

Chapter 10

Welfare and Work Policies for Southeast Asians

Joel F. Handler and Paul Ong

We are once again in the midst of an intense period of welfare reform. Whether the Clinton administration's proposals, if enacted, will help Southeast Asian Americans become fuller members of our society or add to their problems is unclear. This population has suffered a series of tragedies starting with the protracted and devastating war in their former home countries. Most have suffered enormous personal and familial losses. Many have experienced the horrors of refugee camps where lives are suspended for months and years. The fortunate ones have been admitted as refugees to the United States, but for about half of this population, the resettlement program has failed to achieve its goal of assisting individuals to attain economic self-sufficiency. The unfortunate reality is that the refugee program has not had adequate resources to help most make the difficult adjustment to American life.

Far too many have been abandoned to a welfare system that stigmatizes its participants and that has done too little to move individuals into the economic mainstream. One can rightfully argue that the problem is rooted in a failed resettlement policy, but the current reality is that the fate of Southeast Asian communities will be tied to how we reform the welfare system. The original promise of promoting self-sufficiency can only be achieved by fundamentally changing our welfare policy and, more broadly, by our commitment as a society to ensuring economic dignity to those who are now marginalized.

Southeast Asians share a common interest in restructuring

welfare with others on public assistance, but also have unique issues that are historically and culturally defined. The welfare system that has trapped an extraordinary proportion of Southeast Asians in poverty is one that has also reinforced welfare dependency for far too many others. Consequently, efforts to improve the lives of refugees must be embedded in the broader campaign to make welfare work. As the same time, they have unique needs and, as documented in Chapter 6, programs designed for the typical welfare recipient can be inappropriate and ineffective in reaching this group. Unfortunately, proposals under consideration do not directly address these concerns. Because the reform proposals concentrate almost exclusively on teen parents and young adults, the special needs of Southeast Asians will either be ignored or suffer from a diversion of resources. The concerns of Southeast Asians should not be lost in the debate over welfare reform.

The President's stated goal of "ending welfare as we now know it" raises a serious dilemma for our society. It is difficult to disagree with the notion that public assistance should be a transitional program to employment for able-bodied adults. This notion is as much the product of our collective norm regarding the social and economic obligation to work as it is the product of a growing political frustration with a welfare system perceived as being ineffective, undesirable, open to abuse, and a drain on scarce resources. Even for those receiving benefits, the system has failed by focusing more on administering a program than helping individuals find employment. Our goal should be to enable these individuals to be productive members of society. There is truth in the notion that employment can provide people with a sense of purpose, a positive identity, and personal dignity. However, this is not easily achieved in our economy by those with limited skills, where the prevailing wage is not enough to lift families out of poverty. To be successful, welfare reform must be viewed as a policy that helps the working poor.

The problem of low wages is particularly relevant to that part of the welfare system that most affects Southeast Asian Americans, Aid to Families with Dependent Children-Unemployed Parents (AFDC-U), a relatively small program for two-parent families. Because the vast majority of Southeast Asians on public assistance live in such households, proposals

to preserve and promote such family units are less relevant to this population. The central problem is that AFDC-U does not function as a transitional program helping the families become independent, thus leaving many unable to escape the “welfare trap.” This is an undesirable outcome both for the families who are desperate to become self-sufficient and for society. The question is why is AFDC-U failing these families?

There are two reasons, which are related. First, the AFDC-U program is inappropriate, not only for these families, but also for other families on welfare who are capable of entering the paid labor force. Second, because of major structural changes in labor markets, it is obsolete to think of work versus welfare. In short, we have to rethink the structure and relationship of both paid labor and income-maintenance programs.

The rest of this chapter is organized into four parts. Part one reviews the historical restrictions on most two-parent households from receiving public assistance. Part two examines AFDC-U and recent related work programs for recipients of public assistance from this source. Part three argues that for most of these parents, the labor market can offer only wages that would leave the family in or near poverty. The last part presents some options for welfare reform.

A Legacy of Narrow Eligibility

Welfare has been primarily a program that has excluded most two-parent households no matter how poor. The reluctance to include these families lies in the history and organization of the American welfare system.

