rhetoric and perspectives on who deserves government benefits and aid in America is ever-present in Great Britain. In fact, the idea of the undeserving poor resurfaces in British newfound perception of migrants as the ‘new and undeserving poor.’

In Britain, public solidarity with welfare claimants from immigrant (and to a lesser extent also ethnic minority) groups is astonishingly low. A majority of the population stands very negatively to the idea that members of minority groups also have access to pensions, sickness and disability benefits and unemployment schemes.

In a dissertation submitted to the University of Manchester on *the New Undeserving Poor* \(^{59}\), the author Anouk Kootstra discusses welfare chauvinism and welfare ethnocentrism in Great Britain and the Netherlands, and further proves the impact on immigrants to the general, privileged population’s perceptions on welfare. In the figure below, deservingness is put on a scale from 0.0-7.0, with 7.0 being the highest, and people were asked to put their ideas of deservingness on majority and minority groups. Focusing on the answers gathered from Great Britain (the gray bars), and ignoring the statistics of the Netherlands (the bar with lines), we can clearly see the overwhelming support of welfare for white Britons as opposed to migrants and ethnic minorities.

Severe welfare cuts have thus combined with conditionality, rationing, and differentiation among welfare recipients along the lines of immigration status. For example, the Conservative-Liberal Democrat coalition of 2010–2015 and the Conservative government that followed passed Immigration Acts in 2014 and 2016 that further extended immigration controls into welfare and service provision, including health care, private-rented housing, employment, banking, and driving licenses.

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Conclusion

This thesis looked at the welfare states of the United States of America and the United Kingdom, side by side, and attempted to understand the racial implications incorporated into both systems through the lens of child benefits.

In conclusion, my understanding is that as a result of systemic oppression and racism in both the United States and the United Kingdom, the systems of welfare have been significantly in favor of the white, working poor, rather than the marginalized ethnic and racial minorities.

By examining the history of negative rhetoric in the United States, it was determined that racist connotations and stereotypes such as the welfare queen, lazy African American, and other false generalizations led to a reform of the welfare state that severely excluded the Black and Latinx, along with other minorities, out of the system. Furthermore, the racial reformed state then led to an ineffective welfare system, subsequently exacerbating child poverty in the U.S rather than lowering the rates. The proposal of the new economic stimulus bill, which resembles the longstanding child tax credit of the UK, is a radical new idea in terms of American social policy. The bill came along after decades of democrat opposition to the current racist state of welfare, but really only gained momentum after this year’s increase in economic inequities as a result of the pandemic, economic recession, and deep racial divide and tensions as a result of Black Lives Matter protests. This could be the revolution the American welfare state needs in order to eradicate racism. It is just the beginning, and the assurance that the provision will continue past next year is still a question, but the idea of it being proposed alone is enough to give hope of complete reform soon.
In terms of the UK, the argument has been raised that the country’s welfare state is superior to that of America, and should therefore be adopted in the future of America’s welfare revolution. Even further, scholars and others alike have suggested that the US welfare state is more homogenous than the UK, and is thus deeply based on the idea of deservingness, in contrast to the British philosophy that the poor are the unfortunate and deserve aid regardless. However, as determined by this thesis, the UK’s system is also based off of racist implications and prejudice and is actually more homogenous than the US. The country’s history of benefit caps, amendments in child benefits, era of austerity, widespread notion of welfare chauvinism, and concurrent increasing child poverty (disproportionately more for ethnic and racial minorities) further proved that the UK system of welfare is also exclusionary and ineffective as a result of racism.

I also therefore determine that the UK’s issue of racism in welfare cannot fully be addressed until the overarching (or underpinning) ideology of racism, most clearly reflected in migration policy is addressed and recognized as present. The country has been known to deny its role in racism, and to claim responsibility for the effects of systemic racism on its minority populations in all aspects of society. It is obvious that this denial of racism in the current state of the country has led to ideas that the welfare system is flawless and effective. While it has been determined that the UK’s system has a history of being more inclusionary than the US, as a result of increased child benefits and former policies including widespread provision to the unemployed, the country’s growing animosity toward immigrants and minority races has led to stricter eligibility requirements and caps brought on by the period of austerity, disproportionately
affecting this population. Therefore, the ‘revolution’ of the American welfare system could be effective in affecting real and equitable change in alleviating child poverty, but only if America deviates from the UK’s history of tightening the benefits as time passed, and further expanding direct cash assistance to the poorest and marginalized. The same can thus be said for the UK and their system.
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