The American welfare system, reflecting the English influence, started at the local level. Towns and counties provided general relief to the worthy poor. The guiding principle was to prevent the spread of pauperism, which was considered a moral failing. Relief to the able-bodied was restrictive and deliberately stigmatic so that the able-bodied would always prefer paid labor to relief. There were tough work requirements. The work ethic would not be compromised. This principle has remained constant throughout our welfare history.

In the late 19th century, various exceptions began to be made for the “deserving poor” — those who were excused from

the paid labor force. These included the deaf, the blind, the insane, Civil War orphans, and impoverished Civil War veterans. In 1911, Illinois enacted the first Aid to Dependent Children (ADC) program.¹ This was the result of a campaign by the Progressive Child Savers to exempt another category from the paid labor force — mothers who were deprived of the support of their husbands. Prior to this time, no separate distinction was made for poor mothers or their children; all were considered part of the paid labor force. The idea spread rapidly and within a decade, most states enacted programs. The statutes were broadly framed, but in practice, only certain categories of mothers and children were let into the programs. Nationwide, the program was primarily composed of white widows. Excluded were mothers who were divorced, deserted, and never married, and virtually all African Americans.

There are some important lessons to draw from this early ADC experience. At the time that ADC was enacted, and up until the last couple of decades, the program mainly consisted of mothers who were not working. Under traditional patriarchic norms, which began about 1830, “proper” mothers stayed home and took care of their families. Women who worked were suspect, and professional women often forfeited marriage. In addition, the type of work that women did mattered; genteel work, for single young women, was preferred over manual labor. Of course, poor women, whether single or mothers, had to work. There were no welfare programs for them. But they were condemned for working and regarded as morally suspect. Immigrants and African Americans, who worked at the lowest jobs, were all but outcasts. Virtue — in this case, the proper mother — was defined by the deviant.

It was in this context that the initial ADC programs were bitterly contested by many prominent social reformers. They felt that giving aid to single mothers would not only weaken family responsibility but give aid to families that were morally suspect. This was also the period of child saving — where slum children were to be “saved” by sending them to reformatories, farms in the Midwest, or state industrial schools pursuant to juvenile court jurisdiction. The solution to the conflict was to delegate the programs to the county level where local judges with the aid of the professional social workers would select only

the “worthy” mothers — the white widows. The rest were still “undeserving,” that is, forced to remain in the paid labor force.

Thus, it is in this early example that we see the three major influences at work: the preservation of labor markets by requiring the bulk of poor mothers and their children to keep working; the enforcement of patriarchy — only “proper” women assumed traditional family roles; and race and ethnicity. The primary function of the early ADC programs, then, was symbolic. Through the use of myth and ceremony, they affirmed the patriarchic myth of the “proper mother” — the programs were called “Mothers Pensions” — by condemning those who were excluded. The ceremony was the small number of white widows who were supported.

Other income-maintenance programs that started before the New Deal continued the same pattern. Old Age Assistance (OAA) was to help the poor elderly. Yet, OAA bristled with conditions designed to weed out the “unworthy” aged — those who had been paupers or had criminal records or gave away their property to qualify for aid. In those days — the 1920s — there was no agreed upon retirement age and adult children were considered to be responsible for their parents. On the other hand, except for financial eligibility, Aid to the Blind (AB) was virtually condition-free. The blind were not part of the labor force.

In many respects, the Social Security Act (1935) continued this basic pattern. The three basic state programs — ADC, OAA, and AB — were funded as grants-in-aid. The federal government assumed half the costs, imposed some conditions, but the programs basically remained in the control of the states. The states continued to exclude the vast majority of mothers — those who were morally suspect because of marital status or race.

On the other hand, the pressure of the Depression led to a reconsideration of the aged. A retirement age was agreed upon, and available paid work was to be reserved for younger males. To the extent that states had any money, restrictions on OAA were eased, and there was strong political pressure to include the dependent aged in the proposed Social Security retirement program, Old Age and Survivors Insurance (OASI). However, the Roosevelt administration drew the line. The centerpiece of

the Social Security Act was the establishment of a pension, insurance-like program for the deserving worker — those who worked steadily, paid their premiums, and then retired at age 65. This was the myth of insurance. The administration stoutly resisted blanketing the dependent aged for fear that the insurance-like aspects of OASI would be compromised and the program stigmatized as welfare.

There was another important aspect of OASI. At this time, and for about the next 30 years, the Democratic Party in the South had veto power in the Congress. These Southerners were not about to let federal income-maintenance programs disturb existing race relations as they feared pensions to black families would do. Accordingly, OASI excluded agricultural, domestic, and other marginal workers — in other words, virtually all aged blacks in the South and many elsewhere.² As a result, OASI remained relatively small until the early 1960s, when it was expanded to blanket the dependent aged. Social Security became a strong redistribution program, and poverty among the aged was substantially reduced. Thus, from the time of its inception, OASI was designed to provide benefits to the paradigmatic “deserving poor” — the steady worker, primarily a white male who was temporarily outside the labor market.

Unemployment and Welfare

The major political fight during the debates on the Social Security legislation involved the unemployed. Despite the massive numbers of unemployed, after the initial threats of social disorder subsided, the desire to preserve local labor markets and race discrimination crippled administration efforts. First, the generous and relatively successful work relief programs were sharply curtailed. Second, local business interests and the southerners were able to insist that the administration of unemployment insurance be located at the state level. Unemployment Insurance today remains locally administered. It is for the “deserving” worker, that is, those who have worked steadily in covered employment, and who are unemployed through “no fault” of their own. A claimant is disqualified if he or she is fired, quits, is on strike, is not currently looking for work, or unavailable to take a job if offered. In deference to the South, the program for many years

did not cover many marginal jobs. Finally, benefits, except in serious times, were short-term and failed to cover most of the unemployed.³

For those who are left — childless adults and most two-parent families who are neither aged nor disabled — the situation is indeed bleak. They are the historic “undeserving poor,” thus are not readily included in the welfare system.

Instead of meeting the problem of unemployment head-on, and confronting what was at best probably a small part of the rise in welfare rolls — namely, the trend toward separation of families to qualify for AFDC — the country engaged in the usual compromise of myth, ceremony, and the diffusion of conflict through delegation. States were given permission but not required to provide relief for the two-parent family — not in UI — but as part of the program identified with helping the female-headed household.⁴ Moreover, this was a program already in deep trouble — stigmatized, subject to racist attack, and increasingly unpopular. The halting, grudging history of AFDC-U reflects its contradictory origins.

AFDC-U was initially enacted on a temporary, year-to-year basis (Law, 1983). The states were given substantial discretion in defining basic eligibility. The unemployed parent had to have worked a certain number of quarters. “Unemployment” had to be either completely out of work or working less than 100 hours per month (Handler and Hasenfeld, 1991, p. 168). Unemployment remained high, and in 1968, AFDC-U was made permanent, but still optional with the states. Congress restricted the program to fathers, but that provision was declared unconstitutional.⁵ The program applies to the “principal wage earner” — the parent who earned the most during the past two years. Another important change in 1968 was the addition of Community Work and Training (CWT) which provided both training and job opportunities.

AFDC-U continued to remain the stepchild. Only about half the states adopted the program, and enrollments always remained small. Those who qualified were mandated to register for the federal Work Incentive Program (WIN), with periodic re-registration. Under CWT, states were authorized to count payments for work as AFDC-U expenditures. In practice, funds for CWT were very meager and their use quite restricted.

Only 13 states opted for such programs. The program quickly turned into low-wage jobs in the public sector. Thus, most of the costs per enrollee went for relief. The jobs, as expected, were for unskilled labor, and few meaningful training or educational opportunities were provided. Unemployed parents were more likely to be forced into the labor market and into low-wage jobs once they worked more than 100 hours per month, regardless of their level of earnings. Attrition rates were high, with 75 percent leaving without completing their assignments, and with half of the trainees who left the program continuing on public assistance. The program contributed little to economic self-sufficiency (Levitan and Mangum, 1969).

During the Reagan administration, the states were given permission to conduct demonstration projects called Community Work Experience Program (CWEP). West Virginia, having one of the highest unemployment rates, emphasized straight work-for-relief whereby recipients of AFDC and AFDC-U were required to work in unpaid jobs as long as they were on the rolls. Approximately 70 percent of all AFDC-U recipients were enrolled. CWEP assignments were often lengthy, but participation was neither full-time nor continuous. CWEP had no short-term impact on the employability or earnings of the participants (both men and women), there was only a small reduction in welfare receipt, and few participants acquired new skills. CWEP cost the government more than it saved, unless one included the value of the services; then, the net benefit to the government was \$734 per recipient per year (Handler and Hasenfeld, 1991, p. 179).

The results from other state CWEP projects show similar results. Thus, in San Diego — which influenced California's GAIN (Greater Avenues for Independence) program and later the Family Support Act — the results for AFDC-U showed no consistent increase in employment or earnings, although there were significant reductions in welfare payments, mostly because of the reductions of the AFDC-U grants as a result of earnings and the application of sanctions. In other words, the government was better off, but not the recipients. San Diego AFDC-U recipients lost \$91 in job search and \$400 in CWEP by year's end. In subsequent San Diego experiments, AFDC-U participants still came out about the same — poverty status did

not improve. In a survey of all the state demonstration projects, MDRC (Manpower Development Research Corporation) reported that the employability of the participants increased by only 5 percent to 7 percent over control groups, that most jobs were in entry-level, low-wage occupations with a median wage of \$4.14 per hour and almost half of the participants who obtained the jobs still stayed on welfare.

Despite its modest results, the San Diego demonstration projects influenced the adoption of California's GAIN program. Almost immediately, GAIN began to suffer budget reductions. Familiar patterns of participation emerged. Only about a third of those who registered actually attended an initial program component (e.g., basic education, job search); almost two-thirds were deregistered or deferred. Initial assessment revealed that much higher than expected proportions of registrants have basic literacy deficiencies, in effect changing GAIN from a job program to a massive compensatory education program which prolongs the stay of participants in the program, increases the costs, and increases the pressure to move registrants into job search rather than remedial education.

Not surprisingly, shortly after GAIN was enacted, the (then) governor stated that: "GAIN should be transformed into a true 'workfare' program, where immediate priority is to remove people from the welfare rolls and put them on payrolls as quickly as possible." The governor especially objected to the extensive emphasis on education. After pointing to some rare misuses of education funds (e.g., graduate education), he proposed that participants be required to look for jobs before being diverted into education or training. As he put it, "Let the job marketplace, not caseworkers, determine who is employable" (Handler and Hasenfeld, 1991, p. 196).

The Family Support Act (FSA) of 1988 requires that every state establish a Job Opportunities and Basic Skills (JOBS) program that will be fully operational by 1992. Rather than providing detailed guidance, however, the FSA is, in fact, only a broad outline. A great many crucial decisions are left to the states in fashioning their own programs. FSA requires that all states adopt AFDC-U; however, those states that do not have the program (about half) can elect to terminate benefits after 6 months.

It is hard to know what is going on under the FSA because of the major problems in data reporting (Greenberg, 1992). Nevertheless, the evidence so far does not look promising. There is not only great variation among the states but also great ambiguity in the reporting categories. Overall, about 13 percent of recipients are "assisted by JOBS" but this could range from mere registration to actual participation in a program component. The best estimate is that only about 10 percent of adult AFDC recipients are in a program component, but again, there is great variation. In 24 states, less than 10 percent of families are in a JOBS component activity; in 41 states, less than 20 percent of families.

There are no national data on outcomes — whether participation has led to employment, the average entry wages, retention rates, benefits, the gains, if any, from education, or even the use of sanctions. According to Mark Greenberg (1992), some states are reporting bits of data — for example, average entry wages vary from about \$6.75 per hour to \$4.44, but most do not report hours worked. Retention rates vary. Because of the lack of uniform reporting requirements, it is very difficult to generalize, but it looks like many lose their jobs within a few months and many of the jobs still leave the families in poverty. Nine states reported entry level wage data. The range of reported entry level wages are \$4.44 to \$6.57. Assuming a 35-hour week, this translates into monthly wages of \$668 to \$989. Thus, in only one state would a family escape poverty (\$964/month).

The gap between the rhetoric accompanying the Family Support Act and the performance to date is unsurprising. Given the states' economies and fiscal problems and the level of current funding, it is not reasonable to expect JOBS to do much of anything for the vast majority of welfare recipients. At present, the states are spending only about 60 percent of the allocated federal funds and serving at most 10 percent of the AFDC families. Even if the states spent 100 percent of federal funding, JOBS would probably not reach a quarter of AFDC families — past experience indicates that programs become more expensive per participant the larger the number served.⁶ The problem of low participation is not the need for more authority to require participation; it is for more resources to operate programs.

The Economic Limits of Work and Welfare

When we place the experience of the welfare work programs in the context of present-day labor markets, we see that welfare recipients cannot even come close to supporting themselves by earnings alone. In view of their education and skill levels, their labor market consists of low-wage, low-skilled, and most probably, part-time jobs with no benefits. While there have been few studies of the employment experience of Southeast Asians, they are, particularly the "second wave," disadvantaged in the labor market. Despite the fact that many are skilled, they face at the minimum, severe language barriers. They are, for the present, less-skilled, low-wage workers.

However, the problem of low-wage work is not limited to low human capital. Structural changes play a key role. Several studies of the growing inequality of earnings have reached a very similar conclusion, namely, that the real earnings of the less skilled, less educated workers have declined substantially since 1973. Moreover, this decline occurred during a period of economic expansion (Blackburn, McKinley, Bloom and Freeman, 1990; Blank, 1992; Mishel and Frankel, 1991). Employed men, ages 18-65, with less than 12 years of education, earned 13 percent per week less in 1989 than they did ten years earlier. The decline was especially pronounced for prime-aged adults, 24-35, with a high school diploma or less. White male dropouts experienced a 19 percent decline as compared to a 14 percent decline for white females. Furthermore, this decline was not because of the shift in jobs from manufacturing to service; real wages declined in both sectors. The earnings of less skilled women have remained flat. However, women still earn substantially less than men (Blank, 1992, p. 6).

Not only did earnings decline, but so did employment for the less skilled worker. It is this combination — declining real earnings and rising unemployment — that has resulted in increasing poverty among families. They simply cannot work their way out of poverty. In 1989, 22 percent of poor working adults worked full-time, year-round, while 43 percent worked at least 50 weeks. It is not surprising that over the last two decades, there has been a steady decline in work among men in families in the bottom fifth of the income distribution (earning less than \$12,497 in 1989).

The future does not look good for the less skilled worker. First, there have been the sectoral shifts in employment, namely, the declining manufacturing opportunities for this group. Wages in the service sector are lower but skill levels are higher. Second, unemployment rates have been rising, disproportionately affecting the disadvantaged worker. Third, while the impact of immigration varies, there has been a large increase in less educated immigrants and this has contributed to the decline in labor market participation for less skilled workers.

There has been a significant decline in the minimum wage, in terms of purchasing power. At \$4.25 per hour (the current rate) for a full-time worker in a family of four, earnings are still only two-thirds of the poverty line. Between 1979 and 1987, the proportion of workers who earned poverty level wages increased from 26 percent of the workforce to 32 percent. Women are much more likely to earn low wages than men: in 1987, 40 percent of women workers were still below the poverty line. While the expansion of low-wage (below poverty level) jobs affected all workers, it was greatest for minorities.

On the supply side, it is often argued that the decline in basic reading and math skills accounts for the decreased earnings of the less educated. However, earnings for blacks fell while test scores and academic achievement rose, and earnings of less educated cohorts fell as they aged. The more likely explanation is that academic skills have not kept pace with job requirements.

Not only is there the spread of low-wage jobs, but the nature of employment is also shifting from full-time work for a single employer to various forms of "contingent" work (U.S. Government Accounting Office, 1991). Many workers are employed in part-time, temporary, contract, or other types of flexible work arrangements. According to the General Accounting Office, it is estimated that as of 1988 there were 32 million contingent workers, accounting for almost a quarter of the workforce. The contingent workforce grew rapidly in the 1980s, and is expected to increase again since new jobs are expected to be almost entirely in the service sector, where part-time employment is most likely to occur. According to the Bureau of Labor Statistics (BLS), almost two-thirds of the new entrants into the labor force by the year 2000 will be women,

and they are more likely to hold part-time and temporary jobs. More than a quarter of women work part-time, making them 1.5 times more likely to be so employed than the average worker. Although most part-time workers are women, men now account for a significant fraction (Blank, 1990). It is estimated that by the turn of the century 40 percent of jobs could be part-time.⁷

Part-time jobs are more likely to be dead-end. Part-time workers keep their jobs for shorter periods than full-time workers. The average job tenure for a part-time worker is 3.4 years, as compared to 5.7 for full-time working women and 8.1 years for full-time working men. Part-time workers not only often lack health and pension benefits, they also receive a lower hourly wage. Controlling for education, gender, and age, part-time workers receive about 40 percent less per hour than full-time workers in the same jobs. Part-time workers are disproportionately in the low-wage distribution. Part-time workers constitute 65 percent of all people working at or below minimum wage (Tilly, 1990, p. 9). As a result, families headed by part-time workers are four times more likely to be below the poverty line as compared to families headed by full-time workers. A fifth of families headed by part-time workers were in poverty, and 12 percent also received welfare as compared to 2 percent of families headed by full-time workers (U.S. General Accounting Office, 1991, pp. 5-6). The significant portion of employees in part-time work, and the expected proportional growth of this form of employment, indicate that under-employment is going to be a continuing concern.

This, then, is the labor market for the population that we are concerned with. The Southeast Asian family on welfare is a two-parent family. Yet, in many of these families, only one parent has a full-time, low-wage job, or, if both work, the combined earners are less than two full-time jobs.

It is easy to see now why past and present welfare-work programs sort out the way they have. Despite all the publicity, the fact remains that very few participants are better off economically. The Riverside, California, program is now being touted as a success, but the average earnings increase for the participants is only \$961 more per year than the controls. The "modest" effects of these programs are not surprising. The ones that have proved to be cost-effective are low-cost job searches

pushing people into low-skilled, low-wage jobs, and low-cost, short-term programs are not likely to produce higher earnings.

The vast majority of welfare recipients have education and skill deficits, and much of JOBS is devoted to education and training. However, education and training is far more costly than job search. In addition to schooling costs, the participants are still on welfare. To date, there have been no evaluations of the cost effectiveness of this approach, but if past experience is any guide, there will be increasing pressure to scale back. WIN II replaced the education and training of WIN with immediate placement in low-skilled jobs when welfare rolls and costs continued to rise. Massachusetts abandoned its generous Employment and Training program when its economy soured. Also, we should recall the previously-mentioned California governor's statement about letting the job market, not the caseworker, determine who is employable.

Finally, we must not forget that industries employing relatively low-skilled workers are facing increasing competition from abroad, and these downward pressures on wages will continue into the foreseeable future, thus further diminishing the earnings prospects for the less skilled worker.

It is clear that requiring welfare recipients to work for their relief does little to improve their economic well-being. It is also clear that for the majority of AFDC recipients, even when they work, periodic dependency on welfare benefits is unavoidable. Thus the dominant cultural norm of viewing welfare as the antithesis of work contradicts the social reality, in which work and welfare must complement each other. As long as this dependence is not recognized, work programs will continue to serve their symbolic function while being mostly marginal to the social reality of poverty and welfare. At the same time, society will collectively believe that it is "ending welfare as we know it." But if history is any guide, life will go on for the overwhelming majority of welfare recipients.

Solutions

While much of the debate over welfare reform is driven by the concerns over single-female households, the plan being discussed by the Clinton administration could either open or

diminish opportunities for Southeast Asians. According to the National Council of La Raza (1994), the administration's proposal consists of five main objectives:

- Promote parental responsibility through such efforts as allowing noncustodial fathers to live with their families, requiring teenage mothers to live with their parents, and preventing teen pregnancy.
- Making work pay by expanding childcare, facilitating receipt of tax credits for the working poor (the Earned Income Tax Credit), and encouraging new support programs for the working heads of two-parent families.
- Promote full-time participation in the labor force by providing access to education and training, limiting eligibility duration for cash assistance, and requiring able-bodied adults to work after the end of the time limit.
- Strengthen child support enforcement so that noncustodial parents contribute financial support to their children.
- Reinvent assistance programs to reduce administrative bureaucracy, combat fraud and abuse, and give states flexibility to experiment with work-related programs.

The above objectives could represent a major step forward.

At the policy level, we believe that it is crucial that the focus be on employment, not welfare.⁸ Two-parent families, especially families such as Southeast Asians, primarily lack earned income. Here, two approaches should be used. First, there is a great need for education and training, a point we share with the Clinton proposal. The poor will not be able to escape poverty and welfare unless they improve their employment skills. For some Southeast Asians, there was a clear difference in employment between those who were able to obtain English language training and those who were not. For others, though, additional employment skills will be needed. However, one of

the dangers of the current proposals is that they are focused on teen parents and young adults. The pressure, then, will be to concentrate education and training resources on these groups, which may lead to a diversion of resources from other adults on welfare. This is another reason why education and training should not be tied to the AFDC program. Rather, these programs should be separately organized — for all at-risk workers — and should include employer-based training and apprentice programs, as well as publicly sponsored education and training.

Second, in view of the continuation of low-wage, low-benefit jobs, large numbers of families with employed parents will still be in poverty. Here, a two-fold approach is needed. First, continuing efforts have to be made to improve the earnings and benefits from regular jobs. Second, earnings from work should be regarded as supplemental income. The expansion of the Earned Income Tax Credit by the Clinton administration is a major reform, and when fully funded, can increase family income significantly.⁹ Food Stamps should be continued, and housing and child care subsidies increased. In addition, the Clinton health care proposals promise to be a significant reform. At the present time, the lack of health benefits discourages people from leaving welfare or from seeking jobs. With these kinds of supplements, substantial numbers of working families will be relieved of the burdens of AFDC.

Strategies to promote self-sufficiency should go beyond targeting individual behavior to tapping collective resources — beyond jobs to other forms of economic activities. Southeast Asian neighborhoods, like many other low-income areas, have numerous community-based institutions and agencies that can help individuals struggling to move off public assistance. The support should not be limited to employment and training services, but should include moral support and group encouragement. Jobs constitute an important but not the sole avenue to economic independence. Programs based on the ethnic economy, collective ventures, extended families and self-employment should be accepted and funded. These alternative strategies do not replace but, instead, complement existing ones. When appropriately used, the broader approach can

greatly improve the chances of Southeast Asians to end welfare dependency.

The path we choose to end the current welfare system will say much about us as a society. It is far easier for us to demand that individuals assume responsibility of leaving welfare than for us to accept the obligation of ensuring that working individuals and their families live a decent life. There is no question that "ending welfare as we know it" is costly, at least in the short run. The cost, however, is not limited to the additional fiscal burden. There is a larger cost if our goal is to provide a reasonable minimal standard of living for all. Forcing welfare recipients into the labor market, even with a feasible amount of employment training, will not eliminate poverty, for market forces will continue to create a class of working poor. Our willingness to rectify this gross inequality is a measure of our character as a caring and just nation.

Notes

1. The program was called Aid to Dependent Children (ADC) until 1967 when it was changed to AFDC. For a history of the Aid to Dependent Children program, see Handler and Hasenfeld (1991).
2. Another important reason for the disproportionate absence of African Americans in OASI was the shorter life expectancy.
3. Despite its name, Unemployment Insurance today covers less than a third of the unemployed who receive benefits. The rest have either exhausted their benefits, or failed to qualify.
4. Unemployed adults qualify for Food Stamps, but the only income-maintenance program for most is General Assistance, which is administered at the state and local level. It is the most mean-spirited of all the programs. While there is great variation from locality to locality, benefits are very low and often short-term. There are severe restrictions and work obligations. Although precise estimates are hard to come by, most potentially eligible adults and families are not included.
5. *Califano v. Wescott*, 443 U.S. 76 (1979)
6. The cost of purchasing new services may be more than existing services, and states may have creamed in the initial stages — in terms of employability, trainability, and lesser child care costs.
7. Professor David Lewin, Director, UCLA Institute of Industrial Relations, *Time*, February 1, 1993, p.53.

- 8 . This position applies not only to Southeast Asians but for most two-parent households on public assistance — for people who have work histories, are employable, and need only short-term assistance (Lynn, 1993).
- 9 . EITC, when fully funded, with food stamps, would ensure that if a family of four (or less) had a full-time minimum wage worker, it would be lifted to the poverty line. This assumes that the minimum wage will be indexed to inflation, as proposed by the administration (Center on Budget and Policy Priorities, 1993).